[Chapter 2]

The NAA Group's Aspirations for the Future

This chapter outlines Narita Airport's aspirations for the future, the vision of the airport to be created with its stakeholders, and the path toward sustainable growth.

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The NAA Group's Aspirations for the Future

Long-term Vision

Narita Airport has long met strong demand as Japan's gateway by continuously striving to enhance air transport and other services. After overcoming the decline in demand caused by the COVID-19 pandemic, we are now embarking on a period of innovative change. As global airport competition intensifies and social change accelerates, we are promoting various initiatives—starting with the NEW NARITA AIRPORT Project—to ensure that Narita Airport evolves into a value-creating airport chosen by all stakeholders, including passengers and the local communities.

At the foundation of this transformation lie the fundamental policies that have guided our efforts to date, which will remain unchanged.

<Vision 2030: How NAA Aims to Change and Be by 2030>

Creation — Evolution from demand-meeting airport to value-creating airport
- World's highest standards in safety, security, and stability
- Proactive approach to capture demand by enhancing networks and airport functions
- Improvement of value through next-generation passenger experience

Sustainability — Sustainable airport building for the next generation
- Sustainable development of local communities through our proactive contribution
- Sustainable employment creation by increasing employee satisfaction of airport workers
- Be among the top runners in the world for climate change response

Resilience — Reform to become a flexible and resilient corporate group
- Constitutional improvement through fundamental cost structure reforms and operational reforms
- Diversification of income sources by developing overseas business and group business
- Creation of innovation through customer-oriented, open-innovation approach

<NAA's Fundamental Policies> Foundations for Realizing Vision 2030

- Pursuing the world's highest standards in safety and operational stability
- Comprehensive strengthening of aviation networks
- Creating world-class service quality and attractive commercial spaces
- Coexistence and mutual prosperity with local communities
- Strengthening corporate group capabilities and competitiveness

Value creation initiatives
- Enhancement of airport functions
- Human resource measures and workplace improvements to enhance employee satisfaction
- Promoting decarbonization measures and realizing the Airport City concept
- Strengthening group capabilities to enhance corporate resilience
- Promoting customer orientation and open innovation

Innovative Narita 2018 (FY2016-2018)
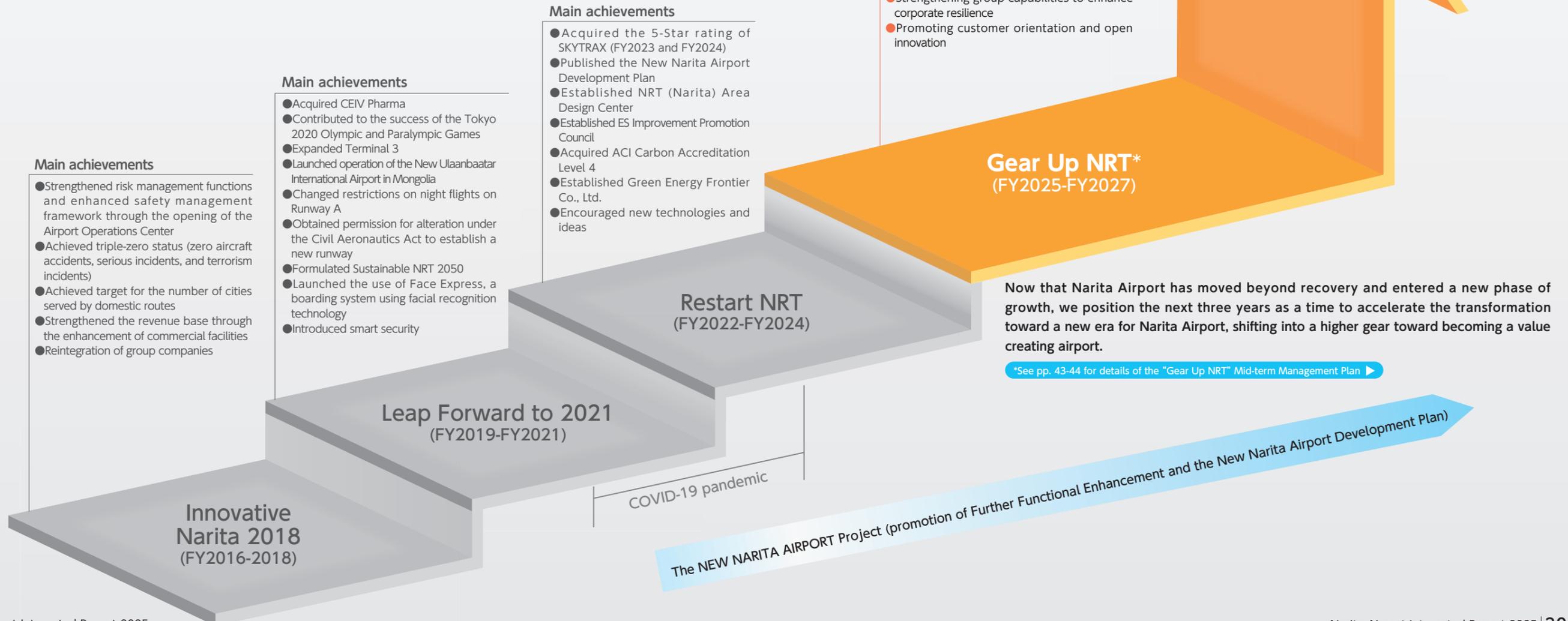
Main achievements
- Strengthened risk management functions and enhanced safety management framework through the opening of the Airport Operations Center
- Achieved triple-zero status (zero aircraft accidents, serious incidents, and terrorism incidents)
- Achieved target for the number of cities served by domestic routes
- Strengthened the revenue base through the enhancement of commercial facilities
- Reintegration of group companies

