

WE SUPPORT AVIATION INDUSTRY

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ANNUAL REPORT 2014

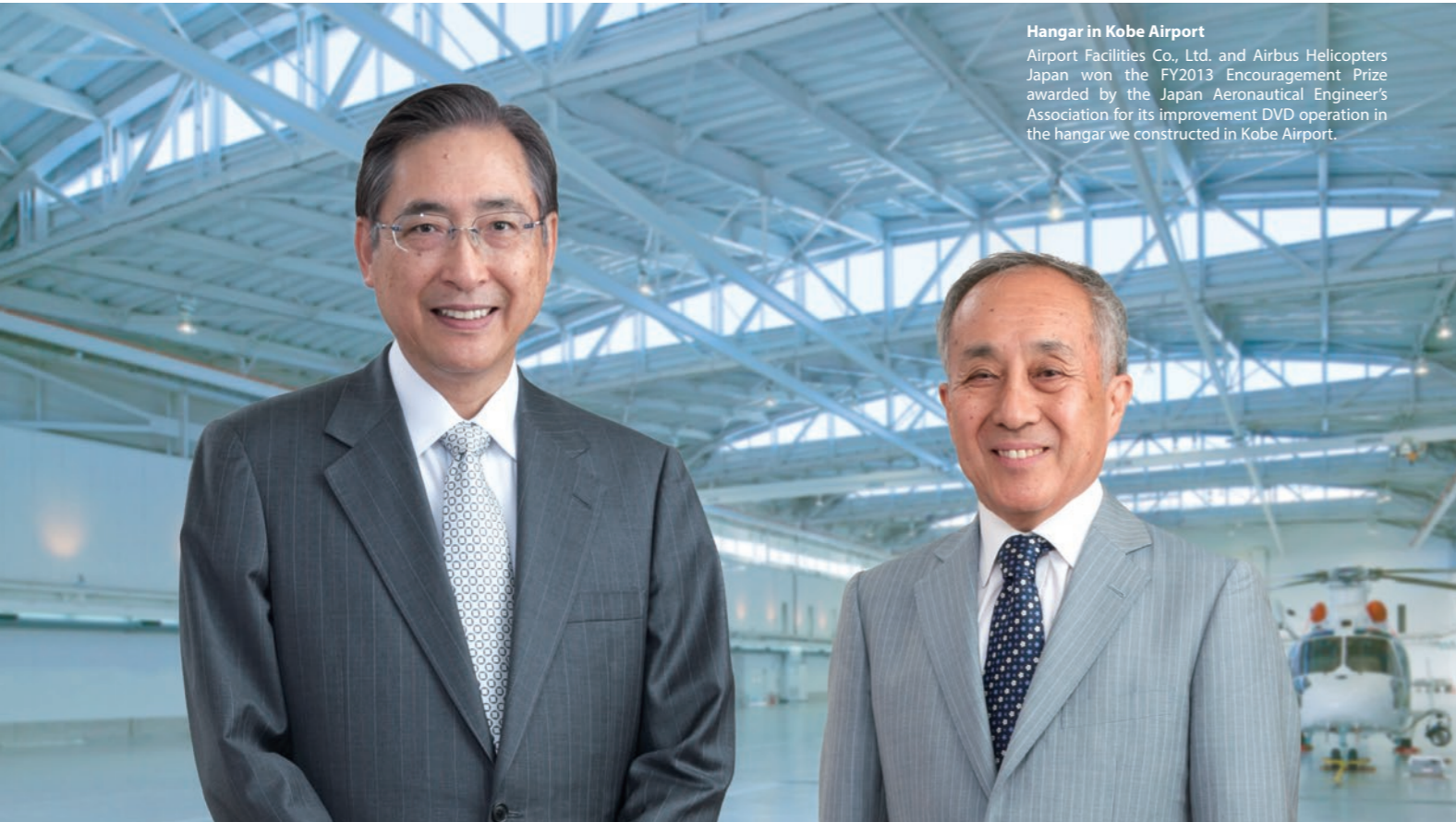
Year Ended March 31, 2014



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.**



Hangar in Kobe Airport
 Airport Facilities Co., Ltd. and Airbus Helicopters Japan won the FY2013 Encouragement Prize awarded by the Japan Aeronautical Engineer's Association for its improvement DVD operation in the hangar we constructed in Kobe Airport.

Chairman
Tomoyuki Takahashi

President and CEO
Hiroshi Maruyama

Major airline companies in Japan plan to expand their business according to the increase in demand for international flights. On the other hand, full-fledged participation by foreign airline companies in the international passengers market in the Tokyo Metropolitan Area has made competition there increasingly severe. Even in the domestic market where emerging companies are actively expanding their business and the price of fuel oil is hovering at a high level, legacy airline companies are striving to further reduce cost.

Under these circumstances, Airport Facilities Co., Ltd. has been providing airport-related facilities flights meeting the increasing demand related to international flights at Tokyo International Airport. We have been offering a factory for in-flight meals on international flights since this March followed by a factory catering in-flight meals. The company is also actively working to meet the needs for additional crew training facilities. Currently, the national government is conducting a survey on fundamental factors essential for further increasing the handling capacity at the airports in the Tokyo Metropolitan Area. We are also willing to participate in future issues of Tokyo International Airport, especially in the 1-Chome District, and continuously consider the redevelopment concept and make proposals and requests to the national government.

In the district adjacent to Tokyo International Airport, the third apartment building we are constructing is scheduled to be completed by November this year, in response to active demand for employees' residences and accommodations by airline companies. In the vacant lot at the front of the International Terminal, the deployment of accommodations and commercial facilities is expected anticipating the 2020 Olympic Games and the expansion of airport capacity. In the context of the national policy, we are ready to make the most of the knowhow we have acquired.

The company established a 100%-owned overseas company in Singapore last November, and started overseas operation. Making full use of the knowhow, technology and experience that we have developed in Japan, we would like to pursue construction, acquisition and lease of airport-related facilities abroad as well.

We highly appreciate your continued support for our Group.

August, 2014

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

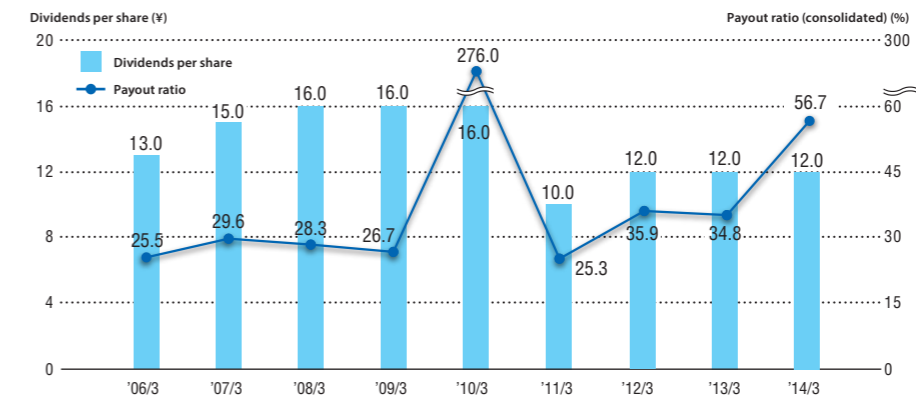
- 1 We will continually advance ahead of the demands and changes of the times by producing creative innovation and we will endeavor to raise corporate value.
- 2 We make effort to be a reliable and trusted company that always provides value which satisfies customers and complies with public expectation.
- 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.



