

WE SUPPORT AVIATION INDUSTRY

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ANNUAL REPORT 2013

Year Ended March 31, 2013



AIRPORT FACILITIES CO., LTD.

Sogo Building No. 5, 1-6-5 Haneda Airport, Ota-ku, Tokyo 144-0041
TEL: 81-3-3747-0251 FAX: 81-3-3747-0225

 **AIRPORT FACILITIES CO., LTD.**

Our Mission

Our mission is to play a vital role in the progress of aviation as a pivotal private company operating mainly at airports, through creating and providing necessary facilities and functions at airports.

Corporate Philosophy

- 1 We will continually advance ahead of the demands and changes of the times by producing creative innovation and we will endeavor to raise corporate value.
- 2 We make effort to be a reliable and trusted company that always provides value which satisfies customers and complies with public expectation.
- 3 We will foster our staff, and encourage and reward the efforts they make and the challenges they tackle.
- 4 As a member of civil society, we observe rules and respect fairness.



Since 2012, airline companies have been showing high-level performance due to management effort and recovering flights demand. In addition, airline companies are making further cost cutting effort to cope with such issues as the emerging of low-cost carriers (LCC), weak yen, and high fuel costs, and also are prepared for the increasing number of slots to 447,000 at the Tokyo International Airport scheduled for next spring. Given the business condition surrounding airline companies have reached a new phase, responding to these trends became an important issue for us. It is challenging for us to confront these changes in surrounding.

For the past few years, our Group, including its consolidated subsidiaries has been focusing on three points: increase in occupancy rates of rented facilities, cost saving through streamlining of management, and acquisition of new customers. Our concretized efforts in line with these points consists of a lease on a vacant large-size hangar in the Tokyo International Airport to an emerging airline company, construction of apartments near the Tokyo International Airport for employees of an airline company, acquisition of an international airfreight logistics center near the Kansai International Airport, construction of an aircraft maintenance facility in Kobe Airport and a flight training facility in Kitakyushu Airport, as well as acquisition of high standard office buildings in Tokyo Metropolitan area. As a result, both net sales and operating income moved back into an uptrend in the fiscal year ended March 31, 2013.

In the fiscal year ending March 31, 2014, we started construction of a new facility for catering service and also decided to build the third apartment building near the Tokyo International Airport in response to the expected flight increase in the future. Also, we are planning to build a maintenance hangar for disaster prevention helicopters and a logistics facility in Kagoshima Airport, and to set up a solar power plant near Narita International Airport. Last but not least, our Group is, as part of our mid- to long-term challenges, putting up united energy to give full consideration to the redevelopment project in the 1-chome district and the vacant lot in the Tokyo International Airport, as well as to the overseas business responding to demand for aviation related facilities in emerging countries in Asia, leading up to our business expansion.

We highly appreciate your continued support for our Group.

August, 2013

T. Takahashi

Tomoyuki Takahashi, President and CEO



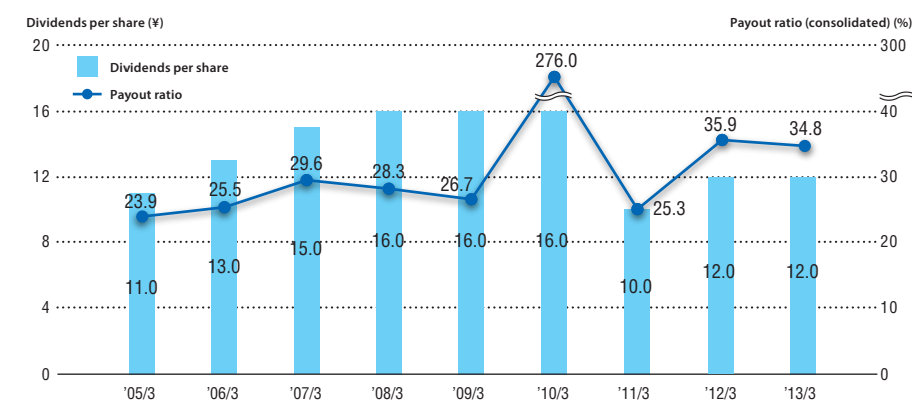
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Changes in Annual Dividend per Share and Payout Ratio

We recognize the prompt return to the shareholders as top corporate priority, intending to repay the due return to shareholders while considering various factors such as the internal reserves prepared for new business and investment opportunities, the mid- to long-term business outlook.

This policy has led to ¥6.0 year-end dividend to pay for the year ended March 31, 2013, the same as the previous fiscal year-end, resulting in an annual ¥12.0 dividend, the same as the previous fiscal year.

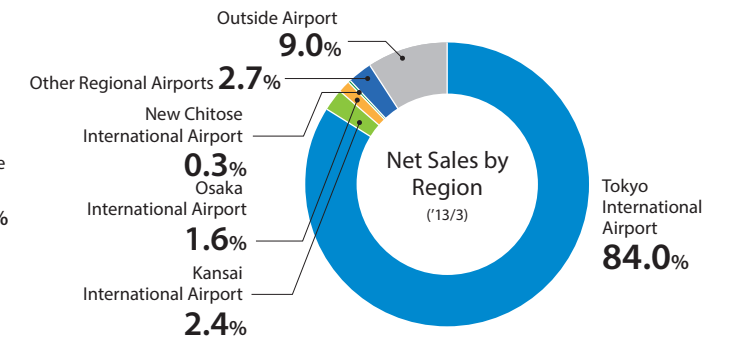
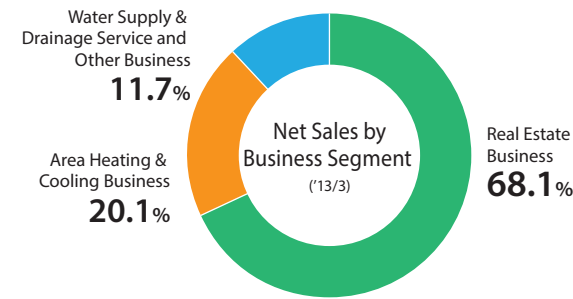


The statements about future described on this report such as earnings forecasts have been made based on information currently available and some conditions that we judge rational. Actual earnings may differ greatly from the above forecasts for various reasons.

Airport Facilities at a Glance

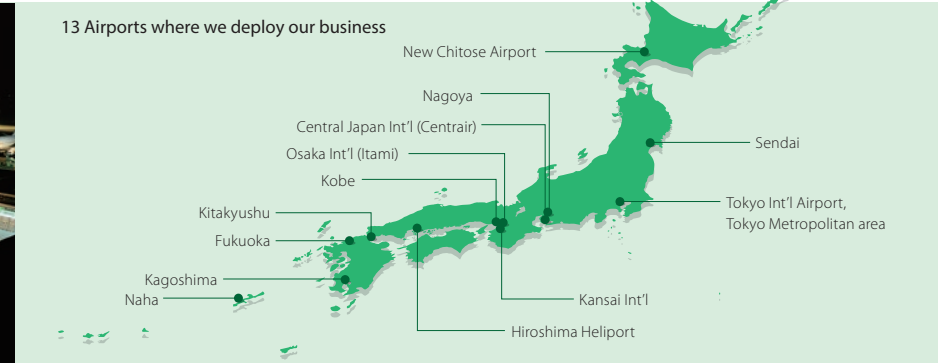
We create and provide airport functions, thereby contributing to the progress of aviation industry.

We create and manage the facilities and functions indispensable to ensure the appropriate management of airport leading up to the safety operation of airline companies.



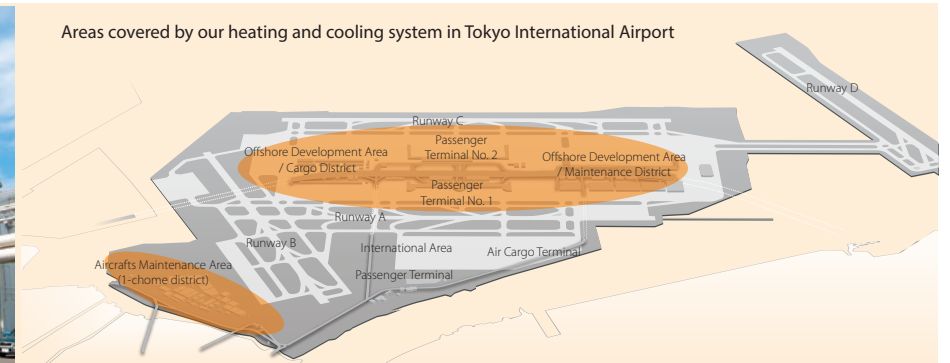
Real Estate Business

- Based in Tokyo International Airport, we construct multi-purpose buildings (Sogo buildings), hangars, maintenance shops, aircraft cleaning facilities, sanitary disposal plants (SD plants), and domestic air cargo terminals and lease them to airlines and airline-related companies in thirteen airports in Japan.
- We are also going to develop the business beyond airports, for example, in Tokyo Metropolitan area, as well as adjacent areas to the Tokyo International Airport and the Kansai International Airport.