Leap Forward to 2021 (FY2019-FY2021)

Main achievements
- Acquired CEIV Pharma
- Contributed to the success of the Tokyo 2020 Olympic and Paralympic Games
- Expanded Terminal 3
- Launched operation of the New Ulaanbaatar International Airport in Mongolia
- Changed restrictions on night flights on Runway A
- Obtained permission for alteration under the Civil Aeronautics Act to establish a new runway
- Formulated Sustainable NRT 2050
- Launched the use of Face Express, a boarding system using facial recognition technology
- Introduced smart security

Restart NRT (FY2022-FY2024)

Main achievements
- Acquired the 5-Star rating of SKYTRAX (FY2023 and FY2024)
- Published the New Narita Airport Development Plan
- Established NRT (Narita) Area Design Center
- Established ES Improvement Promotion Council
- Acquired ACI Carbon Accreditation Level 4
- Established Green Energy Frontier Co., Ltd.
- Encouraged new technologies and ideas

Gear Up NRT* (FY2025-FY2027)

Now that Narita Airport has moved beyond recovery and entered a new phase of growth, we position the next three years as a time to accelerate the transformation toward a new era for Narita Airport, shifting into a higher gear toward becoming a value creating airport.

COVID-19 pandemic

The NEW NARITA AIRPORT Project (promotion of Further Functional Enhancement and the New Narita Airport Development Plan)

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The NAA Group's Aspirations for the Future

The NEW NARITA AIRPORT Project

Since its opening in 1978, Narita Airport has served as a core infrastructure for Japan's international aviation network, bolstering economic development not only in the Tokyo Metropolitan Area but throughout the nation. Amid the global recovery of aviation demand and the rapid resurgence of inbound travel to Japan, and as Japan faces a declining birthrate and an aging population, the further increase in overseas visitors is positioned as one of the national strategies. However, the airport capacity for arrivals and departures in the Tokyo Metropolitan Area, which enables this strategy, is approaching its limits.

In order to achieve sustainable economic growth of Japan and to remain competitive with major global cities, a future annual capacity of one million aircraft movements is required across the Tokyo Metropolitan Area. Given the current difficulty in further expanding the capacity of Haneda Airport, it is a social mission for Narita Airport to increase its annual capacity from the current 340,000 movements to 500,000 movements to meet the increasing traffic demand. Aiming to contribute to Japan's economic growth and the vitalization of the local communities surrounding the airport, Narita Airport should compete successfully against major international airports across Asia and actively capture the economic growth in Asia.

