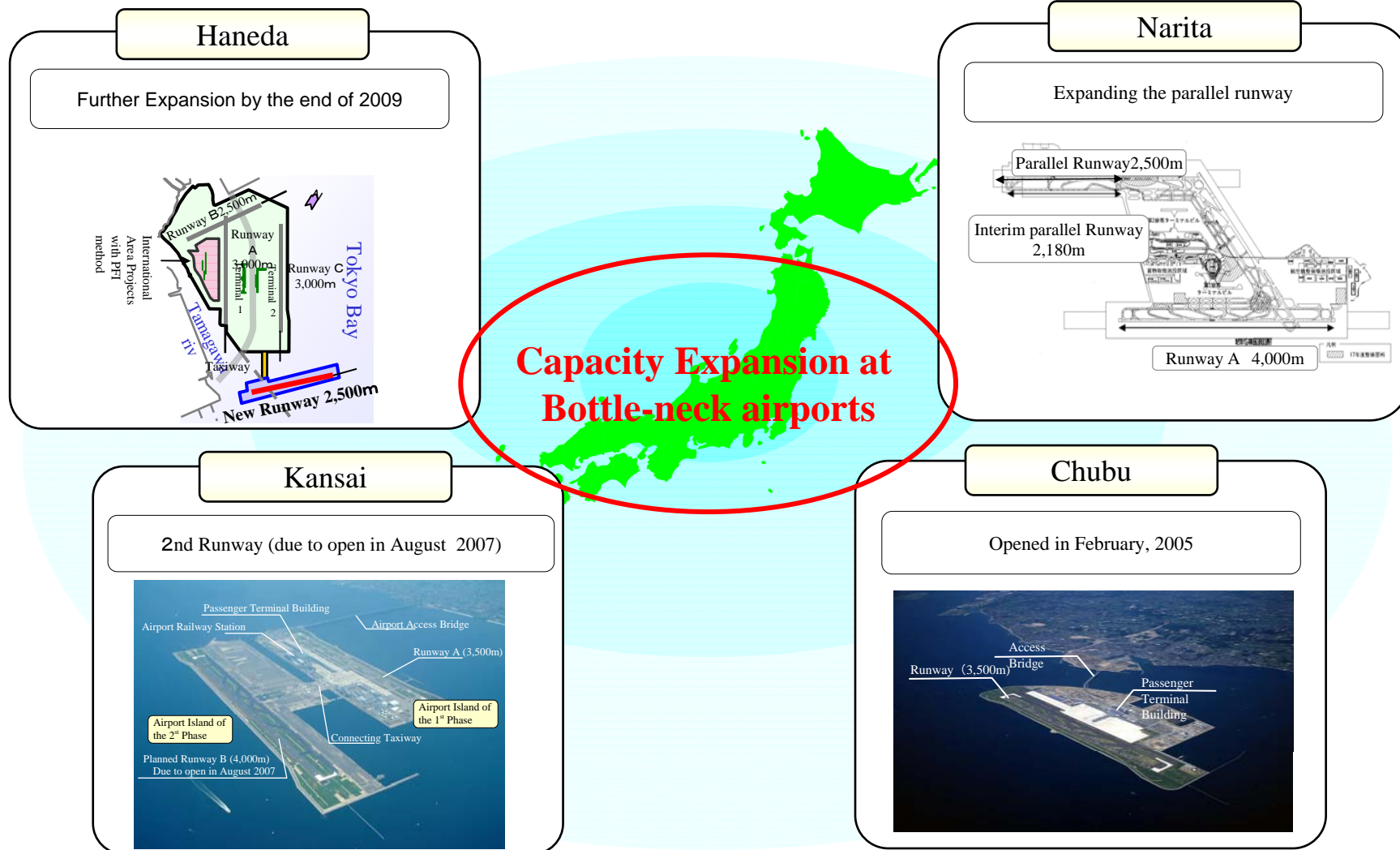


Airport Projects in Key Airports

- Capacity expansion in key airports is urgent.
- Haneda Airport plays a key role in the domestic air traffic network.
- Narita, Kansai, Chubu airports are international gateways for Kanto, Kansai and Chubu regions.