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, 2014, the same as the previous fiscal year-end, resulting in an annual ¥12.0 dividend, the same as the previous fiscal year.



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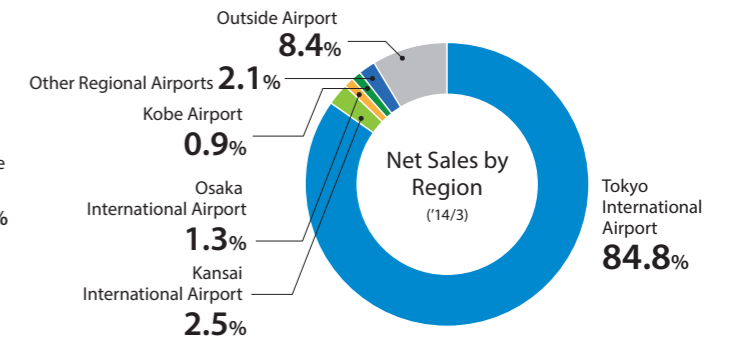
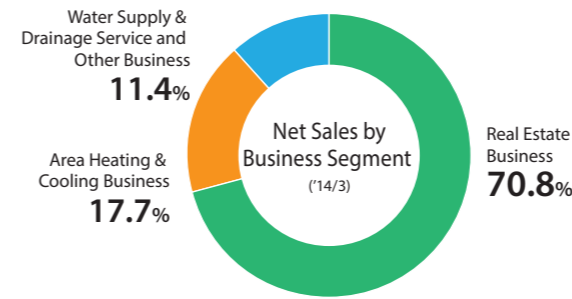
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The statements about future described on this report such as earnings forecasts have been made based on information currently available and some conditions that we judge rational. Actual earnings may differ greatly from the above forecasts for various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

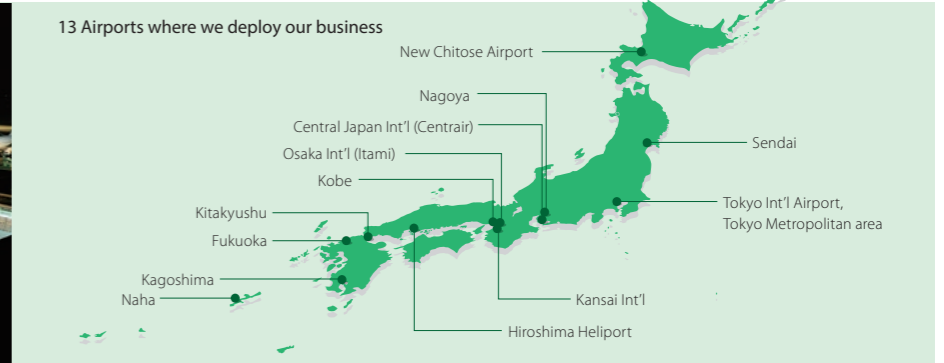
We create and provide airport functions, thereby contributing to the progress of aviation industry.

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.



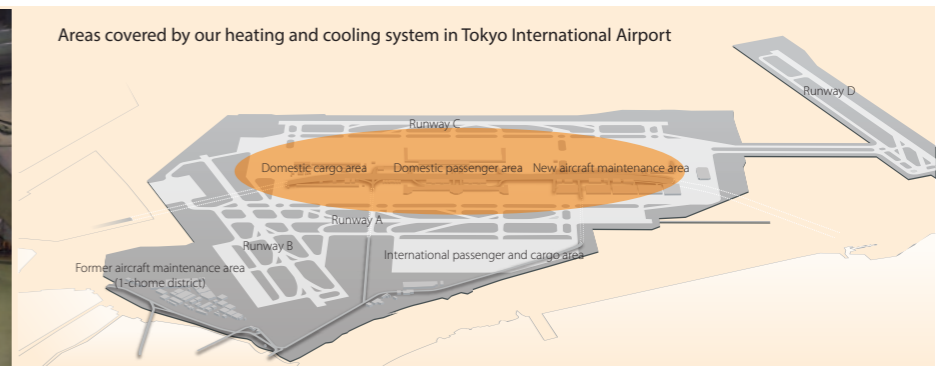
Real Estate Business

- Based on Tokyo International Airport (Haneda Airport), our company constructed multipurpose general buildings, hangars, maintenance shops, aircraft cleaning facilities, sanitary disposal plants, air cargo terminal facilities, etc. in 13 airports in Japan and 1 airport abroad, and we lease them to airline companies and aviation-related companies.
- Also outside the airports, our company leases office buildings, airport-related facilities, housing complexes, etc. in areas such as the Tokyo Metropolitan area, adjacent areas to the Tokyo International Airport and the opposite shore of the Kansai International Airport.



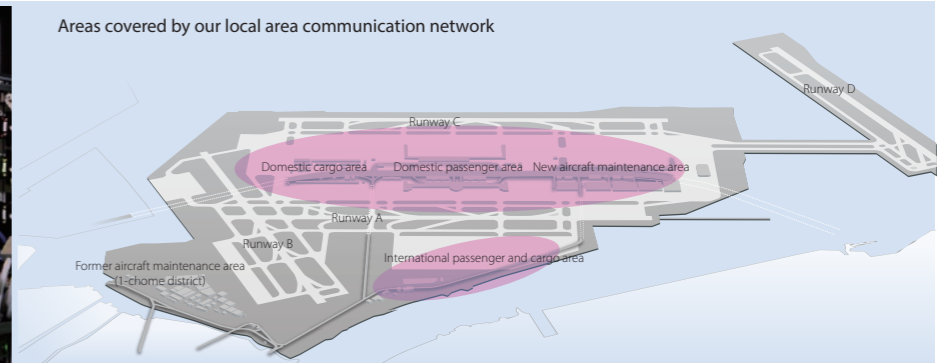
Area Heating & Cooling Business

- Tokyo Airport Heating & Cooling Co., Ltd., a subsidiary of our company, is engaged in area heating and cooling business in zones for domestic passengers, domestic cargoes and the new aircraft maintenance area in Tokyo International Airport.
- The heating and cooling source is generated in the Energy Center, and is supplied to facilities within the airport site, including the facilities of our company, Passenger Terminals No. 1 and No. 2 and government office buildings.