In light of these circumstances, NAA has been promoting Further Functional Enhancement as part of the NEW NARITA AIRPORT Project, including the extension of Runway B and the construction of Runway C. Moreover, we have been advancing the New Narita Airport Development Plan, focusing on the following four pillars: 1) Developing a new passenger terminal that is simple and easy for passengers in wayfinding, and provides a better working environment for employees; 2) Consolidating air cargo logistics functions through the development of a new cargo area; 3) Improving airport access convenience; and 4) Realizing the Airport City Development. Through these efforts, Narita Airport, one of Japan's vital infrastructures, will strive to achieve sustainable growth and development for the future, collaborating with diverse stakeholders and working with the local communities surrounding the airport. Narita Airport will continue to play a crucial role in supporting Japan's international competitiveness.
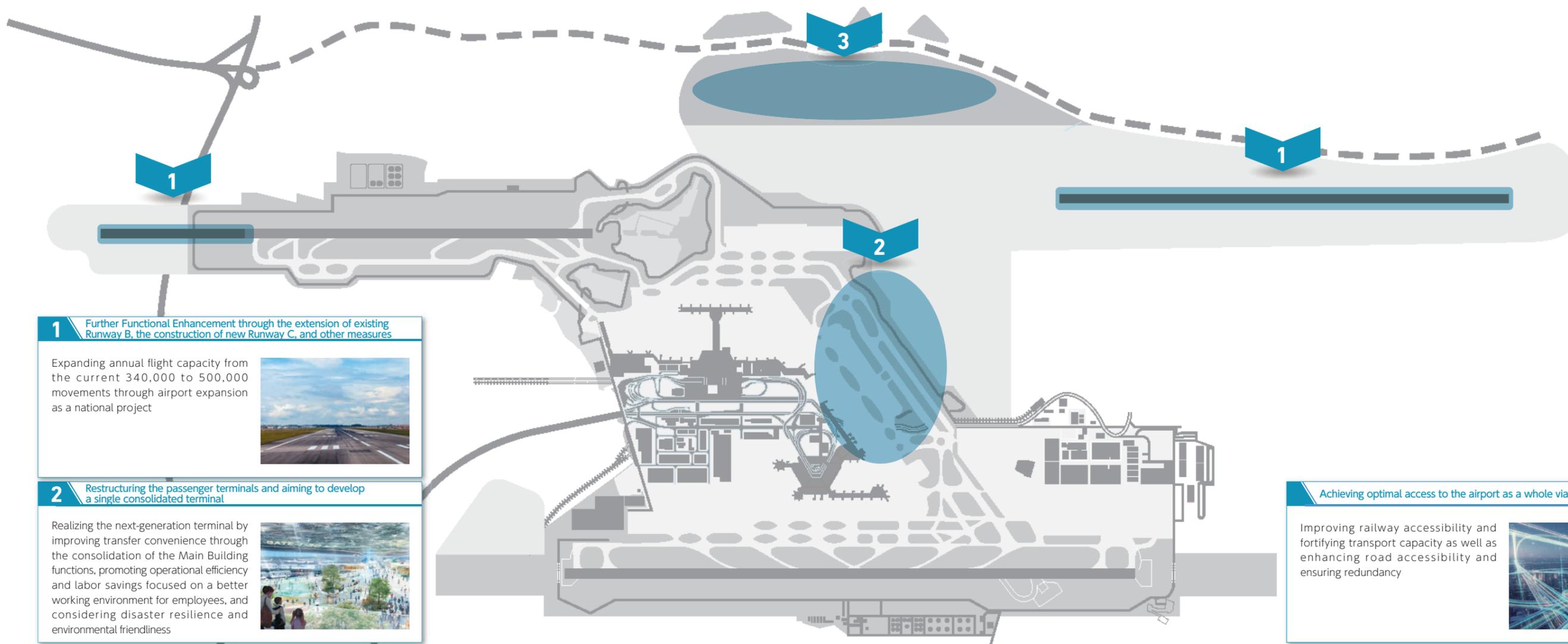
1 Further Functional Enhancement through the extension of existing Runway B, the construction of new Runway C, and other measures

Expanding annual flight capacity from the current 340,000 to 500,000 movements through airport expansion as a national project