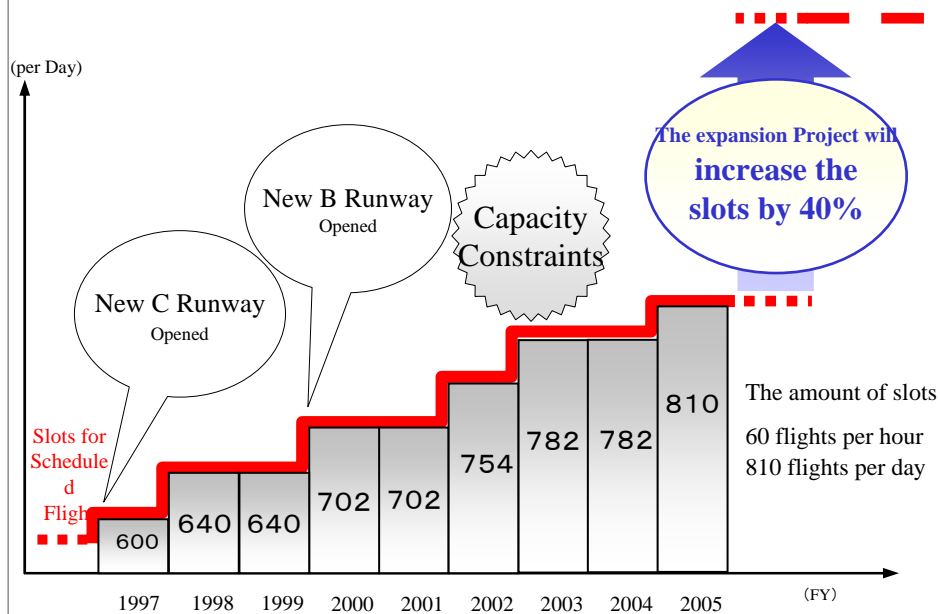
Tokyo International Airport(Haneda)

- **Opened in 1952.**
- **Operated by MLIT.**
- **Developing a new runway due to open in 2009.**

Long-term trends of Aircraft Movements

The amount of slots after the expansion project

80flights per hour = 1,114 flights per day



Haneda Airport Expansion Project

Development of runway.
(about 690 billion yen)