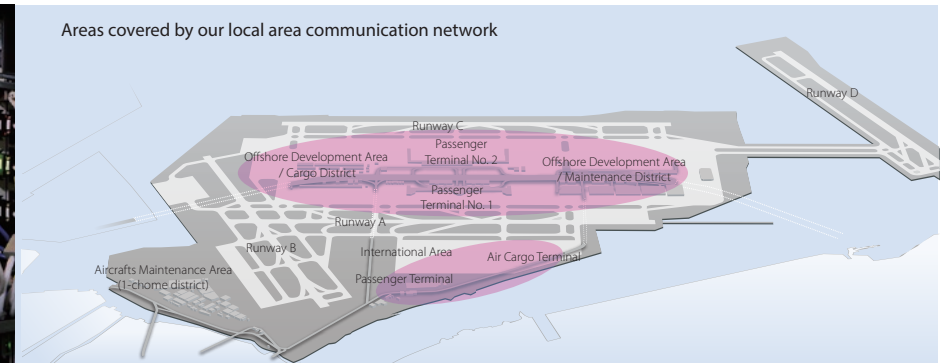
Area Heating & Cooling Business

- In the newly reclaimed land area offshore Tokyo International Airport, Tokyo Airport Heating & Cooling, our Group company, supplies thermal energy through a district pipeline network to facilities including government offices and Passenger Terminals No. 1 and No. 2.
- Our Energy Center supplies the facilities such as Sogo buildings, hangars, or plants in the former Aircraft Maintenance Area in Tokyo International Airport with cooling, heating, steam, and hot water through pipelines on a round-the-clock basis.

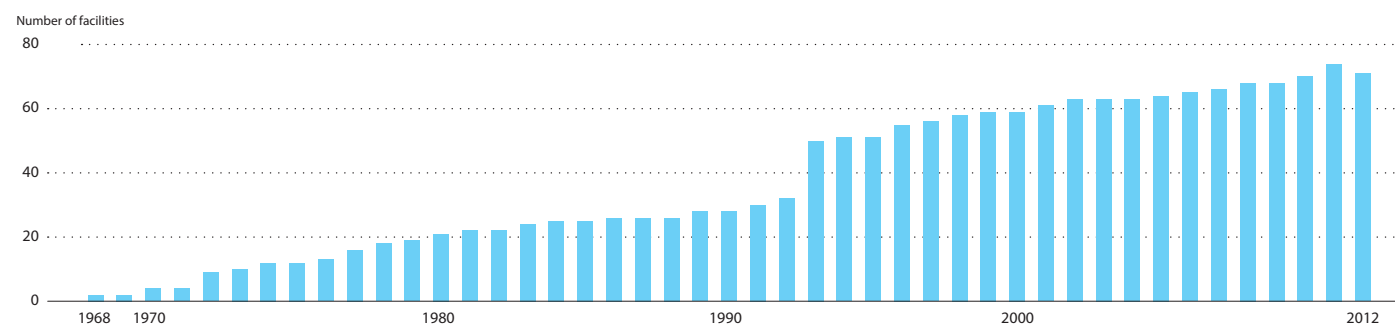


Water Supply & Drainage Service and Other Business

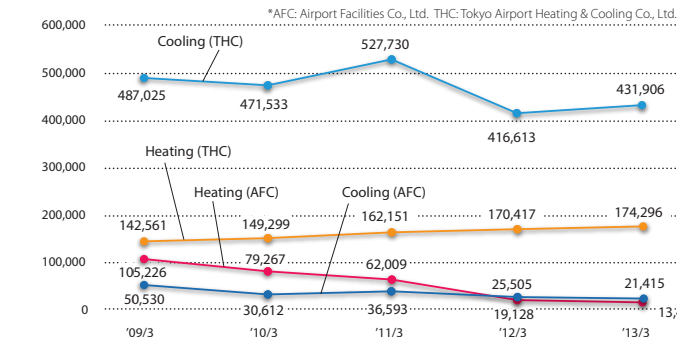
- We operate and manage water supply & drainage service in Tokyo International Airport.
- In the reclaimed land area offshore Tokyo International Airport, we have established the local area network for the airport related companies. We provide communication network for local area telecommunications and data communications.
- We provide local area network in Tokyo International Airport's International Area.



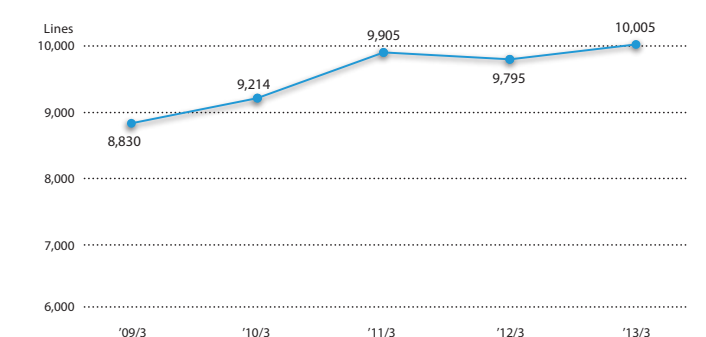
Number of facilities(1968 - 2012)



Volume of Thermal Energy Supplied (unit: GT)

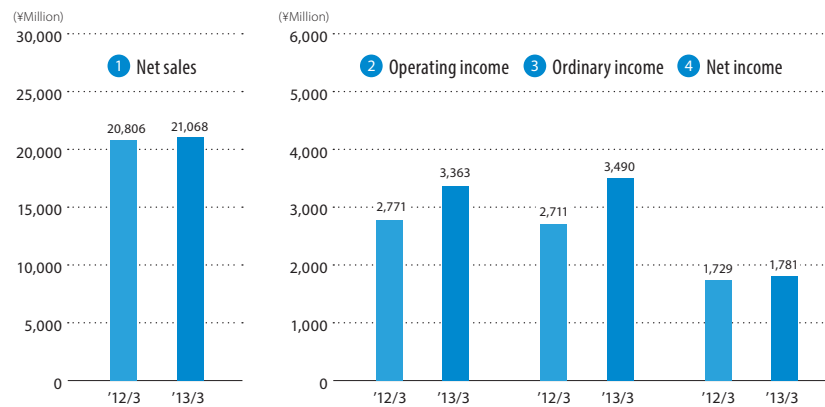


Number of Contracted Lines in Our Local Area Network

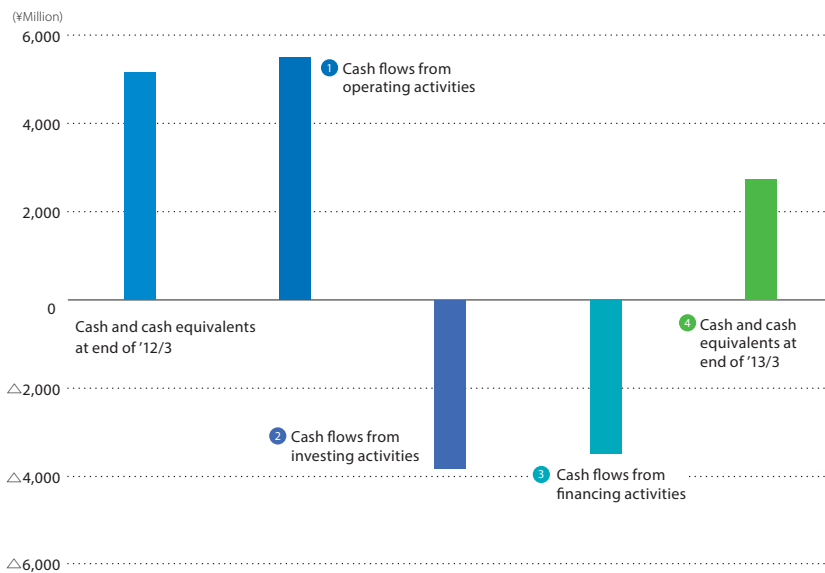


Highlights of the Consolidated Business Results for the Year Ended March 31, 2013

Consolidated Business Results



Consolidated Cash Flows



1 The Group's net sales increased only 1.3% from the previous fiscal year due to a fall in the revenue attributable to the several expiration and modifications on the agreement of water supply and drainage contract, despite the revenue increase from the lease of the West Hangar and No. 7 Sogo Building in the Tokyo International Airport, improvement in the occupancy rate, the year-long rent income contributed by the full-year lease of Rinku International Logistics Center and Kobe Airport Hangar purchased and completed respectively in the fiscal year ended March 31, 2012, and the new rent income from Kitakyushu Airport Training Center completed in the fiscal year ended March 31, 2013.

2 Operating income rose by 21.4% in comparison with the previous fiscal year due to the year-long rent income from the newly leased facilities, and the decrease in general, and administrative costs.