2 Restructuring the passenger terminals and aiming to develop a single consolidated terminal

Realizing the next-generation terminal by improving transfer convenience through the consolidation of the Main Building functions, promoting operational efficiency and labor savings focused on a better working environment for employees, and considering disaster resilience and environmental friendliness

3 Consolidating air logistics functions via the development of a new cargo area

Pursuing world-class logistics efficiency, capturing transshipment demand, and achieving integrated operations with the local communities around the airport

Achieving optimal access to the airport as a whole via various options

Improving railway accessibility and fortifying transport capacity as well as enhancing road accessibility and ensuring redundancy

Integrated, sustainable development via partnerships between the airport and local communities
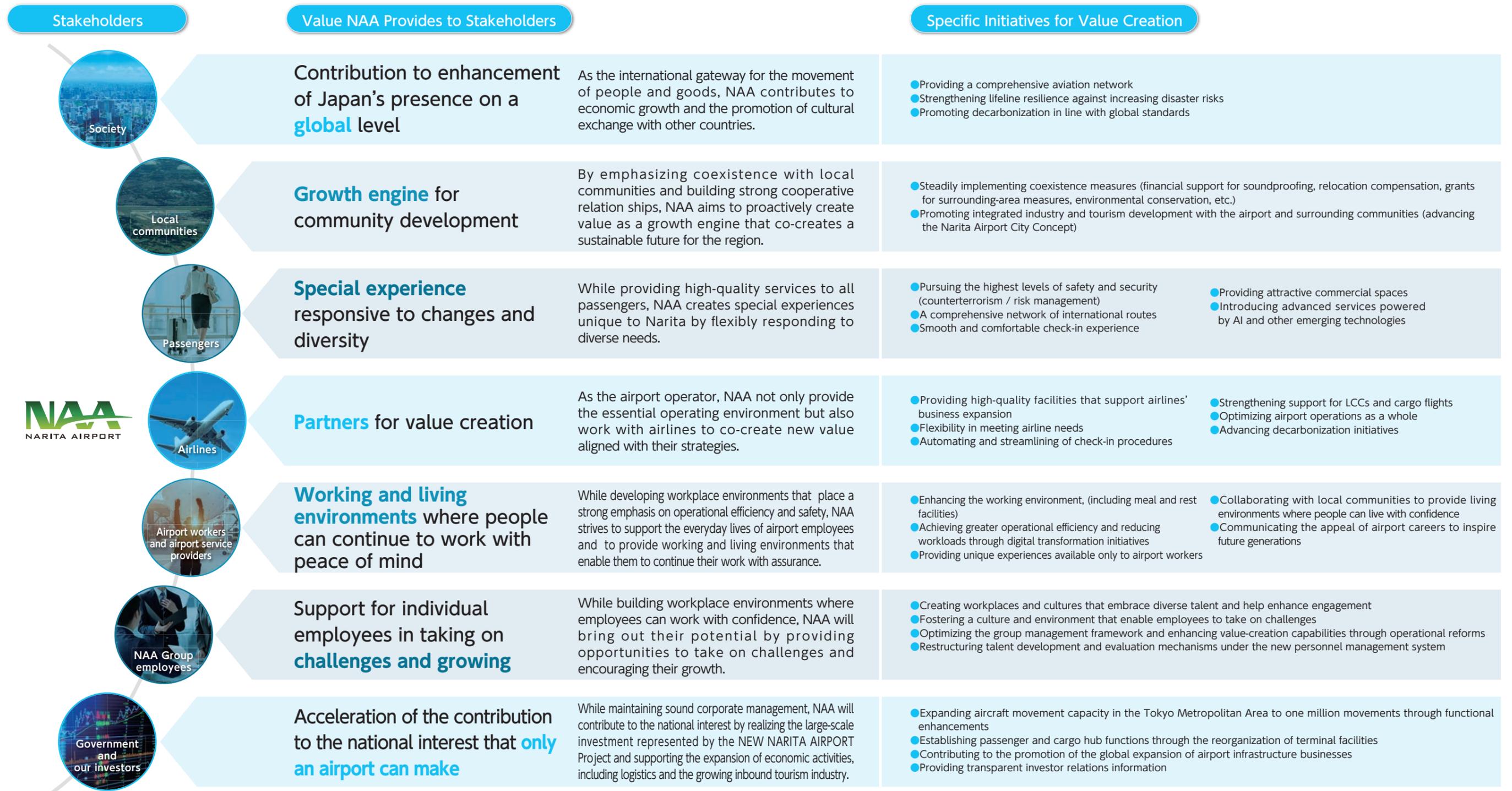
Working together with respective stakeholders to realize "A flagship airport city with global resonance where everyone shines", as an effort aiming at the development of the airport integrally with local communities

