

New Tokyo International Airport Authority

1. Summary of operations implemented using FILP funds

New Tokyo International Airport Authority undertakes implementation of maintenance, construction and management projects for overall airport/navigation facilities at the New Tokyo International Airport, with the aim to facilitate air transportation and contribute to the comprehensive development of civil aviation.

2. Amount of lending under FY 2002 FILP

(Unit : billion yen)

FY 2002 FILP	Estimated outstanding amount of FILP lending at end of FY 2001
24.5	298.5

3. Outcome and social and economic benefits of operations

- Through the operation to facilitate air transportation and the function of the global aviation network for comprehensive development of civil aviation, promotion of international exchanges, enhanced efficiency in physical distribution and other benefits in various fields expected from an aviation system, the New Tokyo International Airport has been making a great contribution, as Japan's largest international hub airport, to the improvement of the country's international status as well as to the development of the domestic economy.
- Main features of the New Tokyo International Airport
 - Basic Plan**
 - Airport area: approx. 1,065 hectares (1,084 hectares when the interim parallel runway is in use)
 - Runway A: 4,000 meters
 - Parallel runway: 2,500 meters
(Interim parallel runway is 2,180 meters long.)
Introduced on April 18, 2002
 - Cross wind runway: 3,200 meters (used for a regular ground passage for the time being)
 - Operation hours: 24 hours a day**
(As a rule, takeoff and landing of airplanes are allowed only during the period between 6:00 a.m. and 11:00 p.m.)
 - Track record FY 1999**
The Number of flight departures and arrivals: 133,112
Number of passengers: 25.96 million persons
Freight volume: 1.83 million tons
 - Track record FY 2000**
The number of flight departures and arrivals: 133,046
Number of passengers: 27.72 million persons
Freight volume: 1.84 million tons
 - Track record FY 2001**
The Number of flight departures and arrivals: 129,000
Number of passengers: 24.90 million persons
Freight volume: 1.60 million tons

4. Estimated policy (subsidy) cost analysis of the project

Outline of estimate

- The estimates are for the development projects implemented for the New Tokyo International Airport.
- Estimated total investment is ¥2.2457 trillion, based on the 7th Seven-Year Airport Development Plan and the investment plan from FY 2003 to FY 2007. The budget for construction projects in FY 2002 is ¥68.9 billion.
- An analysis has been made for a 18-year period until interest-bearing debts are to be redeemed (23-year period for FY2001).
- Future operating revenues have been calculated based on the estimated demand specified in the 7th Seven-Year Airport Development Plan and currently-applied fees and charges.
- Capital investment needed for FILP-funded projects has been estimated based on simulations of future project operations using predetermined interest rate conditions. Estimated balance of investment and reserve at the end of the analysis period was obtained at the current discounted value.

Policy (subsidy) cost

(Unit : billion yen)

Category	FY2001	FY2002	Increase/Decrease
1. Subsidies from the national treasury			
2. Opportunity cost of capital investment from the national treasury	-56.9	-162.9	-106.0
Subtotal (1+2)	-56.9	-162.9	-106.0
3. Money transfer to the national treasury			
Subtotal (1+2+3)	-56.9	-162.9	-106.0
4. Decreased cost of loss	-5.1	-1.5	3.6
Total (1+2+3+4=policy cost)	-6.2	-164.4	-102.4
Analysis period (years)	23	18	-5

Compared with FY2001 (- ¥62 billion), policy cost declined. The reasons for this are that the amount affected by a change in assumed interest rates was approximately - ¥29.0 billion, and the amount associated with an increase in operational revenue due to a sharp increase in demand immediately after parallel runway opened was approximately - ¥74.0 billion.

In addition, due to growth in operational revenue and a decline in assumed interest rates, new borrowing and bond issuance was restrained so the period for redeeming interest-bearing debts was shortened. Therefore, the analysis period was shortened from 23 years to 18 years

The case if assumption is changed

(Unit : billion yen)

Changed assumption and extent of change	Increase / decrease in policy cost
Operational revenue -10%	216.2

(Reference)

Budgeted amount of subsidies and capital investment in FY 2002

Subsidies: —
Capital investment: ¥8.7 billion

5. Projections in the analysis

(Unit: 10,000 times / year, billion yen)

	Result					Estimated	Planned	Trial assumption		
FY	1996	1997	1998	1999	2000	2001	2002	2003~2005	2006~2010	2011~
Frequency of departures and arrivals	12.4	12.5	12.8	13.3	13.3	13.3	15.3	Increase by 6.8%	Increase by 1.2%	19.7
Project cost	70.3	63.6	82.7	50.8	72.5	150.6	68.3	219.1	99.3	

(Note) * 2003 - 2005" and " 2006 - 2010" in the trial assumption that frequency of departures and arrivals indicates the annual increase ratio for the relevant interval of years

6. Reasons for granting of subsidies, mechanism and underlying laws

The New Tokyo International Airport Authority's operation to develop Japan's largest international hub airport and facilitate improvement of the global aviation network, which is highly contributive to the country's socioeconomic development, deserves the granting of capital investment from the Special Account for Airport Development of the national treasury.

(Underlying laws and regulations)

Article 5 of the New Tokyo International Airport Authority Law

Capital of the New Tokyo International Airport Authority shall be ¥500 million, which shall be fully funded by the national treasury.

- 2 The national government may make additional investment in the Authority-implemented projects as considered necessary, provided that such investment is within the predetermined amount in the national budget.