1 Income before income taxes and minority interests plus non-cash items such as depreciation and less trade receivables amounted to an in-flow of ¥5,522 million.

2 Net cash earmarked for investment amounted to ¥3,833 million, mainly attributable to acquisition of fixed assets.

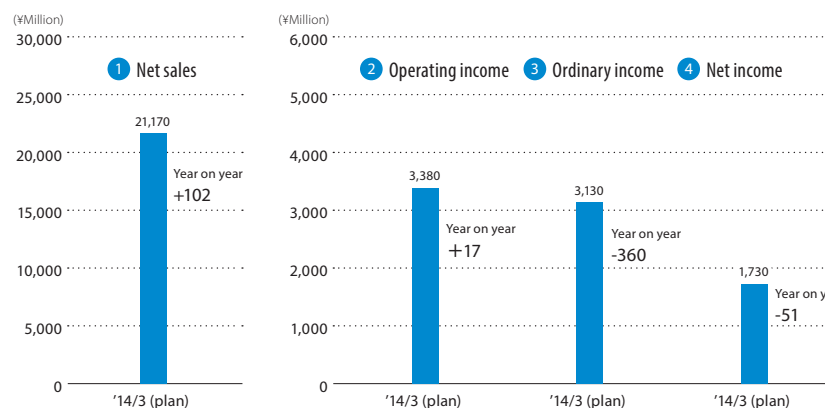
3 Net cash allotted for financing activities was ¥3,516 million, mainly attributable to repayment of loans.

For more detailed financial statements, please refer to our website, Financial Results, on "IR Library".

Airport Facilities Co., Ltd. [Search](#) [Home](#) [Investor Relations](#) [IR Library](#) [Financial Results](#)

Outlook for the fiscal year ending March 31, 2014

Consolidated Business Results



1 2 For the fiscal year ending March 31, 2014, we expect only slight year-on-year increase in our net sales by 0.5% (up ¥102 million) and in our operating income by 0.5% (up ¥17 million), estimating a decrease in sales from the cancellation of New Engine Maintenance Shop and the relocation of customers in Area Heating & Cooling service although we expect an increase in sales through the full-year occupancy and increased square meters at West Hangar in the Tokyo International Airport, the addition of Crew Training Center to Maintenance Center Annex areas, and the year-long occupancy of Kitakyushu Airport Training Center completed in the previous fiscal year.

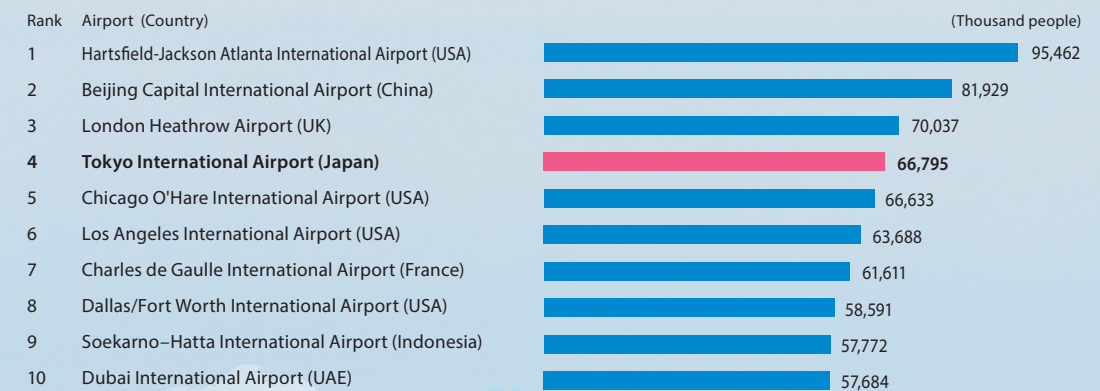
3 4 We expect our ordinary income to fall by 10.3% (down ¥360 million) and net income to drop by 2.9% (down ¥51 million) from the previous fiscal year due to a decrease in dividend income and the planned removal of obsolete facilities despite of our cost cutting effort.

Focus

Position and Prospects of Tokyo International Airport

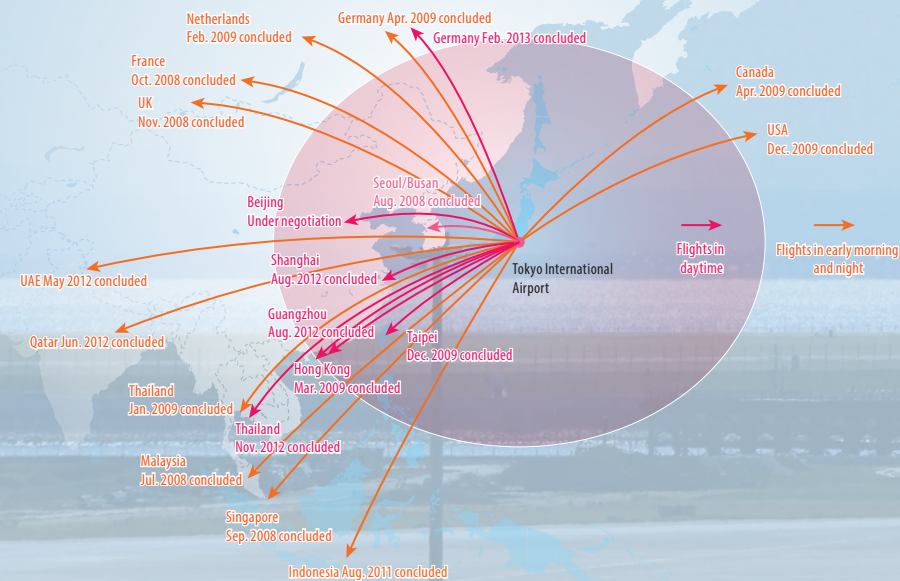
Taking advantage of its proximity to Tokyo Metropolitan area, Tokyo International Airport (Haneda Airport) which started its twenty-four hour operation and internationalization in 2010 is seeking to be a hub airport in Asia. With the expansion of international flights, the yearly number of passengers for 2012 increased by 6.7% from the previous year to 66,790 thousand, which ranks Tokyo International Airport top in Japan and fourth in the international ranking. The airport is expected to further grow and develop as a major hub for aviation network.

Highest ranking in Japan and number four in the world in terms of number of passengers



Source: "Preliminary World Airport Traffic 2012" (Airports Council International)

Favorable aviation agreements towards the expansion of international flights



Source: Ministry of Land, Infrastructure, Transport, and Tourism (including "agreement" to conclusion in the published documents)