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The NAA Group's Aspirations for the Future

Working with Diverse Stakeholders for a Better Future

NAA will continue to fulfill Narita Airport's role as Japan's gateway by building on the strengths we have cultivated over the years—safety, convenience, comfort, and reliability.

In addition, through value co-creation with our diverse stakeholders, we will advance new initiatives that will help bring our 2030 Vision to fruition, enhance Narita Airport's international competitiveness, and further contribute to Japan's national interest.

Stakeholders	Value NAA Provides to Stakeholders		Specific Initiatives for Value Creation	
Society	**Contribution to enhancement of Japan's presence on a global level**	As the international gateway for the movement of people and goods, NAA contributes to economic growth and the promotion of cultural exchange with other countries.	● Providing a comprehensive aviation network ● Strengthening lifeline resilience against increasing disaster risks ● Promoting decarbonization in line with global standards	
Local communities	**Growth engine for community development**	By emphasizing coexistence with local communities and building strong cooperative relation ships, NAA aims to proactively create value as a growth engine that co-creates a sustainable future for the region.	● Steadily implementing coexistence measures (financial support for soundproofing, relocation compensation, grants for surrounding-area measures, environmental conservation, etc.) ● Promoting integrated industry and tourism development with the airport and surrounding communities (advancing the Narita Airport City Concept)	
Passengers	**Special experience responsive to changes and diversity**	While providing high-quality services to all passengers, NAA creates special experiences unique to Narita by flexibly responding to diverse needs.	● Pursuing the highest levels of safety and security (counterterrorism / risk management) ● A comprehensive network of international routes ● Smooth and comfortable check-in experience	● Providing attractive commercial spaces ● Introducing advanced services powered by AI and other emerging technologies
Airlines	**Partners for value creation**	As the airport operator, NAA not only provide the essential operating environment but also work with airlines to co-create new value aligned with their strategies.	● Providing high-quality facilities that support airlines' business expansion ● Flexibility in meeting airline needs ● Automating and streamlining of check-in procedures	● Strengthening support for LCCs and cargo flights ● Optimizing airport operations as a whole ● Advancing decarbonization initiatives
Airport workers and airport service providers	**Working and living environments where people can continue to work with peace of mind**	While developing workplace environments that place a strong emphasis on operational efficiency and safety, NAA strives to support the everyday lives of airport employees and to provide working and living environments that enable them to continue their work with assurance.	● Enhancing the working environment, (including meal and rest facilities) ● Achieving greater operational efficiency and reducing workloads through digital transformation initiatives ● Providing unique experiences available only to airport workers	● Collaborating with local communities to provide living environments where people can live with confidence ● Communicating the appeal of airport careers to inspire future generations
NAA Group employees	**Support for individual employees in taking on challenges and growing**	While building workplace environments where employees can work with confidence, NAA will bring out their potential by providing opportunities to take on challenges and encouraging their growth.	● Creating workplaces and cultures that embrace diverse talent and help enhance engagement ● Fostering a culture and environment that enable employees to take on challenges ● Optimizing the group management framework and enhancing value-creation capabilities through operational reforms ● Restructuring talent development and evaluation mechanisms under the new personnel management system	
Government and our investors	**Acceleration of the contribution to the national interest that only an airport can make**	While maintaining sound corporate management, NAA will contribute to the national interest by realizing the large-scale investment represented by the NEW NARITA AIRPORT Project and supporting the expansion of economic activities, including logistics and the growing inbound tourism industry.	● Expanding aircraft movement capacity in the Tokyo Metropolitan Area to one million movements through functional enhancements ● Establishing passenger and cargo hub functions through the reorganization of terminal facilities ● Contributing to the promotion of the global expansion of airport infrastructure businesses ● Providing transparent investor relations information	

NAA NARITA AIRPORT

The NAA Group's Aspirations for the Future

Sustainability Management

Since its opening in 1978, the development of Narita Airport has been supported by the local communities' understanding and our steady measures for reducing environmental impact.