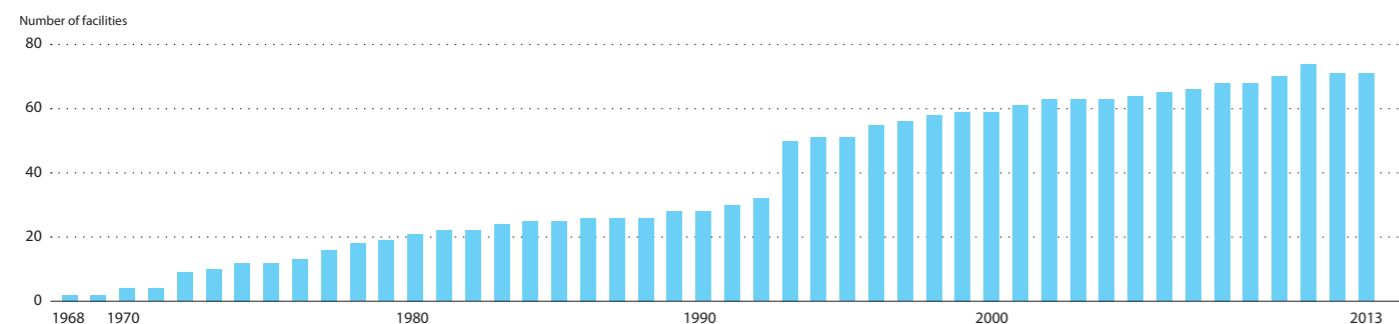


Water Supply & Drainage Service and Other Business

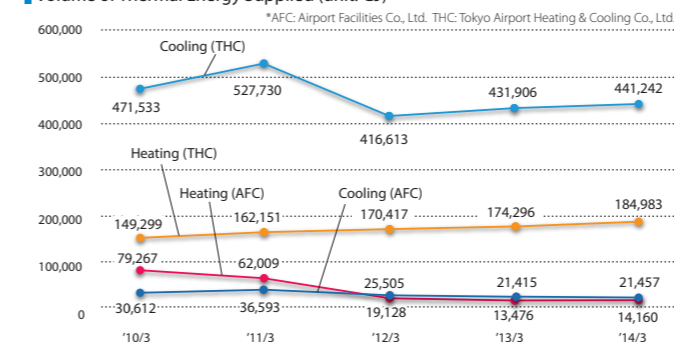
- The company implements the operation and management of water supply and drainage service (water and sewerage) in facilities such as Tokyo International Airport.
- The company developed the local area network for the airport related companies for domestic/international passengers, domestic/international cargoes and the new aircraft maintenance area in Tokyo International Airport, and provides extension-to-extension call and data communication services within the airport.



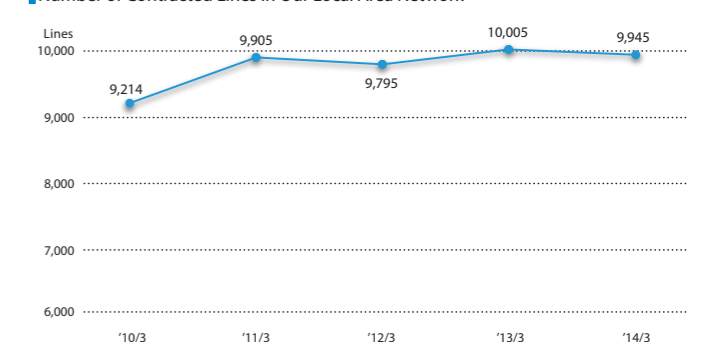
Number of facilities(1968 - 2013)



Volume of Thermal Energy Supplied (unit: GJ)

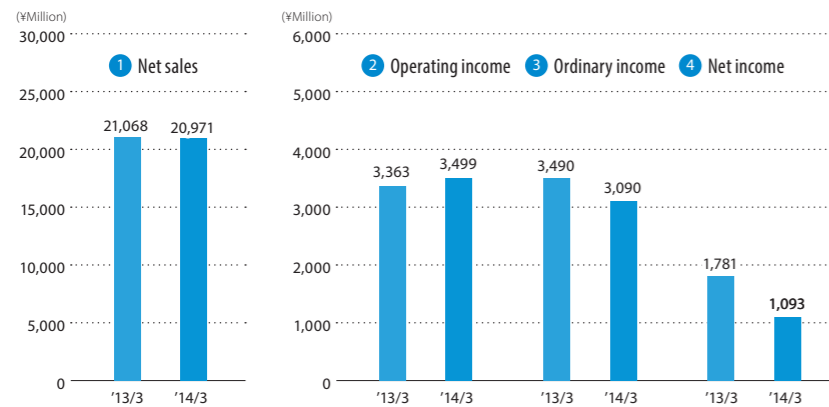


Number of Contracted Lines in Our Local Area Network

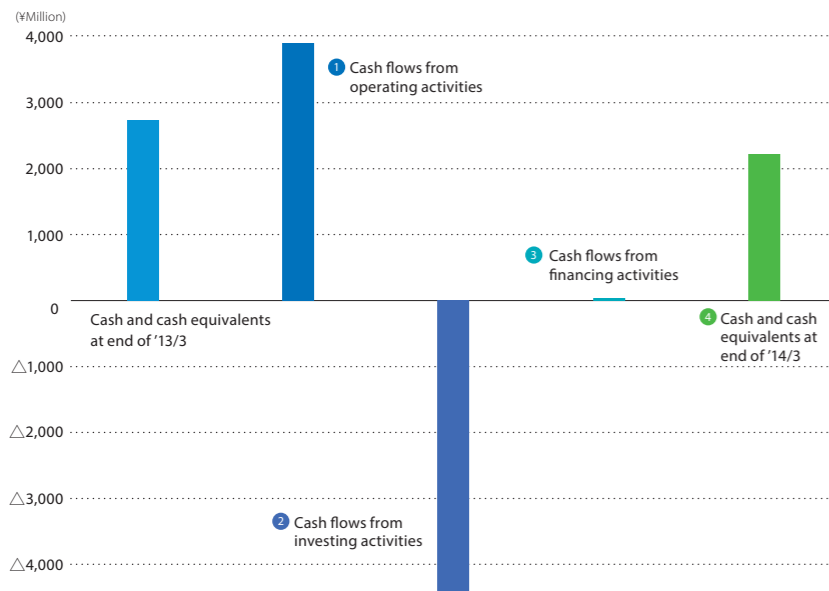


Highlights of the Consolidated Business Results for the Year Ended March 31, 2014

Consolidated Business Results



Consolidated Cash Flows



- 1 Despite an increase in income brought by the year-long operation of the Kitakyushu Airport Training Center and the Tokyo International Airport Maintenance Center as well as the newly started operation of the in-flight meal factory, net sales decreased by 0.5% from the previous term due to vacancies accompanied by the redeployment of airport functions from the 1-Chome District to the offshore district, and a decrease in the demand for area heating and cooling service.
- 2 Operating income increased by 4.0% from the previous term with a reduction in repair expenses for real estate for rent and other costs, and a decrease in rent for the land we rent for water supply and drainage and other services.
- 3 Ordinary income decreased by 11.5% from the previous term, due to a decrease in dividend received from our subsidiary company and the recording of non-operating removal costs in connection with the aging of facilities.
- 4 Current net income decreased by 38.7% from the previous term due to the extraordinary loss derived from the depreciation of obsolete property (book value depreciation of Sogo Building No. 8).