Expected arrival and departure slot increase

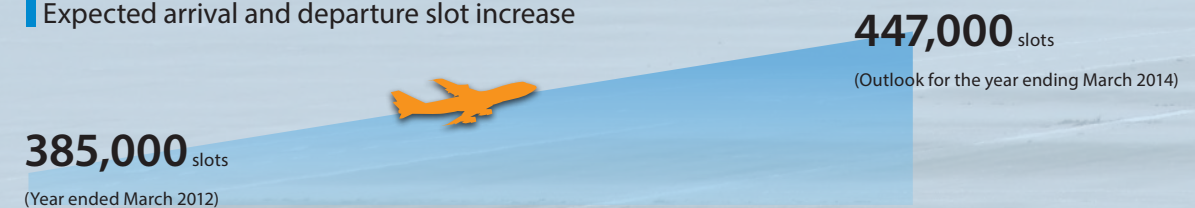


Photo: Aflo

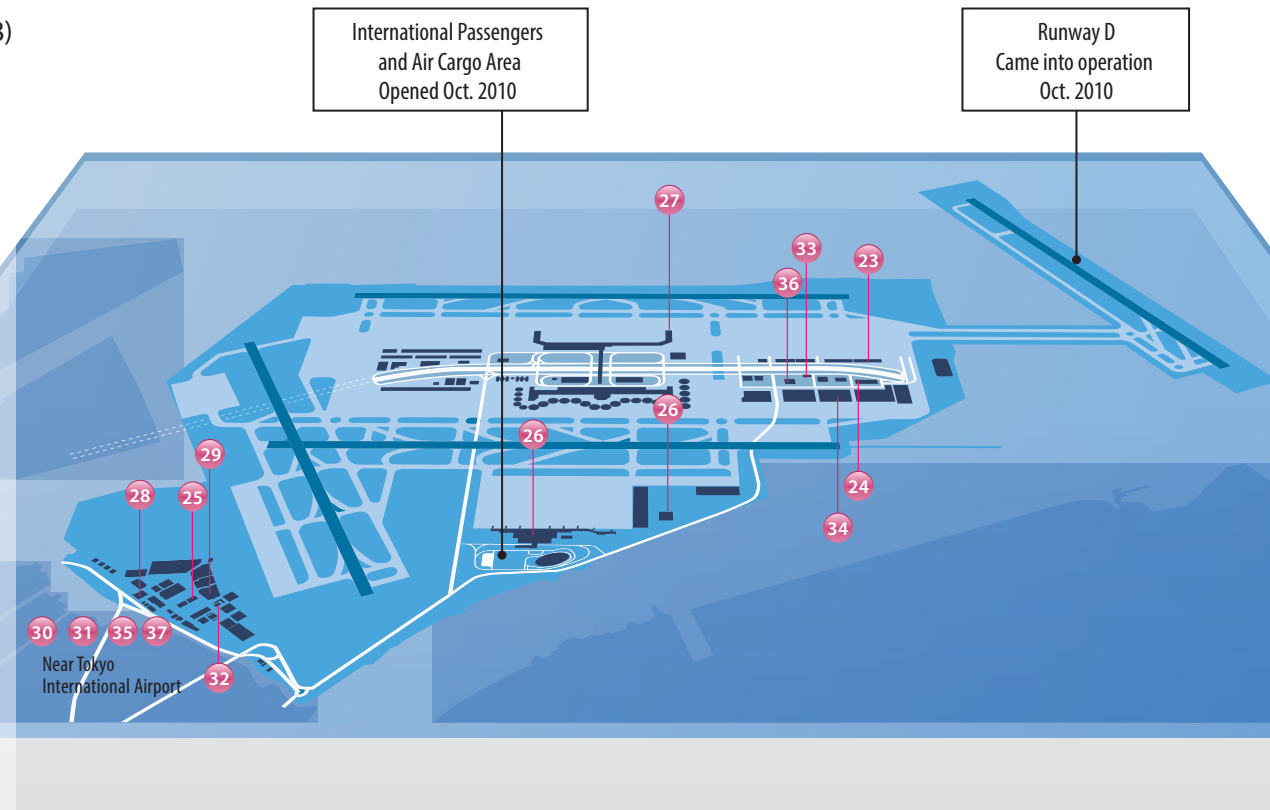
Focus: Our Business in the Tokyo International Airport

Since its establishment, our Group's stronghold has been Tokyo International Airport. Through experiences in Aircrafts Maintenance Area and Reclaimed Area offshore the former airport site, we have established a solid business base in real estate and infrastructure development business.

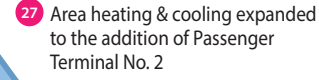
Also, taking advantage of full-scale internationalization and expansion of airports capacity currently in progress in the Tokyo International Airport as business field, we are deploying various efforts targeting at new demands and new customers.

Business Related to Re-expansion and Internationalization (from 2008)

Facilities / Services	Completion date	Major use / Functions
23 Engine Maintenance Building (South Wing)	Feb. 2008	Engine maintenance shop
24 Component Maintenance Building	Apr. 2009	Maintenance of aircraft components
25 Sogo Building No. 5	May 2010	Flight simulator
26 Expanded local area communication networks	Oct. 2010	Telecommunication service
27 Thermal energy supply to the addition of Passenger Terminal No. 2	Oct. 2010	Thermal energy
28 Sogo Building No. 3	Oct. 2010	In-flight meal preparation
29 Large-size hangar (the second training facility for Skymark Airlines)	Nov. 2010	Flight simulator/Sedentary studies
30 Tokyu Stay Kamata	Mar. 2011	Hotel
31 Sky Residence Minami Kamata	Nov. 2011	Apartments
32 Sogo Building No. 7	Feb. 2012	Training facility for flight crew
33 Maintenance Center Annex and Headquarters of Skymark Airlines	May 2012	Office (Headquarter of Skymark Airlines)
34 West Hangar	Jun. 2012	Hangar (Skymark Airlines)
35 Sky Residence Omori Higashi	Nov. 2013 (plan)	Apartments
36 Addition to Maintenance Center No. 3	Mar. 2014 (plan)	Providing in-flight services
37 Higashi-Kojiya Apartment House	Nov. 2014 (plan)	Apartments



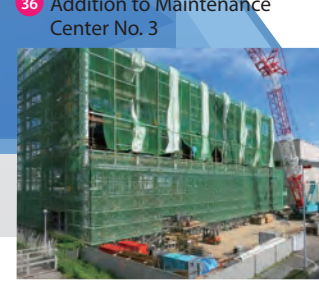
23 Engine Maintenance Building (South Wing) Maintenance shop of aircraft engines
24 Component Maintenance Building Maintenance shop of aircraft electrical components



27 Area heating & cooling expanded to the addition of Passenger Terminal No. 2
Energy Center

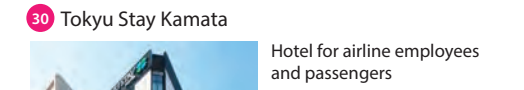


36 Addition to Maintenance Center No. 3



Facility to prepare in-flight meals

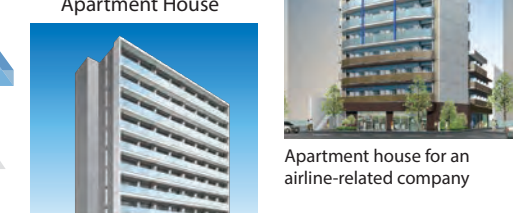
Near Tokyo International Airport



30 Tokyu Stay Kamata Hotel for airline employees and passengers



35 Sky Residence Omori Higashi Apartment house for an airline-related company

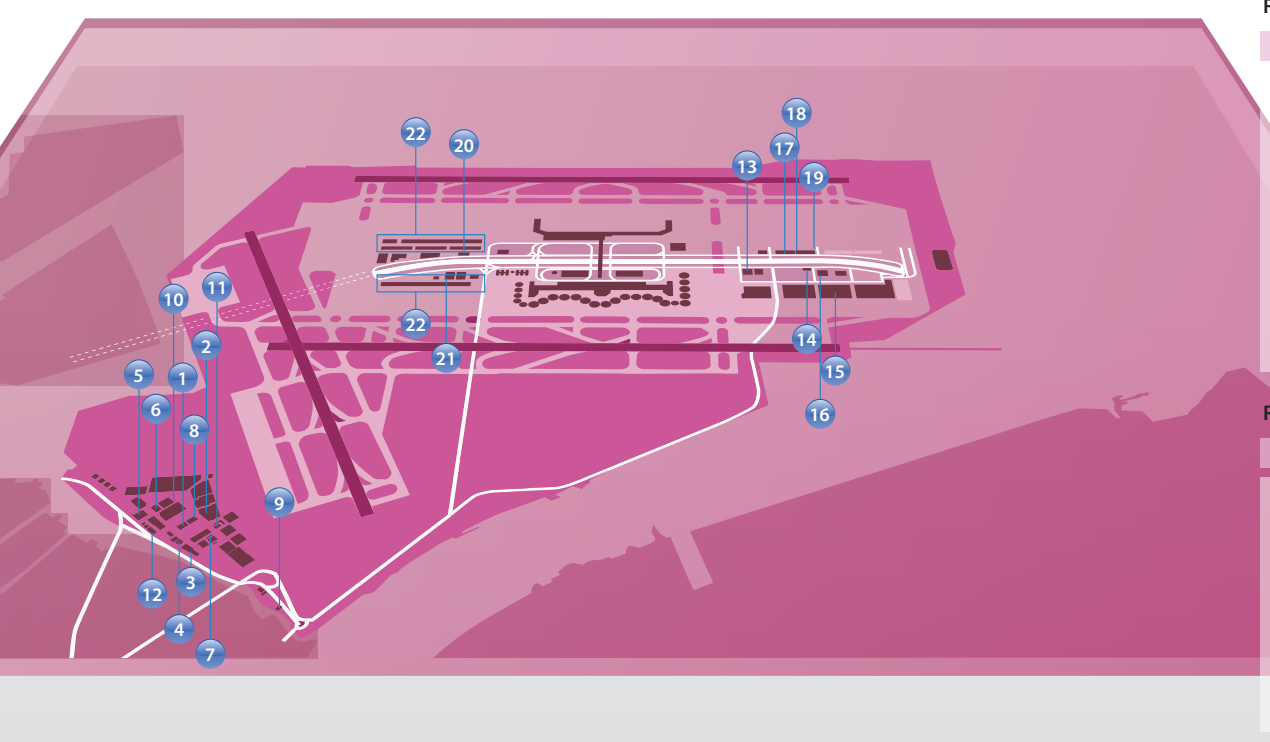


37 Higashi Kojiya Apartment House Apartment house for an airline-related company

Business in Former Aircraft Maintenance Area and Newly Reclaimed Area Offshore Former Airport Site (as of 2007)