For Narita Airport to continue sustainable growth, we should enhance airport functionality, while maintaining and fortifying social and environmental value.
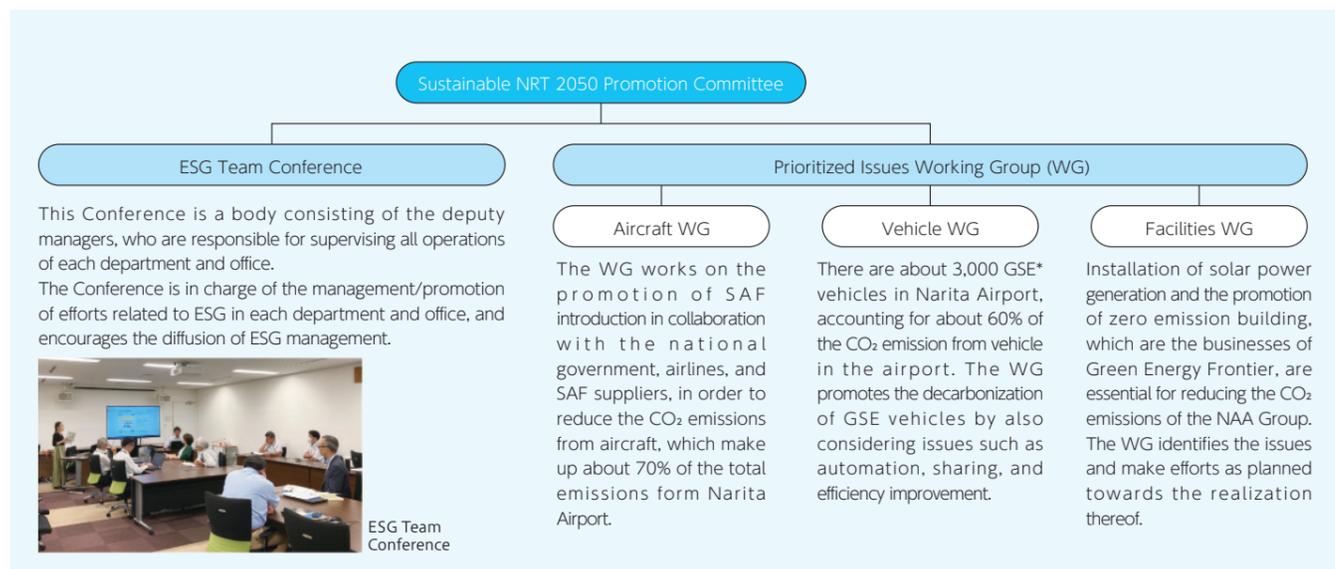
Based on this approach, Narita Airport will continue to promote sustainability management, aiming to strike a balance between society & environment and the sustainable development of the aviation network.

Sustainable NRT 2050 Promotion Structure

●Sustainable NRT 2050 Promotion Committee

NAA has established the Sustainable NRT 2050 Promotion Committee, which is chaired by the president and consists of all executive officers. This committee has been engaging in initiatives for climate change, including the Sustainable NRT 2050 project, as well as in progress management and discussions concerning the ESG area.

In August 2023, as an effort for strengthening the sustainability promotion system, NAA established two bodies of the ESG Team Conference and the Prioritized Issues Working Group under the Sustainable NRT 2050 Promotion Committee, building a structure to promote sustainability management across the entire group.