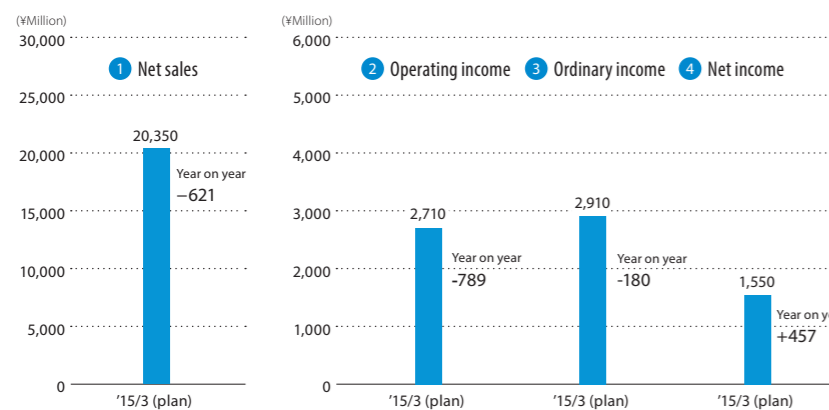
- 1 Income before income taxes and minority interests plus non-cash items such as depreciation and less trade receivables amounted to an in-flow of ¥3,898 million.
- 2 Net cash earmarked for investment amounted to ¥4,418 million, mainly attributable to the acquisition of fixed assets including in-flight meal factory.
- 3 Income by financing activities was ¥15 million, mainly attributable to the marginal increase in the new funding by 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, 2015

Consolidated Business Results



- 1 While contribution by the in-flight meal factory at Tokyo International Airport, extension work on the Maintenance Center, marking sales full-year from the hangar at Kagoshima Airport, and apartment building (in Otorii) scheduled to be completed by November is expected, it is forecast that net sales will decrease by 3.0% (decrease by ¥621 million) from the previous term due to the cancellation of the contracts of some facilities and the abolishment of the area heating and cooling service of the 1-Chome District.
- 2 It is forecast that operating income will decrease by 22.6% (decrease by ¥789 million) from the previous term due to an increase in the amortization cost of new properties, the continuous payment of fixed costs, and an increase in expenses such as electricity and gas bills.
- 3, 4 It is expected that the decrease in ordinary income will remain at around ¥180 million, due to a decrease in non-operating removal cost. It is expected that the current net income will increase for the term ending in March 2015, on the rebound from the previous term recording extraordinary loss.

Focus

Sky of Japan changing with increase in number of slots

March 30 this year, the arrival and departure slots for international flights at Tokyo International Airport were increased to about 90,000, which is about 1.5 times more than before. Day time flights as well as flights to and from Europe and the U.S. increased in particular, by about 55 round trips from this July. Furthermore, Tokyo International Airport, which is fully networked with other domestic airports, is expected to play an important role in promoting outbound travel generated from local areas via Tokyo International Airport as well as inbound tourism to the countryside, and at the same time, to heighten its presence in Asia and the world against the backdrop of the national growth strategy and tourism promotion strategy.

Tokyo International Airport is in a close third in terms of the number of passengers.

The number of passengers to and from Tokyo International Airport is expected to break the 70 million mark along with the increased number of slots. Now, there is a possibility that Tokyo International Airport will overthrow London Heathrow Airport, the world's third largest airport in terms of passengers.

Rank	Airport (Country)	(Thousand people)
1	Hartsfield-Jackson Atlanta International Airport (USA)	94,431
2	Beijing Capital International Airport (China)	83,712
3	London Heathrow Airport (UK)	72,368
4	Tokyo International Airport (Japan)	68,906
5	Chicago O'Hare International Airport (USA)	66,777
6	Los Angeles International Airport (USA)	66,667
7	Dubai International Airport (UAE)	66,431
8	Charles de Gaulle International Airport (France)	62,052
9	Dallas/Fort Worth International Airport (USA)	60,470
10	Soekarno-Hatta International Airport (Indonesia)	60,137

Source: Preliminary world airport traffic and rankings 2013 (Airports Council International)