Aircrafts Maintenance Area

Facilities	Completion (acquisition) date	Major use
1 Sogo Building No. 1	(Apr. 1970)	Office
2 Large-size hangar	Apr. 1970	Hangar
3 Sogo Building No. 2	Jul. 1972	Office
4 Energy Center	Sept. 1973	Thermal energy supply
5 Sogo Building No. 3	Feb. 1976	Office/Plant
6 Engine Shop No. 4	Aug. 1979	Plating plant
7 Sogo Building No. 4	Jun. 1980	Office
8 Sogo Building No. 5	Nov. 1981	Office/Plant
9 Sanitary Disposal Plant (SD Plant)	Dec. 1987	Plant for treatment sewage from aircrafts
10 Sogo Building No. 6	May 1989	Office
11 Sogo Building No. 7	May 1991	Flight simulator / Sedentary studies
12 Sogo Building No. 8	Mar. 1995	Office/Maintenance shop



Reclaimed Area Offshore Airport/New Aircraft Maintenance Area


Facilities	Completion (acquisition) date	Major use
13 Utility Center Building	Apr. 1993	Office
14 Maintenance Center Annex	Jun. 1993	Office/Vehicle Maintenance shop
15 West Hangar	Jul. 1993	Hangar
16 Ground Support Equipment (GSE) Maintenance Shop	(Mar. 2000)	Vehicle Maintenance
17 Technical Center No. 1	(Mar. 2002)	Training facility for flight crew
18 Technical Center No. 2	Dec. 2002	Training facility for flight crew
19 Large-aircraft cleaning facility	Mar. 2007	Aircraft cleaning facilities

Reclaimed Area Offshore Airport/ Cargo Handling Area


Facilities	Completion (acquisition) date	Major use
20 ARC Building	Jul. 1993	Office
21 Cargo Center Building Annex	Aug. 1993	Office/Substation
22 Domestic Air Cargo Terminal		
E-1 wing to E-4 wing, W-1 wing to W-3 wing	Aug. 1993	Cargo handling
E-5 wing	Mar. 1998	Cargo handling
E-6 wing	Dec. 2001	Cargo handling

We are trying to renew and expand facilities and deploy our business beyond Tokyo International Airport area.

Upgradable Reconstruction of an Existing Hangar



To be completed in March 2014
Reconstruction of a small size hangar in Kagoshima Airport



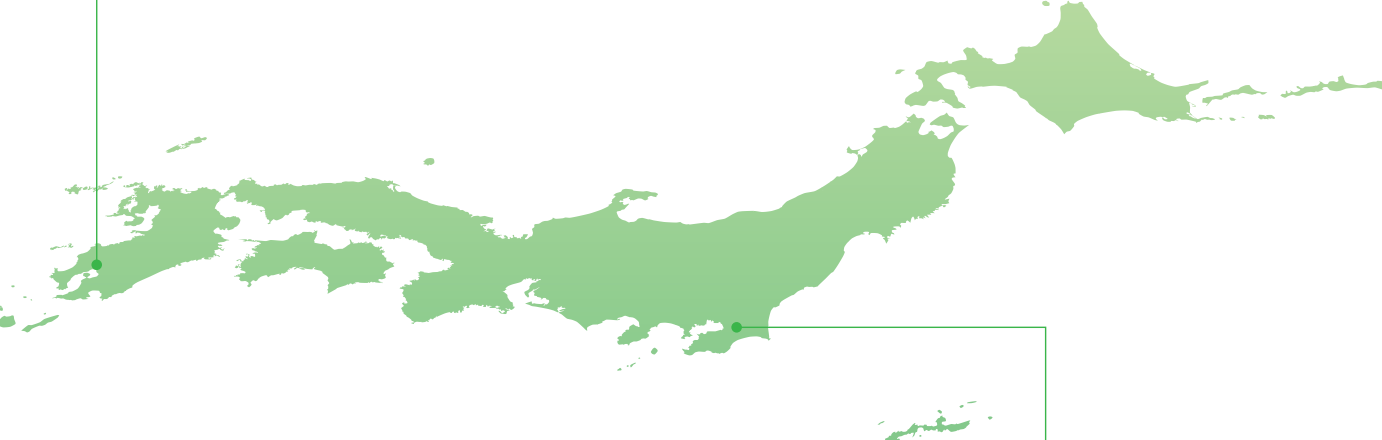
Existing hangar

- Completion: No. 1 Hangar in November, 1972, and No. 2 Hangar in October, 1984
- Upgrading reconstruction of No. 2 Hangar was planned to deal with latest aircrafts.

Completion Image


- To be completed in March 2014
- Environmentally friendly solar panels installed

[Facility Summary]
Function: Hangar for helicopters, etc.




Solar Power Plant—Making good use of the idle land we own near the Narita International Airport

To be completed in September 2013
Constructing a solar power plant and starting electric power selling business




Our Company's idle land, adjacent to the Narita International Airport

- Utilization of idle land we own

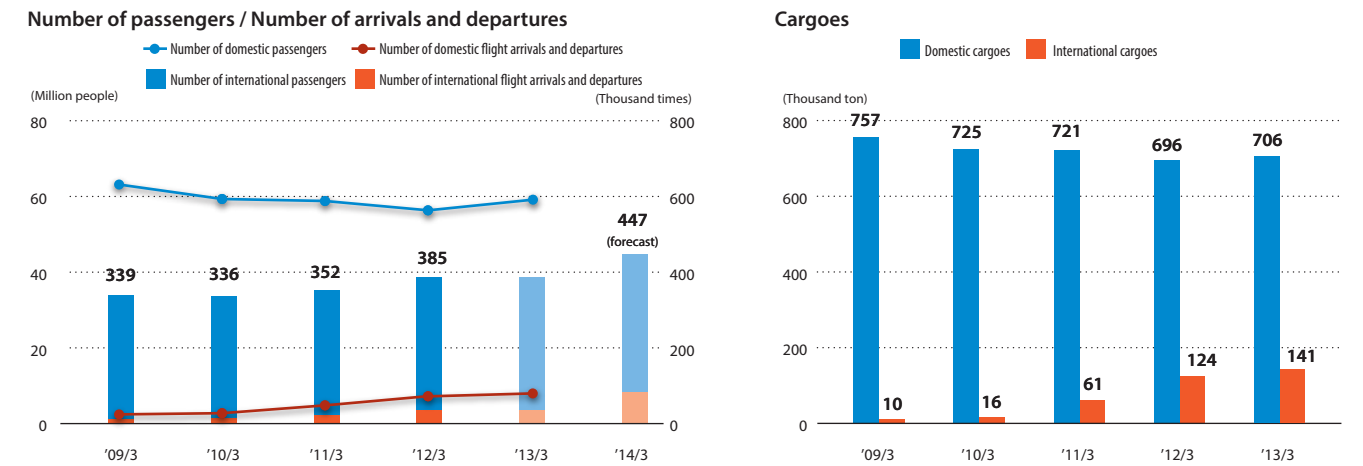


[Facility Summary]
Site Area: Around 10,000m²
Use: Solar Power Plant
Annual Electric-Power Generation: 680,000 kWh (planned)



We tackle the new challenges in the changing business environment surrounding us, such as further development of Tokyo International Airport, activation of local airports, streamlining and management of airline companies, and offshore movement of airport business.

Number of arrivals and departures, passengers, and amount of cargoes at Tokyo International Airport



1. Our Challenges to the Evolution of Changes and Developments of Aviation Industry

1 Our Approaches to Various Airline Related Facilities

- ① Our Approach to the New Development of Tokyo> Build-up of airline related facilities such as in-flight meal catering facilities responding to the increasing passengers in the Tokyo International Airport
Building company housings near the Tokyo International Airport for airline companies
- ② Our Approach to the Activation of Local Airports> Upgrading hangars to accommodate larger-size aircrafts used by news media, construction of logistic facilities
- ③ Our Approach to Innovation to Business> Novel methods to raise occupancy rates of our facilities inside and outside airports
Promotion to attract customers to facilities renovated to meet tenants' needs
- ④ Research on Overseas Business> Overseas business growth to capture demand for airport-related facilities in rapidly growing Asian countries
- ⑤ New Business Making Use of Our Idle Lands> Construction of solar energy plant and selling energy on our idle land

2 Our Cost Cutting through Streamlining Operation at Tokyo International Airport

- ① Drastic Business Review in the 1-chome District> Streamlining operation by dismantling non-operating facilities
Further maintenance cost cutting through thorough review of Area Heating & Cooling Business

2. The Outlook of the Development Plan of Tokyo International Airport

- ① Redevelopment of the 1-chome District
We proposed a specific plan for the efficient use of limited airport satisfying required airport functions accompanied by the airport capacity increase
- ② Zone 2 of the Former Airport Site (53ha)
We are ready to cope with the review of the governmental zoning plan (commercial zone, etc.) for Zone

3. Other Activities

- ① Dealing with the Government-Led Airport Management Reform Plan
We closely watch and investigate the enforcement of "the law regarding the operation of the airports under government administration making the most of private sectors initiative" and cope with the new situation thereafter

We continue enriching the contents of our website serving our stakeholders including shareholders and investors as communication platform. Our website contains various useful information facilitating your understanding our business. You can see how our facilities are used through video titled "Backstage of Airport." In addition to IR information continuously enriched.