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Sustainable NRT 2050 Promotion Committee
├── ESG Team Conference
└── Prioritized Issues Working Group (WG)
       ├── Aircraft WG
       ├── Vehicle WG
       └── Facilities WG
```

ESG Team Conference
This Conference is a body consisting of the deputy managers, who are responsible for supervising all operations of each department and office.
The Conference is in charge of the management/promotion of efforts related to ESG in each department and office, and encourages the diffusion of ESG management.

Aircraft WG
The WG works on the promotion of SAF introduction in collaboration with the national government, airlines, and SAF suppliers, in order to reduce the CO₂ emissions from aircraft, which make up about 70% of the total emissions form Narita Airport.

Vehicle WG
There are about 3,000 GSE* vehicles in Narita Airport, accounting for about 60% of the CO₂ emission from vehicle in the airport. The WG promotes the decarbonization of GSE vehicles by also considering issues such as automation, sharing, and efficiency improvement.

Facilities WG
Installation of solar power generation and the promotion of zero emission building, which are the businesses of Green Energy Frontier, are essential for reducing the CO₂ emissions of the NAA Group. The WG identifies the issues and make efforts as planned towards the realization thereof.

*GSE: Abbreviation for Ground Support Equipment. The general term for equipment used in ground handling operations.

●Sustainable NRT Promotion Council

In order to promote sustainability across the entire Narita Airport, collaboration with diverse stakeholders is essential.

Aiming to strengthen collaboration with these stakeholders, the NAA Airport Sustainability Office serves as the secretariat for the Sustainable NRT Promotion Council to hold its meetings. This council consists of the following members: academic experts (2 persons) and representatives from airport-related businesses or associations (42 entities), related administrative agencies (9 offices), and related local governments (12 entities). It meets twice a year in principle. In addition to efforts for promoting dissemination, establishment, and providing information regarding sustainability at the airport, the council has been conducting discussions and information sharing about progress management, challenges, and initiatives toward achieving goals, including the Sustainable NRT 2050 project and the Narita Airport Decarbonization Promotion plan, upholding decarbonization targets across the airport.

Through its activities under the council, NAA will strive to enhance the communication and collaboration among stakeholders and to work together with stakeholders to promote the development of a sustainable airport.

SUSTAINABLE-NRT
Narita International Airport aims to be an environmentally friendly airport for a sustainable future.

PICK UP!

Climate Change Initiatives

Amid growing society-wide efforts toward decarbonization, social demand toward the aviation industry, which has high CO₂ emissions per unit of transportation, is mounting.

The decarbonization targets for the aviation industry were established by the International Civil Aviation Organization (ICAO) in 2010. The ICAO Assembly held in 2022 decided that the baseline from 2024 onward should be set at 85% of CO₂ emissions in 2019. Consequently, airlines face the situation where they are required to not increase CO₂ emissions from international flights, heightening the necessity for the entire industry to collectively take on decarbonization.

NAA has set CO₂ emission reduction targets for the NAA Group and the entire airport, and it has been promoting initiatives for decarbonization in collaboration with stakeholders.

●Sustainable NRT 2050

NAA formulated the Sustainable NRT 2050 in March 2021. This strategy focuses on CO₂ emission reduction and upholds net-zero emissions*¹ for the airport operating company and numerical targets for emission reduction tackled by the entire airport, including stakeholders. NAA was the first airport operator in Japan to set an airport-wide, net-zero emissions target.

SUSTAINABLE NRT 2050

FY2030 targets (mid-term)

●Reducing CO₂ emissions from the NAA Group by **50%** from the FY2015 level

●Reducing CO₂ emissions from Narita Airport by **30%** per flight from the FY2015 level

FY2050 targets (long-term)

●Achieving **net-zero** emissions of CO₂ from the NAA Group

●Reducing CO₂ emissions from Narita Airport by **50%** from the FY2015 level
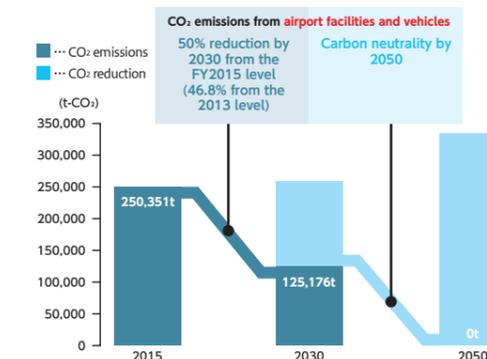
*1 Net-zero emissions: The introduction of energy efficiency and renewable energy to reduce CO₂ emissions and then balancing CO₂ emissions through carbon fixation and removal, etc. to bring CO₂ emissions effectively to zero. (Credit purchase is not included.)

●Narita Airport Decarbonization Promotion Plan