Tokyo International Airport

Focus

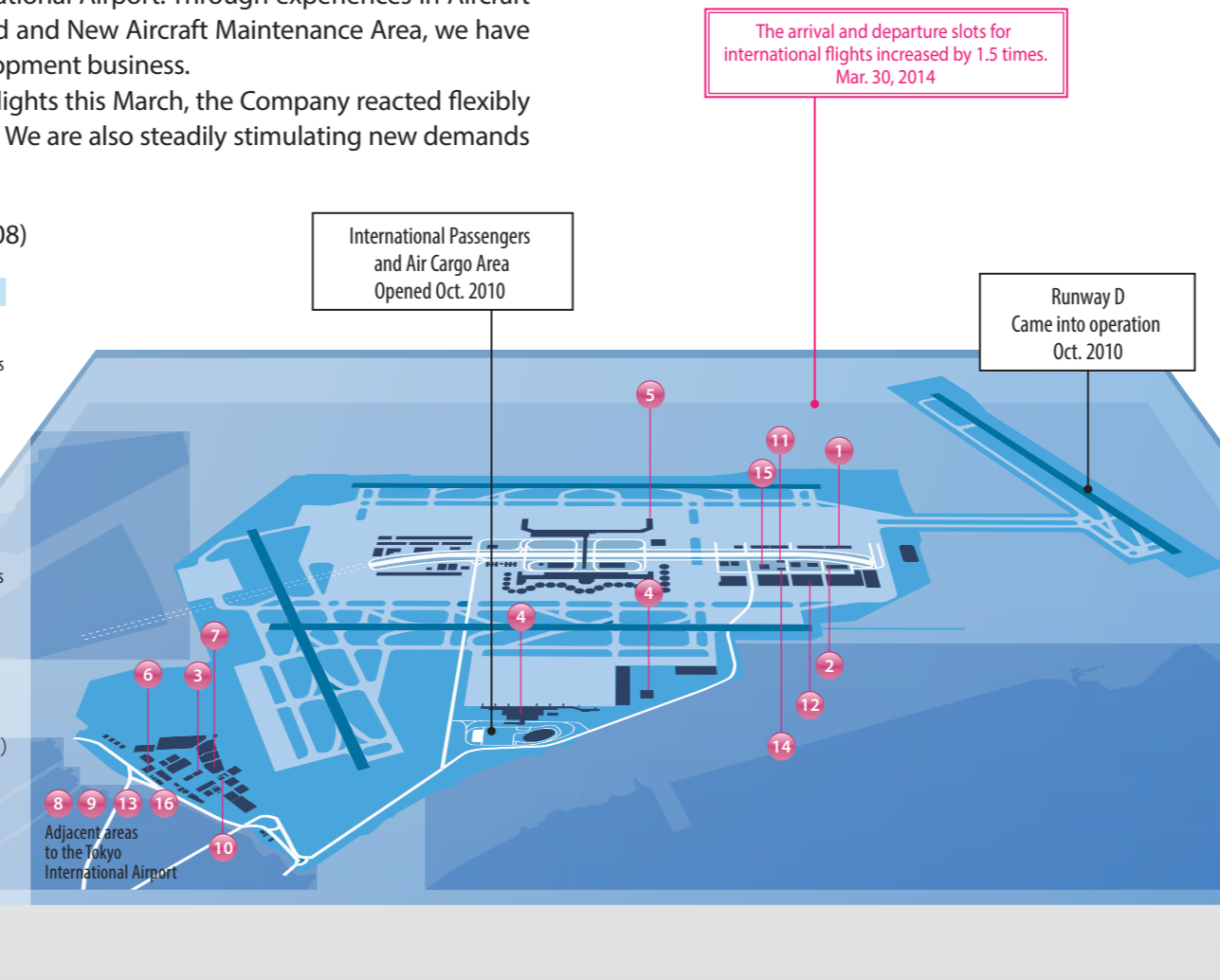
Our Business in the Tokyo International Airport

Since its establishment, our Group's stronghold has been Tokyo International Airport. Through experiences in Aircraft Maintenance Area, Domestic Passenger Area, Domestic Cargo Area and New Aircraft Maintenance Area, we have established a solid business base in real estate and infrastructure development business.

Upon the expansion of arrival and departure slots for international flights this March, the Company reacted flexibly to the new needs of airline companies and aviation-related companies. We are also steadily stimulating new demands and finding potential customers.

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

Facilities / Services	Completion date	Major use / Functions
1 Engine Maintenance Building (South Wing)	Feb. 2008	Engine maintenance shop
2 Component Maintenance Building	Apr. 2009	Maintenance of aircraft components
3 Sogo Building No. 5	May 2010	Flight simulator
4 Expanded local area communication networks	Oct. 2010	Telecommunication service
5 Thermal energy supply to the addition of Passenger Terminal No. 2	Oct. 2010	Thermal energy
6 Sogo Building No. 3	Oct. 2010	In-flight meal preparation
7 Large-size hangar (the second training facility for Skymark Airlines)	Nov. 2010	Flight simulator/Sedentary studies
8 Tokyu Stay Kamata	Mar. 2011	Hotel
9 Sky Residence Minami Kamata	Nov. 2011	Apartments
10 Sogo Building No. 7	Feb. 2012	Training facility for flight crew
11 Maintenance Center Annex and Headquarters of Skymark Airlines	May 2012	Office (Headquarter of Skymark Airlines)
12 West Hangar	Jun. 2012	Hangar (Skymark Airlines)
13 Sky Residence Omori Higashi	Dec. 2013	Apartments
14 Maintenance Center Annex extended	Feb. 2014	Training facility for flight crew
15 In-flight meal factory	Mar. 2014	In-flight meal factory
16 Sky Residence Otorii	Nov. 2014 (plan)	Apartments



1 Engine Maintenance Building (South Wing)



Maintenance shop of aircraft engines

2 Component Maintenance Building



Maintenance shop of aircraft electrical components

5 Thermal energy supply to the addition of Passenger Terminal No. 2



Energy Center

Adjacent areas to the Tokyo International Airport

8 Tokyu Stay Kamata



Hotel for airline employees and passengers

Efforts for the term ended in March 2014

13 Construction of Sky Residence Omori Higashi completed

Construction of Sky Residence Omori Higashi, which is an apartment for those working at the airport, located in Omori Higashi, Ota-ku, Tokyo, along the railway line connected to the airport, was completed in December 2013. This facility was constructed as an apartment house for those who work at the airport, whose number is increasing according to the increase in the amount of air traffic at the airport. It is mainly used as a residence for the employees of ANA Group.



Outline of the facility

Leased to: ANA Group, etc.
Use: apartments, stores
Construction completed in: December 2013

14 The extension work of the Maintenance Center Annex completed

Extension work on a training facility for the crew of flights that had been conducted within the premise of the Maintenance Center Annex was completed in February this year. Skymark Airlines Inc., to which the facility is leased, is now able to set up six flight simulators in total after this extension work.



Outline of the facility

Leased to: Skymark Airlines Inc.
Use: training facility for flight crew
Construction completed in: February 2014

15 Construction of factory for meals served on international flights completed

The in-flight meal factory, which was being constructed as a part of the extension and refurbishment of the former Maintenance Center 3, in order to respond to the increase in demand for international flights, was completed in March this year. The facility is being used by JAL Royal Catering Co., Ltd. as a factory for meals served on international flights.



Outline of the facility

Leased to: JAL Royal Catering Co., Ltd.
Use: In-flight meal factory
Construction completed in: March 2014

16 Sky Residence Otorii being constructed

A site was acquired in Higashi-Kojiya, along the Keihin Kyuko Line that directly connects to Tokyo International Airport, and the third apartment for those who work at the airport is being constructed. After its completion, scheduled for November this year, it is planned to be used by ANA Group.



Outline of the facility

Leased to: ANA Group
Use: apartments
Construction scheduled to be completed in: November 2014

We are trying to renew and expand facilities and deploy our business also overseas and in regional airports.

Overseas operation started

November 2013
A 100%-owned locally-incorporated company was established in Singapore, and the company's know-how is shared in Asia.

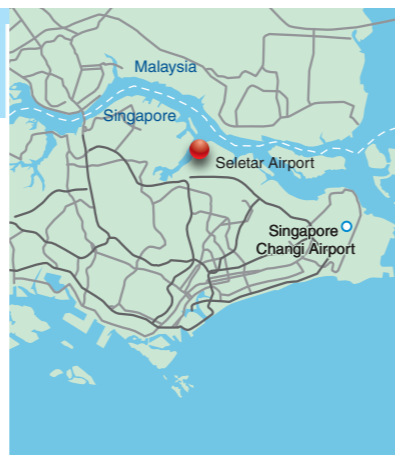


In November 2013, Airport Facilities Asia (AFA), a 100%-owned locally-incorporated company was established in Singapore, with the purpose of implementing the construction, acquisition and leasing of airport-related facilities abroad.