"Backstage of Airport" presents dynamic images and sounds of "Hangers," "Maintenance Buildings," "Aircraft Cleaning Facilities," and "Multi-purpose Buildings (Sogo Buildings)".



Top interview



Tokyo Airport Heating & Cooling Co., Ltd. (THC)

Since its establishment in June 1993, Tokyo Airport Heating & Cooling Co., Ltd. (THC) has been engaged in area heating and cooling operations for the Tokyo International Airport in the reclaimed area offshore former Tokyo International Airport, giving safe and stable supply of thermal energy the top priority. Heating and cooling energy is generated at the Energy Center and supplied to various facilities in the airport including government offices, Terminal Buildings No. 1 and No. 2. As 20 years have passed since it started its service, the Company started to carry out a 10-year plan, incorporating eco-friendly and energy-saving measures, to renew equipments such as freezers and boilers from the fiscal year ended March 31, 2012.

Corporate Profile (As of March 31, 2013)

Company Name: Tokyo Airport Heating & Cooling Co., Ltd. (THC)

Established: August 24, 1989

Description of Business:

- (1) Providing various facilities in the Tokyo International Airport with air conditioning
- (2) All businesses related to the above

Capital: 2,900 million yen

Shareholders: Airport Facilities Co., Ltd. (60.3%), Other (39.7%)

Location: Headquarters

Energy Center
3-5-9, Haneda Airport, Ota-ku, Tokyo, 144-0041
TEL +81-3-5756-9800 (Main)

Main customers: Japan Airport Terminal Co., Ltd.

Japan Airlines Co., Ltd.
All Nippon Airways Co., Ltd.
Airport Facilities Co., Ltd.

Facilities

	Site area:	4,031m ²	
	Building area:	3,037m ²	
	Total floor space:	9,155m ²	
	5-story reinforced concrete building		
Energy Center		2,500RT x 1	
	Freezer	Turbo chiller 2,250RT x 2	
		1,000RT x 2	
Thermal energy generators		Absorption chiller 2,500RT x 7	
	Boilers	Water-pipe boiler 35 T/H x 3	
		Flue boiler 15 T/H x 1	
	In public conduit	About 5,350 m	
Pipeline	4 pipe system	Suspended	About 300 m
		Buried	About 700 m
	Pipe diameter	Cooling pipes	φ125-1,200
Steam and circulating-water pipes		φ65-500	



24-hour control room



Energy-saving high efficiency freezer



Water-saving cooling water recycling equipment



Pipeline (in public conduit)

Consolidated Financial Data & Industry Related Data (Ten-year Summary)

Primary Consolidated Financial Data Charts (Five-year Trend)



Ten-year Financial Summary & Industry Related Data

	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3	'13/3
For the Year										
Net Sales (¥Million)	28,045	26,824	24,148	24,588	25,123	25,263	23,609	22,515	20,806	21,068
Operating Income (¥Million)	4,866	5,224	5,270	5,194	5,242	4,860	3,814	2,486	2,771	3,363
Ordinary Income (¥Million)	4,201	4,488	4,807	4,765	4,868	5,041	3,542	2,396	2,711	3,490
Net Income (¥Million)	2,235	2,471	2,687	2,621	2,919	3,100	299	2,045	1,729	1,781
EBITDA (¥Million)	11,455	10,868	10,787	10,320	10,833	10,726	6,730	8,757	7,231	6,445
Cash Flows from Operating Activities (¥Million)	8,999	8,472	8,166	7,575	8,045	8,213	7,443	7,659	2,861	5,522
Cash Flows from Investing Activities (¥Million)	(3,010)	(2,602)	(1,302)	(2,243)	(6,996)	(4,309)	(3,594)	(4,395)	(4,699)	(3,833)
Cash Flows from Financing Activities (¥Million)	(6,138)	(7,621)	(6,027)	(5,761)	340	(3,772)	(4,191)	(3,975)	3,117	(3,516)
Depreciation Expense (¥Million)	6,593	6,069	5,642	5,290	5,281	5,313	5,510	5,047	3,382	3,222
Business Investment in Plant and Equipment (¥Million)	2,998	1,908	1,023	2,839	6,234	5,295	3,427	12,545	7,177	3,166
At the Year End										
Net Assets (¥Million)	35,410	36,662	39,075	42,845	44,264	45,718	44,897	46,160	47,274	47,026
Total Assets (¥Million)	87,505	80,000	77,143	74,385	76,806	75,284	71,012	73,083	74,864	73,317
Interest-bearing Debt (¥Million)	37,827	31,478	26,092	21,134	22,196	19,566	16,537	14,002	18,094	15,920
Equity Capital (¥Million)*1	35,410	36,662	39,075	40,911	42,700	44,122	43,484	44,694	45,958	45,607
Per Share Data										
Net Income per Share (¥)	40.20	46.13	51.00	50.72	56.49	60.01	5.80	39.58	33.46	34.48
Net Assets per Share (¥)*2	669.83	708.54	755.28	791.84	826.48	854.01	841.67	865.11	889.58	882.80
Dividends per Share (¥)	9.0	11.0	13.0	15.0	16.0	16.0	16.0	10.0	12.0	12.0
Average Number of Shares during the Period (Shares)	54,470,974	52,506,889	51,668,868	51,666,230	51,665,185	51,664,320	51,663,628	51,663,281	51,662,681	51,662,417
Management Index										
Equity Ratio (%)	40.5	45.8	50.7	55.0	55.6	58.6	61.2	61.2	61.4	62.2
Debt to Equity (Times)	1.068	0.859	0.668	0.517	0.520	0.443	0.380	0.313	0.394	0.349
ROE (%)	6.47	6.86	7.10	6.55	6.98	7.14	0.68	4.64	3.76	3.91
Ordinary Income to Total Assets (%)	4.7%	5.4%	6.1%	6.3%	6.4%	6.6%	5.0%	3.3%	3.6%	4.8%
Operating Margin (%)	17.4%	19.5%	21.8%	21.1%	20.9%	19.2%	16.2%	11.0%	13.3%	16.0%
Payout Ratio (%)*3	22.1	23.9	25.5	29.6	28.3	26.7	276.0	25.3	35.9	34.8
Dividends to Net Assets (%)*4	1.5	1.7	1.9	1.9	1.9	1.9	1.8	1.1	1.3	1.4
Employees (Consolidated)*5	389	151	148	151	152	136	132	131	123	118
Data Related to Tokyo International Airport										
Number of Domestic Passengers	61,964,962	61,636,901	62,294,265	65,265,791	64,951,041	63,157,057	59,334,725	58,808,107	56,424,630	
Number of International Passengers	353,584	849,159	1,301,176	1,617,338	1,950,769	2,438,401	2,756,542	4,818,314	7,267,172	
Volume of Domestic Cargoes (ton)	625,047	653,902	678,092	701,363	718,205	757,108	724,539	720,787	696,083	
Volume of International Cargoes (ton)	0	0	1,892	5,317	6,595	10,059	15,561	61,270	124,005	

*1 Shareholders' equity until the fiscal year ended March 31, 2006 *2 Shareholders' equity per share until the fiscal year ended March 31, 2006 *3 Non-consolidated basis until the fiscal year ended March 31, 2004. Consolidated basis from the fiscal year ended March 31, 2005. *4 Dividend on equity ratio (non-consolidated basis) until the fiscal year ended March 31, 2006, and, dividend on net assets ratio from the fiscal year ended March 31, 2007 (consolidated basis) *5 Narita Airport Facilities Co., Ltd. was subject to the consolidation until the fiscal year ended March 31, 2004.