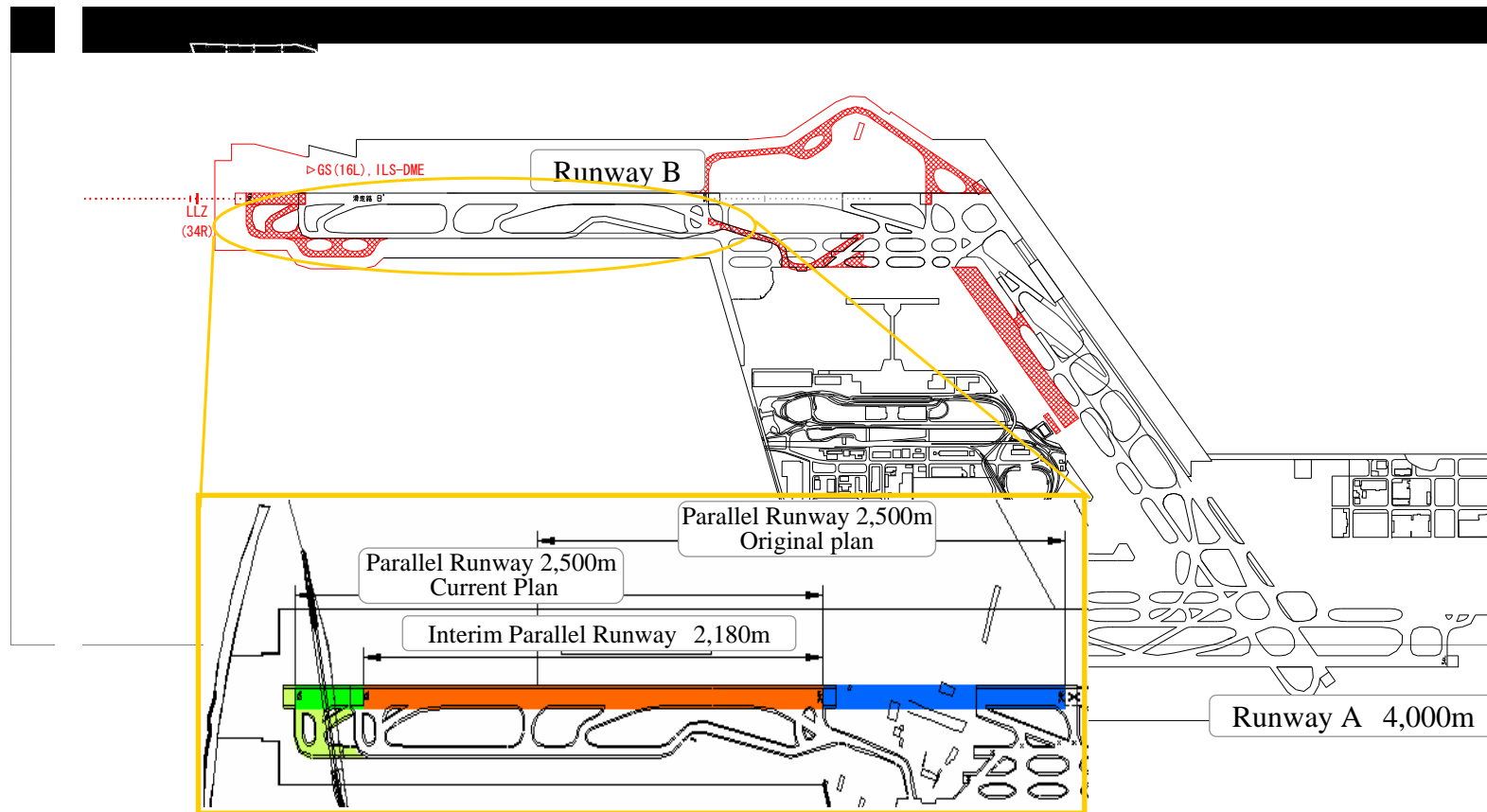
- The Project is financed from the national treasury, long-term borrowing and local government units.

Development of Terminal, Apron and others
(about 200 billion yen)

International area will be developed by utilizing the PFI method.

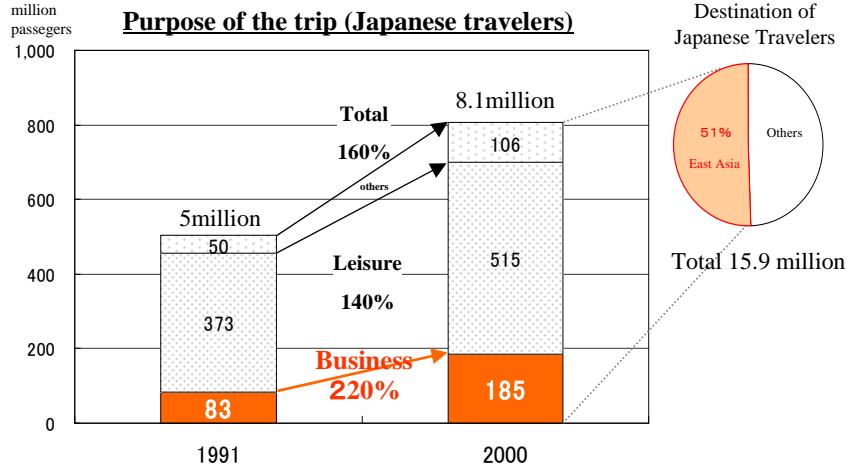
Narita International Airport

- Opened in 1978.
- Operated by Narita International Airport Co.
- Expanding the parallel runway due to complete in 2009.