AFA concluded a contract this March for leasing a hangar for Airbus

Helicopters Southeast Asia, which is a member company of Airbus Group, the major aerospace company in Europe, at Singapore Seletar Airport.

This project is the first operation abroad for our company group. As for facilities for Airbus Group, it is the second project following the hangar of Airbus Helicopters Japan in Kobe Airport.

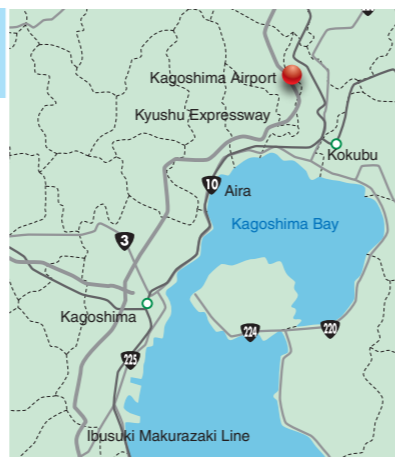


Outline of Airport Facilities Asia (AFA)

Company name: AIRPORT FACILITIES ASIA PTE. LTD.
Representative: Hiroshi Maruyama (President and CEO of the Company)
Description of business: construction, acquisition and leasing of airport-related facilities abroad
Capital stock: 5.6 million Singapore dollars (approx. 448 million yen)
Ownership ratio: 100%-owned by Airport Facilities Co., Ltd.
Established: November 28, 2013

For the revitalization of regional airports

March 2014
The rebuilding and the expansion work of hangars in Kagoshima Airport were completed.



Airport Facilities Co., Ltd. offers hangars for small aircrafts such as broadcasting and medical helicopters at regional airports.

Recently, demand for helicopters is spreading throughout Japan. The size of aircrafts used is also becoming larger in order to cover wider areas

for service. Therefore, in Kagoshima Airport, the existing hangar was rebuilt and expanded, for which the construction was completed in March 2014.

A solar panel is installed on the hangar, and it is intended to secure profitability with income from related business.

Airport Facilities Co., Ltd. will actively capitalize on business opportunities in Japan and abroad, including the further development of Tokyo International Airport, revitalization of regional airports, management reform by airline companies and the overseas trends of airport business.

Further development and improvement of efforts by Tokyo International Airport

Future movements at Tokyo International Airport

- March 2014: Increase in the annual arrival and departure capacity (447,000 slots)
Expansion of arrival and departure slots through further improvement of functions will be considered in the future
- July 2020: The first expansion of capacity towards the hosting of the Olympic Games in Tokyo (assumed)
- Around 2030: Significant expansion of airport capacity (assumed)

Reactions that should be taken by the airport

- According to the increase in demand for aviation service, the function of aviation and airport-related facilities should be enhanced from a new perspective.
- Utilizing the vacant lot of Tokyo International Airport and redevelopment of the 1-Chome District as a venue for facilities related to airport function

1. Future approaches by the Company

Providing facilities with airport functions

- Consider the expansion of flight crew training facility (countermeasures against the lack of pilots)
- Consider the construction of new facilities with airport functions in order to cope with increasing demand.

Providing hotels

- In order to cope with increasing demand for accommodations, a further construction plan (second hotel building) is being considered in a location near the airport.

Providing apartments

- It is further being considered to construct properties in addition to Otorii (third building) in order to cope with the increase in the number of employees in aviation-related companies.

Vacant lot at the front of the International Terminal of Tokyo International Airport (Zone No. 2)

- Increase in demand for accommodation and commercial facilities in line with the holding of the Olympic Games
- Currently, information is collected on the national policy on the improvement.

Haneda Airport 1-Chome District

- Expectation towards the redevelopment of the district towards an increase in the handling capacity
- Consider making proposals and requests to the national government by utilizing past performance and knowledge.

2. Business development abroad

- In Asia, there is an increase in demand for aircraft and equipment maintenance due to a significant increase in small aircrafts and helicopters. There are also strong needs for crew training in order to cope with the lack of pilots. These are regarded as a business opportunity.
- Based on the above trends, construction and acquisition of the second and third properties for Airbus Group through the

locally-incorporated company in Singapore (AFA) is being earnestly considered.

- Because there are a great variety of companies under Airbus Group, further marketing activities as an important business partner will be implemented by considering various different possibilities in addition to the lease of hangars.

3. Other

- Watch the trends and progress of airport management reforms.
→ Including concessions in Sendai Airport, Kansai International Airport and Osaka International Airport
- Operational Headquarters will be set up to exert a company-wide effort to cope with the problem of vacant rooms within Tokyo International Airport.

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)".



Corporate Information → History



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

From 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 more than 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, 2014)

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	
	Turbo chiller	2,250RT x 2	
	Absorption chiller	1,000RT x 2	
Thermal energy generators		2,500RT x 7	
	Water-pipe boiler	35 T/H x 3	
	Flue boiler	15 T/H x 1	
Boilers	In public conduit	About 5,350 m	
	4 pipe system	Suspended	About 300 m
		Buried	About 700 m
Pipeline	Cooling pipes	φ125-1,200	
	Steam and circulating-water pipes	φ65-500	



24-hour control room



Energy-saving high efficiency freezer



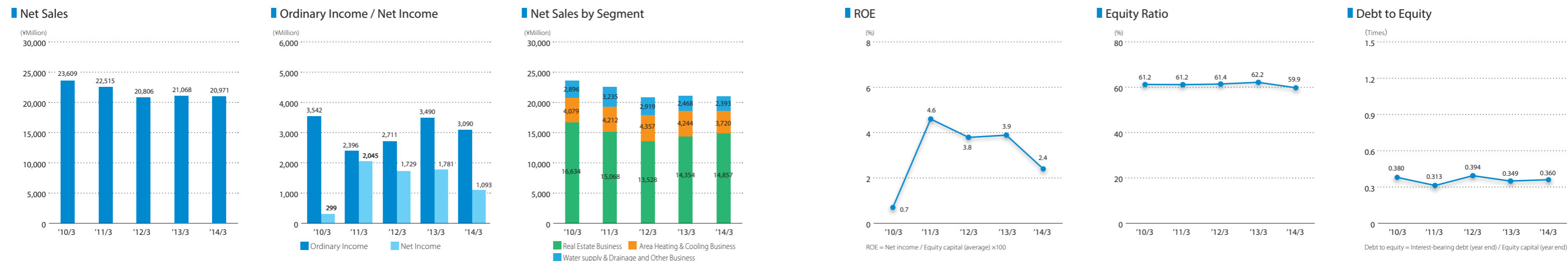
Water-saving cooling water recycling equipment