List of Facilities (AS of March 31, 2013)

Location	Type	Facility name	Date of completion (acquisition)	Major use	Total floor space	Major tenants
Tokyo International Airport	Building	Sogo Building No. 1	(Apr. 1970)	Office	12,887 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Sogo Building No. 2	Jul. 1972	Office	19,451 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Sogo Building No. 3	Feb. 1976	Office/Workshop	14,630 m ²	Japan Airport Terminal Co., Ltd.
Tokyo International Airport	Building	Sogo Building No. 4	Jun. 1980	Office	1,677 m ²	HAZAMA ANDO CORPORATION, etc.
Tokyo International Airport	Building	Sogo Building No. 5	Nov. 1981	Office/Workshop	11,091 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Sogo Building No. 6	May 1989	Office	1,886 m ²	Shin Nippon Air Technologies Co., Ltd., etc.
Tokyo International Airport	Building	Sogo Building No. 7	May 1991	Simulator room/Lecture room	3,023 m ²	panda - Flight - Academy Inc.
Tokyo International Airport	Building	Sogo Building No. 8	(Mar. 1995)	Office/Maintenance shop	13,166 m ²	
Tokyo International Airport	Building	Large hangar	Apr. 1970	Hangar	11,818 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Engine Shop No. 4	Aug. 1979	Plating plant	4,623 m ²	Japan Airlines Co., Ltd.
Tokyo International Airport	Building	Energy Center	Sept. 1973	Chiller room/Boiler room	1,462 m ²	
Tokyo International Airport	Building	Sanitary Disposal Plant (SD Plant)	Dec. 1987	Sewage from aircraft treatment plant	194 m ²	Airline companies
Tokyo International Airport	Building	Utility Center Building	Apr. 1993	Office/Substation	28,478 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	West Hangar	Jul. 1993	Hangar	24,900 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Maintenance Center Annex	Jun. 1993	Office/Vehicle Maintenance	9,499 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Ground Support Equipment (GSE) Maintenance Shop	(Mar. 2000)	Vehicle Maintenance, etc.	3,411 m ²	JAL Ground Service Co., Ltd., etc.
Tokyo International Airport	Building	Gas governor station	Apr. 1993	Gas governor room	260 m ²	TOKYO GAS Co., Ltd.
Tokyo International Airport	Building	Technical Center No. 1	(Mar. 2002)	Maintenance shop for aircraft parts, etc.	28,433 m ²	Japan Airlines Co., Ltd.
Tokyo International Airport	Building	Technical Center No. 2	Dec. 2002	Maintenance shop for aircraft parts, etc.	13,147 m ²	Japan Airlines Co., Ltd.
Tokyo International Airport	Building	Technical Center No. 2 extended	Mar. 2007	Maintenance shop for aircraft parts, etc.	3,826 m ²	Japan Airlines Co., Ltd.
Tokyo International Airport	Building	Domestic Air Cargo Terminal (E-1 to 4 wing, W-1 to 3 wing)	Aug. 1993	Cargo handling	67,513 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Domestic Air Cargo Terminal (E-5 wing)	Mar. 1998	Cargo handling	4,723 m ²	Skynet Asia Airways Co., Ltd.
Tokyo International Airport	Building	Domestic Air Cargo Terminal (E-6 wing)	Dec. 2001	Cargo handling	4,061 m ²	FUKUYAMA TRANSPORTING Co., Ltd.
Tokyo International Airport	Building	Domestic Air Cargo Terminal (E-3 wing) extended	Sept. 2007	Cargo handling	652 m ²	Nagai Co., Ltd.
Tokyo International Airport	Building	ARC Building	Jul. 1993	Office	11,288 m ²	TFK CORPORATION, etc.
Tokyo International Airport	Building	Cargo Center Building Annex	Aug. 1993	Office/Substation	1,772 m ²	ANA Airport Handling Co., Ltd., etc.
Tokyo International Airport	Building	Eastern ultrahigh voltage sub station	Aug. 1993	Substation	511 m ²	
Tokyo International Airport	Building	Large size cleaning facilities	Mar. 2007	Aircraft cleaning facilities	514 m ²	Airline companies
Tokyo International Airport	Building	Engine Maintenance Building, South Wing	Feb. 2008	Engine maintenance shop	19,768 m ²	ALL NIPPON AIRWAYS CO., LTD.
Tokyo International Airport	Building	Component Maintenance Building	Apr. 2009	Maintenance shop for aircraft parts, etc.	24,037 m ²	ALL NIPPON AIRWAYS CO., LTD.
Tokyo International Airport	Building	T104, etc.		Office	316 m ²	JAL facilities Co., Ltd.
Subtotal					343,017 m²	
New Chitose International Airport	Building	Hangar No. 1	Nov. 1974	Hangar	2,302 m ²	ALL NIPPON AIRWAYS CO., LTD.
New Chitose International Airport	Building	Administration office	Dec. 1991	Office	168 m ²	
New Chitose International Airport	Building	Sanitary Disposal Plant (SD Plant)	Jun. 1992	Sewage from aircraft treatment plant	182 m ²	Airline companies
New Chitose International Airport	Building	Warehouse, etc.	Dec. 1974	Equipment storage/Office	484 m ²	Skymark Airlines Inc.
Sendai Airport	Building	Small size aircraft hangar No. 1	Jun. 1986	Hangar	736 m ²	Kyoritsu Air Survey Co., Ltd.
Sendai Airport	Building	Small size aircraft hangar No. 2	Nov. 1993	Hangar	1,186 m ²	TOHO AIR SERVICE Co., Ltd.
Sendai Airport	Building	Annex building	Jun. 1993	Office	566 m ²	TOHO AIR SERVICE Co., Ltd., etc.
Sendai Airport	Building	Sanitary Disposal Plant (SD Plant)	Feb. 1996	Sewage from aircraft treatment plant		Airline companies
Sendai Airport	Building	Warehouse, etc.	Dec. 1974	Materials and oil storage	191 m ²	TOHO AIR SERVICE Co., Ltd., etc.
Nagoya Airport	Building	Hangar	Feb. 2010	Hangar	3,024 m ²	J-AIR Corporation
Central Japan International Airport	Building	Sanitary Disposal Plant (SD Plant)	Feb. 2005	Sewage from aircraft treatment plant	191 m ²	Airline companies
Osaka International Airport	Building	Osaka Sogo Building	Dec. 1968	Office	11,660 m ²	J-AIR Corporation, etc.
Osaka International Airport	Building	Sanitary Disposal Plant (SD Plant)	May 1977	Sewage from aircraft treatment plant	158 m ²	Airline companies
Kansai International Airport	Building	Sanitary Disposal Plant (SD Plant)	Jul. 1994	Sewage from aircraft treatment plant	1,886 m ²	Airline companies

Location	Type	Facility name	Date of completion (acquisition)	Major use	Total floor space	Major tenants
Kansai International Airport	Building	Large size aircraft hangar at the Kansai International Airport	Mar. 2002	Hangar	15,030 m ²	Japan Airlines Co., Ltd.
Kobe Airport	Land	Vacant land for hangar			6,850 m ²	
Kobe Airport	Building	Hangar	Nov. 2011	Hangar	8,165 m ²	Eurocopter Japan Co., Ltd.
Hiroshima heliport	Building	Small size aircraft hangar No. 1	Oct. 1983	Hangar	871 m ²	Aero Asahi Corporation, etc.
Hiroshima heliport	Building	Small size aircraft hangar No. 2	Jun. 1992	Hangar	179 m ²	Nakanihon Air Service Co., LTD.
Hiroshima heliport	Building	Annex building	Sept. 1983	Office	325 m ²	All Nippon Helicopter Co., Ltd., etc.
Fukuoka Airport	Building	Small size aircraft hangar	Feb. 1996	Hangar	900 m ²	NishiNipponAirLines Co., Ltd., etc.
Fukuoka Airport	Building	Sanitary Disposal Plant (SD Plant)	Sept. 1997	Sewage from aircraft treatment plant	168 m ²	Airline companies
Fukuoka Airport	Building	Office, etc.		Office/Materials & oil storage	294 m ²	NishiNipponAirLines Co., Ltd., etc.
Kitakyushu Airport	Building	Kitakyushu Airport Training Center	Aug. 2012	Simulator room/Lecture room	1,965 m ²	Star Flyer Inc.
Kagoshima Airport	Land	Vacant land			19,029 m ²	
Kagoshima Airport	Building	Common hangar No. 1	Nov. 1972	Hangar	1,023 m ²	
Kagoshima Airport	Building	Common hangar No. 2	Oct. 1984	Hangar	1,027 m ²	All Nippon Helicopter Co., Ltd.
Kagoshima Airport	Building	Kagoshima Center	Sept. 1989	Office	380 m ²	Kyushu Electrical Safety Inspection Association, etc.
Kagoshima Airport	Building	Transmitting station/Office, etc.	Apr. 1972	Transmitting station	202 m ²	
Kagoshima Airport	Building	Parts storage	Jul. 1998	Storage	25 m ²	
Naha Airport	Building	Small size aircraft hangar	Mar. 1996	Hangar	565 m ²	Ilas Air Co., Ltd., etc.
Naha Airport	Building	Oil and fat storage	Mar. 1996	Oil storage	13 m ²	Ilas Air Co., Ltd., etc.
Naha Airport	Building	Office building	Jun. 1999	Office	53 m ²	Ilas Air Co., Ltd.
Naha Airport	Building	Office wing at small size hangar	Aug. 2006	Office	20 m ²	All Nippon Helicopter Co., Ltd.
Naha Airport	Building	Sanitary Disposal Plant (SD Plant)	Jun. 2001	Sewage from aircraft treatment plant	185 m ²	Airline companies
Ota-ku, Tokyo	Land	Tokyu Stay Kamata			463 m ²	
Ota-ku, Tokyo	Building	Tokyu Stay Kamata	Mar. 2011	Hotel	3,340 m ²	Tokyu Relocation Co., Ltd.
Ota-ku, Tokyo	Land	Sky Residence Minami Kamata			298 m ²	
Ota-ku, Tokyo	Building	Sky Residence Minami Kamata	Nov. 2011	Apartments	1,317 m ²	ANA FACILITIES CO., LTD.
Ota-ku, Tokyo	Land	Maison Otorii			297 m ²	
Ota-ku, Tokyo	Building	Maison Otorii	(Mar. 2008)	Apartments	1,327 m ²	YANASE&CO., LTD.
Minato-ku, Tokyo	Building	Aviation Building (Koku Kaikan)	(Feb. 2003)	Office	6,468 m ²	Japan Aeronautic Association
Chuo-ku, Tokyo	Land	Kyodo Building (Muromachi 1-chome)			879 m ²	
Chuo-ku, Tokyo	Building	Kyodo Building (Muromachi 1-chome)	(Dec. 2010)	Office	5,251 m ²	KYODO SHISETSU Co., Ltd., etc.
Chuo-ku, Tokyo	Land	Kyodo Building (Muromachi 4-chome)			922 m ²	
Chuo-ku, Tokyo	Building	Kyodo Building (Muromachi 4-chome)	(Dec. 2010)	Office	5,423 m ²	Unitika Trading Co., Ltd., etc.
Narita city, Chiba, etc.	Land	Land		(Off-site)	32,637 m ²	
Kimitsu city, Chiba	Land	Land			4,819 m ²	
Izumisano city, Osaka	Land	Rinku International Logistics Center			19,015 m ²	
Izumisano city, Osaka	Building	Rinku International Logistics Center	(Sept. 2011)	Office/Cargo handling	52,815 m ²	Kintetsu World Express, Inc., etc.
Total	Land	86,859 m²				
	Building	473,082 m²				