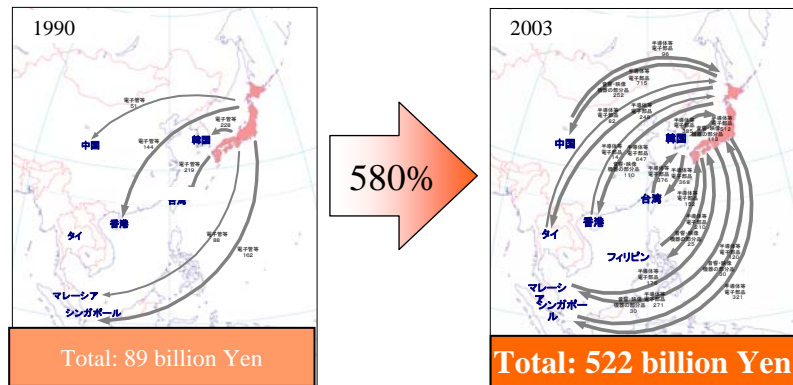
Air Transport Network Within Asia

Increase of business demands



Expansion of the logistic network

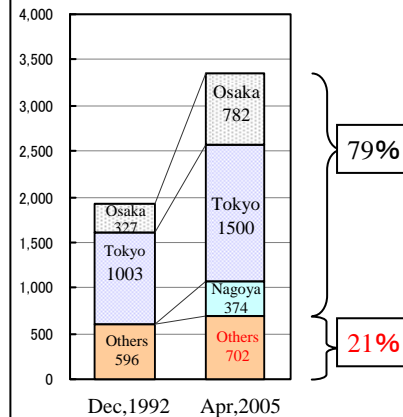
Amount of trade (Electric goods)



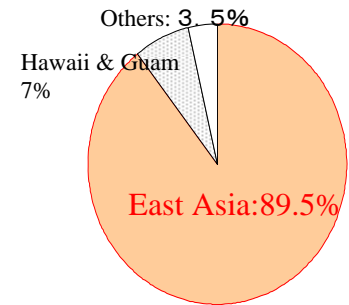
Source: Ministry of Internal Affairs and Communications

Expansion of the network between local cities in Japan and East Asia

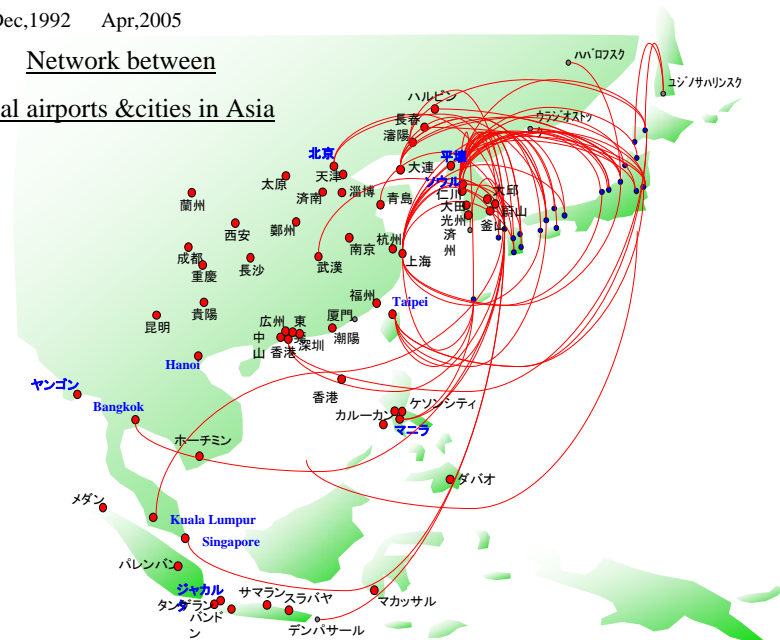
Number of flights between local airports in Japan and East Asia.



International flights from local airports



Network between local airports & cities in Asia

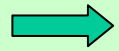


The U.S. Open Skies Agreements

What is the “Open Skies Agreements” ?



No restrictions on number of designated airlines; route rights; frequencies.



Inaccessibility to a huge domestic market for foreign airlines

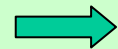
advantage to a big power

Strong company-groups can enter the international markets.



Immunity from the Antitrust Laws

Problems



Inequality of competitive conditions

The Gap of Slots between Japanese carriers and the U.S. carriers at NRT

The U.S carriers have 50% additional slots compared to Japanese carriers.

Inaccessibility to the U.S. domestic market

The huge U.S domestic market holds 30% share of the world air transport.



Lead to a monopoly or an oligopoly of the market