7. Special remarks

- 1) The planned introduction of a parallel runway and development of other relevant facilities will increase the airport's capacity for flight departures and arrivals to 200,000 per year (compared to approximately 129,000 in FY2001 results), which will make it possible to meet the carrier's request for increased flights and the introduction of new airlines (currently total 67 airlines from 38 countries and 2 regions). It is also expected that the increased capacity could open the way for accepting more domestic flights, which would surely contribute to the improvement of the civil aviation system in the country.
- 2) Considering the current economic situation, if the increase ratio of future estimated business revenue falls 0.1% annually compared to the above-mentioned trial assumption, business revenues will decrease to ¥9.1 million (0.3% of the total revenues).
- 3) In accordance with the Reorganization and Rationalization Plan for Special Public Corporations, although it is said that "a conclusion can be obtained by the government during FY2002 after the existing aviation administration with respect to the management method of 3 international hub airports is examined in detail for privatization, including a method to separate upper tier private company and lower tier public corporation, for the time being, detailed contents have not yet been decided. Therefore, the analysis was conducted assuming existing institutional form.

(Reference) Financial Statements**Balance Sheet**

(Unit : million yen)

Assets				Liabilities and capital			
Item	End of FY 2000 (Result)	End of FY 2001 (Estimated)	End of FY 2002 (Planned)	Item	End of FY 2000 (Result)	End of FY 2001 (Estimated)	End of FY 2002 (Planned)
Current assets	37,277	27,439	19,063	Current liabilities	27,426	30,220	22,095
Cash and deposits	19,307	7,686	5,080	Accrued amount payable	18,327	20,478	15,737
Accrued operating revenue	14,506	14,141	10,760	Accrued expenses	5,203	5,106	3,860
Stores/supplies	76	76	76	Advances by contractors	1,738	2,428	228
Advances to contractors	1,710	2,428	228	Advances by customers	2,044	2,089	2,153
Prepaid expenses	108	112	118	Other current liabilities	113	118	117
Accrued income	1,563	2,991	2,797	Fixed liabilities	558,023	627,675	622,668
Other current assets	8	4	4	New Tokyo International Airport bonds	459,973	433,931	433,568
Fixed assets	832,886	922,475	938,081	Long-term loans payable	61,945	161,491	163,521
Properties for business operation	824,147	913,953	929,243	Long-term deposits payable	24,259	20,521	13,956
Airport facilities	63,597	63,763	109,109	Allowance for employee retirement benefits	8,292	8,504	8,722
Service facilities	433,762	430,048	464,354	Collateral burden charge for business assets	1,946	1,746	1,545
Buildings	41,484	39,376	52,298	Other fixed liabilities	1,608	1,482	1,356
Land	188,382	207,391	216,256	Special law allowances			
Construction in progress	96,922	173,374	87,227	Adjustment reserve of collected financial resources	6,261	4,962	15,748
Tangible fixed assets	3,221	3,020	2,852	(Total liabilities)	591,710	662,857	660,512
Intangible fixed assets	45	29	14	Capital			
Investments and other assets	5,472	5,472	5,972	Government investment	284,656	296,256	304,956
Investments in securities	226	226	726	Deficit			
Stocks of affiliated companies	5,151	5,151	5,151	Deferred deficit	— 5,088	— 5,088	— 5,088
Deposits and security money	95	95	95	(Total capital)	279,568	291,168	299,868
Deferred assets	1,115	4,111	3,235				
Total assets	871,278	954,025	960,379	Total liabilities and capital	871,278	954,025	960,379

Income Statement

(Unit : million yen)

Expenses				Revenues			
Item	FY 2000 (Result)	FY 2001 (Estimated)	FY 2002 (Planned)	Item	FY 2000 (Result)	FY 2001 (Estimated)	FY 2002 (Planned)
Ordinary expenses	134,551	145,748	150,464	Ordinary profits	151,704	146,247	154,353
Expenses for service operation	98,504	109,886	108,487	Operating income	143,208	142,045	150,889
Expenses for service management	63,531	74,839	71,969	Airport usage charge	53,378	52,818	56,736
Depreciation on properties for business operation	34,973	35,047	36,518	Facility usage charge	88,080	87,755	92,639
Expenses for contract works	3,841	2,783	3,367	Miscellaneous operating income	1,549	1,271	1,313
General administrative expenses	9,512	9,892	10,468	Return of collateral burden charge on operating assets	201	201	201
Transfer of adjustment reserve of collected financial resources	—	—	10,785	Income from contract works	3,841	2,783	3,367
Non-operating expenses	22,693	23,187	17,357	Adjustment reserve of collected financial resources reimbursement	4,377	1,299	—
Interest paid	22,026	21,681	16,015	Non-operating revenue	278	121	97
Bonds administrating expenses	18	111	41	Interest received	33	26	26
Amortization of deferred charges	634	1,395	1,300	Miscellaneous income	245	95	70
Miscellaneous losses	16	0	0	Extraordinary income			
Extraordinary losses				Gain on sale of fixed assets	20	0	0
Loss on removal of fixed assets	17,174	499	3,889				
Net profit	0	0	0				
Total	151,724	146,247	154,353	Total	151,724	146,247	154,353

Note: Above figures stated in the "Total" row may not accord with the actual total of all column figures, since all figures are rounded off, with five and above being rounded up and anything under five being rounded down.