Basic Philosophy

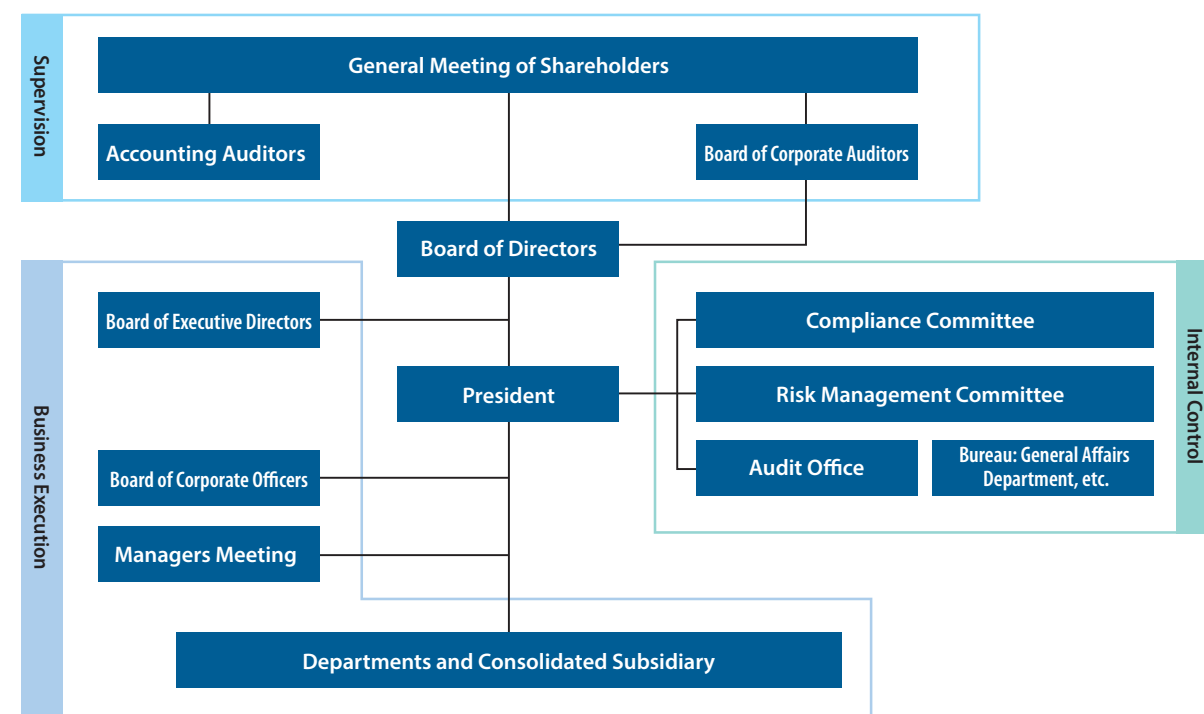
We are fully aware of the managing duties entrusted by our shareholders as well as our social corporate responsibilities in doing our business which handles a large number of passenger traffic and a large volume of cargo.

With our mission and corporate philosophy in mind, we strive to complete our corporate governance to improve our corporate value and for the common benefit of our shareholders.

Structure of Organization

Our corporate governance system is controlled by the Board of Directors and Board of Corporate Auditors and we adopt the Corporate Officer System aiming at rapid decision-making, etc. Furthermore, we strive to ensure managerial compliance, appropriateness and efficiency by maintaining and enhancing the internal control system shouldered by the Audit Office monitoring our business activities, Compliance Committee, and Risk Management Committee.

Diagram of Internal Control System



Internal Control System

Compliance

We have set up a Compliance Committee chaired by the president and composed of all representative directors and fulltime statutory auditors. The Committee examines important matters necessary to ensure our executive and employees the due execution of duty in compliance with laws and ordinances, the articles of corporation or in-house rules, bringing our whole group proper operations, prevention of compliance violations, legal risk avoidance or reduction.

Risk Management

Our Group which builds, and manages functional facilities indispensable for airports, is responsible for supporting the safe airport operation as well as flight operation. In this context, our Group has set up a Risk Management Committee comprised of directors, department heads, and representatives of subsidiaries, and strives to maintain and improve its comprehensive risk management system in order that no attendant risk on our business activities may hinder smooth airport operation and flight.

Internal Control over Financial Reporting

The Audit Office, under the direct control of the president, handles responding to the internal control reports required by the Financial Instruments Exchange Act, audits and evaluates our business from a wide-ranging perspective in order to ensure proper operations. Our Group is aware of the value of trustworthy disclosures, financial reports, etc., and it will continuously strive to work internal control system effectively and ameliorate it.

■ Corporate Name: Airport Facilities Co., Ltd. (AFC)

■ Established: February 1970

■ Capital: 6,826.10 million yen

■ Employees: 118 (Consolidated as of March 31, 2013)

■ Main Banks: Development Bank of Japan
Resona Bank
Mizuho Corporate Bank
The Bank of Tokyo-Mitsubishi UFJ
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank

■ Directors (as of June 27, 2013)

President and CEO	Tomoyuki Takahashi
Executive Vice President	Hiroshi Maruyama
Executive Vice President	Susumu Fukushima
Executive Vice President	Kenji Inaoka
Senior managing director	Toshiyuki Nagayoshi
Senior managing director	Hiroyuki Hoshi
Managing Director	Yoshiharu Iwami
Managing Director	Yukio Abe
Managing Director	Kousei Ashikaga
Director	Keisuke Komatsu
Director	Kazuhiko Muraishi
Director	Hayao Hora
Director	Toshiaki Norita
Full-time Statutory Auditor	Akihiko Yamada
Full-time Statutory Auditor	Yoshimitsu Amemiya
Statutory Auditor	Kiyoshi Terashima
Statutory Auditor	Akihiko Shiba
Senior Corporate Officer	Mineo Tsuguchi
Senior Corporate Officer	Hiroki Osawa

Stock Information (as of March 31, 2013)

■ Stock Listings: Tokyo Stock Exchange (TSE) 1st Section (Ticker Code: 8864)

■ Total Number of Shares Authorized: 124,800,000

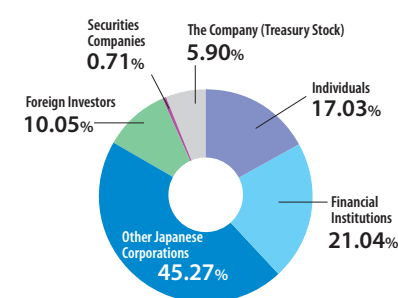
■ Total Number of Shares Issued: 54,903,750

■ Number of Shareholders: 5,423

Major Shareholders

Shareholder	Number of Shares Owned (thousands)	Ratio of Shareholding (%)
Japan Airlines International Co., Ltd.	10,521	19.16
ALL NIPPON AIRWAYS CO., LTD	10,521	19.16
Development Bank of Japan Inc.	6,920	12.60
KOKUSAI KOGYO HOLDINGS CO., LTD.	2,270	4.13
Tomio Banno	1,400	2.54

Composition of Shareholders



Stock Price and Trading Volume (Monthly)