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

	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3	'13/3	'14/3
For the Year										
Net Sales (¥Million)	26,824	24,148	24,588	25,123	25,263	23,609	22,515	20,806	21,068	20,971
Operating Income (¥Million)	5,224	5,270	5,194	5,242	4,860	3,814	2,486	2,771	3,363	3,499
Ordinary Income (¥Million)	4,488	4,807	4,765	4,868	5,041	3,542	2,396	2,711	3,490	3,090
Net Income (¥Million)	2,471	2,687	2,621	2,919	3,100	299	2,045	1,729	1,781	1,093
EBITDA (¥Million)	10,868	10,787	10,320	10,833	10,726	6,730	8,757	7,231	6,445	5,134
Cash Flows from Operating Activities (¥Million)	8,472	8,166	7,575	8,045	8,213	7,443	7,659	2,861	5,522	3,898
Cash Flows from Investing Activities (¥Million)	(2,602)	(1,302)	(2,243)	(6,996)	(4,309)	(3,594)	(4,395)	(4,699)	(3,833)	(4,418)
Cash Flows from Financing Activities (¥Million)	(7,621)	(6,027)	(5,761)	340	(3,772)	(4,191)	(3,975)	3,117	(3,516)	15
Depreciation Expense (¥Million)	6,069	5,642	5,290	5,281	5,313	5,510	5,047	3,382	3,222	3,093
Business Investment in Plant and Equipment (¥Million)	1,908	1,023	2,839	6,234	5,295	3,427	12,545	7,177	3,166	7,540
At the Year End										
Net Assets (¥Million)	36,662	39,075	42,845	44,264	45,718	44,897	46,160	47,274	47,026	47,998
Total Assets (¥Million)	80,000	77,143	74,385	76,806	75,284	71,012	73,083	74,864	73,317	77,621
Interest-bearing Debt (¥Million)	31,478	26,092	21,134	22,196	19,566	16,537	14,002	18,094	15,920	16,746
Equity Capital (¥Million)*1	36,662	39,075	40,911	42,700	44,122	43,484	44,694	45,958	45,607	46,499
Per Share Data										
Net Income per Share (¥)	46.13	51.00	50.72	56.49	60.01	5.80	39.58	33.46	34.48	21.15
Net Assets per Share (¥)*2	708.54	755.28	791.84	826.48	854.01	841.67	865.11	889.58	882.80	900.07
Dividends per Share (¥)	11.0	13.0	15.0	16.0	16.0	16.0	10.0	12.0	12.0	12.00
Average Number of Shares during the Period (Shares)	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	51,661,979
Management Index										
Equity Ratio (%)	45.8	50.7	55.0	55.6	58.6	61.2	61.2	61.4	62.2	59.9
Debt to Equity (Times)	0.859	0.668	0.517	0.520	0.443	0.380	0.313	0.394	0.349	0.360
ROE (%)	6.86	7.10	6.55	6.98	7.14	0.68	4.64	3.76	3.91	2.37
Ordinary Income to Total Assets (%)	5.4%	6.1%	6.3%	6.4%	6.6%	5.0%	3.3%	3.6%	4.8%	4.1%
Operating Margin (%)	19.5%	21.8%	21.1%	20.9%	19.2%	16.2%	11.0%	13.3%	16.0%	16.7%
Payout Ratio (%)	23.9	25.5	29.6	28.3	26.7	276.0	25.3	35.9	34.8	56.7
Dividends to Net Assets (%)**3	1.7	1.9	1.9	1.9	1.9	1.8	1.1	1.3	1.4	1.3
Employees (Consolidated)	151	148	151	152	136	132	131	123	118	115
Data Related to Tokyo International Airport										
Number of Domestic Passengers	61,636,901	62,294,265	65,265,791	64,951,041	63,157,057	59,334,725	58,808,107	56,424,630	58,752,301	
Number of International Passengers	849,159	1,301,176	1,617,338	1,950,769	2,438,401	2,756,542	4,818,314	7,267,172	7,948,089	
Volume of Domestic Cargoes (ton)	653,902	678,092	701,363	718,205	757,108	724,539	720,787	696,083	703,153	
Volume of International Cargoes (ton)	0	1,892	5,317	6,595	10,059	15,561	61,270	124,005	140,915	

*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 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)

List of Facilities (AS of March 31, 2014)

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	12,907 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Sogo Building No. 2	Jul. 1972	Office	19,592 m ²	ALL NIPPON AIRWAYS CO., LTD., etc.
Tokyo International Airport	Building	Sogo Building No. 3	Feb. 1976	Office/Workshop	14,383 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. 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	13,552 m ²	
Tokyo International Airport	Building	Large hangar	Apr. 1970	Hangar	12,155 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	1,424 m ²	
Tokyo International Airport	Building	Sanitary Disposal Plant (SD Plant)	Dec. 1987	Sewage from aircraft treatment plant	214 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	24,835 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Maintenance Center Annex	Jun. 1993	Office/Vehicle Maintenance	9,486 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Maintenance Center Annex extended	Feb. 2014	Training facility for flight crew	971 m ²	Skymark Airlines Inc.
Tokyo International Airport	Building	Ground Support Equipment (GSE) Maintenance Shop	(Mar. 2000)	Vehicle Maintenance, etc.	3,335 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.	27,880 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.	3,808 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	67,918 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	510 m ²	
Tokyo International Airport	Building	Large size cleaning facilities	Mar. 2007	Aircraft cleaning facilities	513 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	In-flight meal factory	Mar. 2014	In-flight meal factory	12,822 m ²	JAL ROYAL CATERING CO., LTD.
Subtotal					354,905 m²	
New Chitose International Airport	Building	Hangar No. 1	Nov. 1974	Hangar	2,312 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	226 m ²	Airline companies
New Chitose International Airport	Building	Warehouse, etc.	Dec. 1974	Equipment storage/Office	439 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	63 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	Airbus Helicopters 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	167 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	Hangar No. 1	Mar. 2014	Hangar	2,622 m ²	Kagoshima International Aviation Co., Ltd.
Kagoshima Airport	Building	Hangar No. 2	Mar. 2014	Hangar	637 m ²	All Nippon Helicopter Co., Ltd.
Kagoshima Airport	Building	Logistics facility	Mar. 2014	Cargo handling	591 m ²	KOKUSAI KUYU CO., LTD.
Kagoshima Airport	Building	Kagoshima Center	Sept. 1989	Office	380 m ²	Kyushu Electrical Safety Inspection Association, etc.
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	55 m ²	Ilas Air Co., Ltd.
Naha Airport	Building	Office wing at small size hangar	Aug. 2006	Office	38 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	3,346 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	1,326 m ²	YANASE&CO., LTD.
Ota-ku, Tokyo	Land	Sky Residence Omori-Higashi			847 m ²	
Ota-ku, Tokyo	Building	Sky Residence Omori-Higashi	Dec. 2013	Apartments	3,080 m ²	ANA FACILITIES CO., LTD.
Ota-ku, Tokyo	Land	Land (Higashi Kojima)			667 m ²	
Ota-ku, Tokyo	Land	Land (Haneda Asahi Cho)			964 m ²	
Minato-ku, Tokyo	Building	Aviation Building (Koku Kaikan)	(Feb. 2003)	Office	7,219 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	
Narita city, Chiba	Building	Solar power plant	Oct. 2013	Solar power plant		
Kimitsu city, Chiba	Land	Land			4,819 m ²	
Izumisano city, Osaka	Land	Rinku International Logistics Center		Office/Cargo handling	19,015 m ²	
Izumisano city, Osaka	Building	Rinku International Logistics Center	(Sept. 2011)		52,787 m ²	Kintetsu World Express, Inc., etc.
Total	Land	89,337 m²				
	Building	490,284 m²				

Overseas

Location	Type	Facility name	Date of completion (acquisition)	Major use	Total floor space	Major tenants
Seletar Airport, Singapore	Building	Hangar	(Mar. 2014)	Office/Hangar	approx. 9,200 m ²	Airbus Helicopters Southeast Asia Pte Ltd

Basic Philosophy

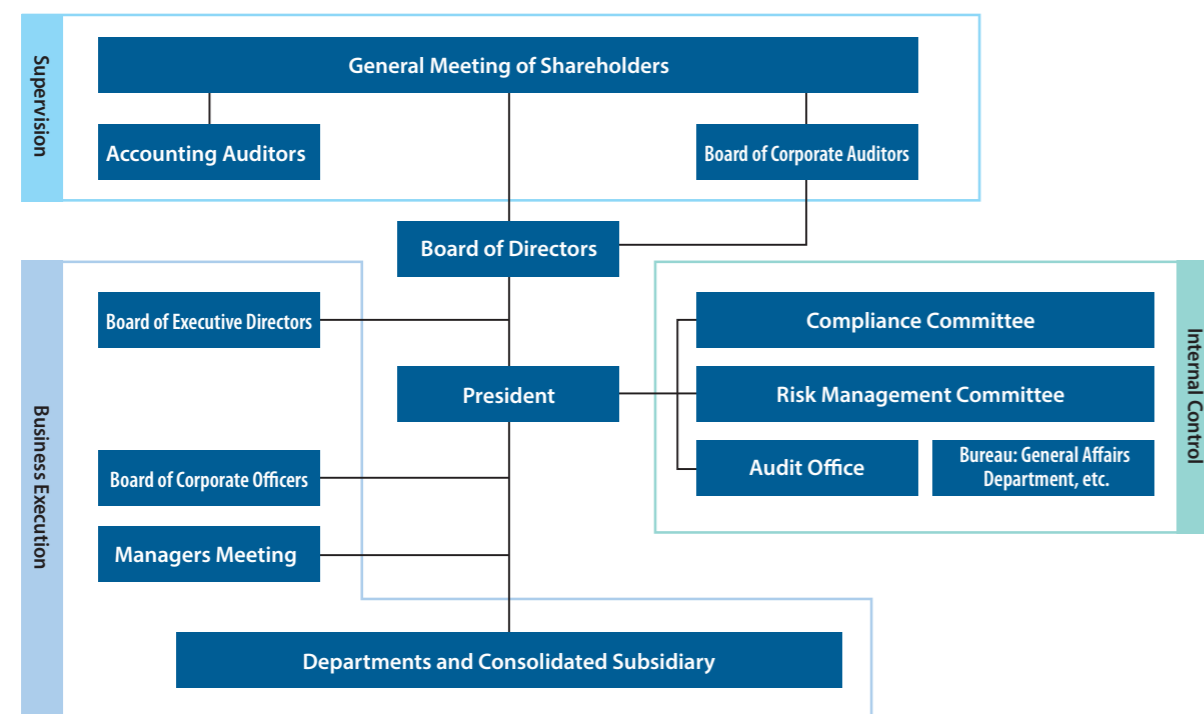
We are fully aware of the managing duties entrusted by our shareholders as well as our social corporate responsibilities in doing our business which handles a large number of passenger traffic and a large volume of cargo.

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: 115 (Consolidated as of March 31, 2014)
- Main Banks: Development Bank of Japan, Resona Bank, Mizuho Bank, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank

- Directors (as of June 27, 2014)
- | | |
|-----------------------------|---------------------|
| Chairman | Tomoyuki Takahashi |
| President and CEO | Hiroshi Maruyama |
| Executive Vice President | Kenji Inaoka |
| Executive Vice President | Manabu Sato |
| Senior Managing Director | Toshiyuki Nagayoshi |
| Senior Managing Director | Hiroyuki Hoshi |
| Managing Director | Kousei Ashikaga |
| Managing Director | Kazuo Katahira |
| Director | Keisuke Komatsu |
| Director | Kazuhiko Muraishi |
| Director | Hayao Hora |
| Director | Toshiaki Norita |
| Full-time Statutory Auditor | Yoshimitsu Amemiya |
| Full-time Statutory Auditor | Mineo Tsuguchi |
| Statutory Auditor | Akihiko Shiba |
| Statutory Auditor | Satoshi Iwamura |
| Senior Corporate Officer | Hiroki Osawa |
| Corporate Officer | Yukihiko Takada |

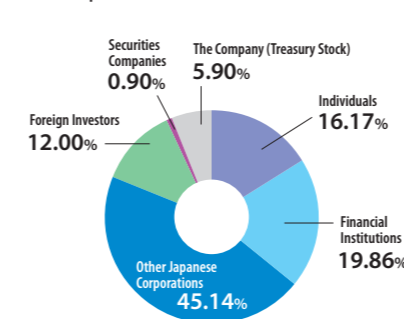
Stock Information (as of March 31, 2014)

- 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: 7,408

Major Shareholders

Shareholder	Number of Shares Owned (thousands)	Ratio of Shareholding (%)
Japan Airlines International Co., Ltd.	10,521	19.16
ANA HOLDINGS INC.	10,521	19.16
Development Bank of Japan Inc.	6,920	12.60
KOKUSAI KOGYO HOLDINGS CO., LTD.	2,185	3.98
RBC ISB A / C DUB NON RESIDENT - TREATY RATE	1,700	3.10

Composition of Shareholders



Stock Price and Trading Volume (Monthly)