NAA formulated the Narita Airport Decarbonization Promotion Plan in response to the Basic Policy for Promoting Aviation Decarbonization (released in December 2022), which was prepared by the Ministry of Land, Infrastructure, Transport and Tourism. This plan received certification from the Minister of Land, Infrastructure, Transport and Tourism in December 2023.

The plan covers CO₂ emissions from airport facilities and vehicles, aiming for a 50% reduction by 2030 from the FY2015 level and achieving carbon neutrality*² by 2050.

*2 Carbon neutrality: The introduction of energy efficiency and renewable energy to reduce CO₂ emissions and then balancing CO₂ emissions through carbon fixation and removal, etc. as well as offsetting to bring CO₂ emissions effectively to zero.

CO₂ emissions from airport facilities and vehicles
- ■ ··· CO₂ emissions
- ─ ··· CO₂ reduction
- 50% reduction by 2030 from the FY2015 level (46.8% from the 2013 level)
- Carbon neutrality by 2050

(t-CO₂)
- 2015: 250,351t
- 2030: 125,176t
- 2050: 0t

●Promotion of initiatives in collaboration with stakeholders

The various initiatives targeting FY2050 cannot be achieved by the NAA Group alone.

Through collaboration with our stakeholders, we will examine and advance measures for CO₂ emission reduction in a multi-facet manner.

	FY2030	FY2050
Initiatives regarding airport facilities	●Actively engaging in daily energy-saving activities and maximizing the use of available technologies to reduce energy consumption	
Initiatives regarding airport vehicles	●Aiming to increase the ratio of low-emission vehicles to 70% for company vehicles (excluding GSE vehicles) ●While examining efficiency improvements through the sharing of GSE vehicles used for ground handling operations and a reduction in the number of such vehicles through automation, aiming to increase the ratios of low-emission vehicles to 30% for GSE vehicles and to 50% for forklifts	●Continuing to advance related initiatives to promote zero carbon emissions, thereby achieving efficiency improvements and decarbonization of GSE vehicles as a whole
Initiatives regarding aircraft	●Collaborating with stakeholders to establish the necessary framework for accepting SAF and promote the introduction of SAF	
Cross-sectional initiatives	●Collaborating with the local communities surrounding the airport, and advancing discussions on contributions to the local communities by utilizing the EVs and FCVs that have been introduced to the airport for disaster response, as an effort for further collaboration with the local communities and resilience enhancement	
Other initiatives	●Shifting airport access to low-carbon transportation	

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External Environment Analysis

Airports are playing an increasingly important role in both the tourism industry, which is a key driver of national growth, and in logistics, which underpins all industries.

The fundamental value of an airport lies in the breadth and strength of its network, which generates additional demand and leads to further value creation.

At the same time, the competitive environment surrounding the industry continues to intensify, driven by such developments as large-scale expansion projects at overseas airports and changes in airline business models. In response, NAA aims to strengthen Japan's presence on the global stage by maintaining Narita Airport's competitiveness and advancing major reforms based on a long-term vision for the airport's future that meets changing needs.

Environmental Changes (Megatrends)	Meaning to the NAA Group	Response
Changes in Asia's economic landscape ● Continuation of population decline in Japan ● Stable economic growth in Asian countries	**Risks** ● Inability to secure sufficient human resources ● Insufficient passenger and cargo handling capacity to meet growing demand ● Loss of opportunities and insufficient contribution to the national interest due to unmet demand **Opportunities** ● Increased handling volumes and earnings driven by strong demand ● Promoting functional enhancements to capture demand	● Enhancing and streamlining airport operations through digital technologies ● Human capital initiatives to attract diverse talent ● Strengthen air route networks (for passengers and cargo) through co-creation of new values with partners ● Steadily advance Further Functional Enhancement and embody the New Narita Airport Development Plan 　· Steady implementation of development work to expand aircraft movement capacity 　· Realizing the airport's future vision to ensure medium- to long-term international competitiveness
Progress in digitalization ● Progress in digitalization of the whole society ● Acceleration of social implementation of AI and IoT	**Risks** ● Reduced service delivery capabilities due to misalignment with user needs **Opportunities** ● Promoting digitalization across Narita Airport 　· Operational efficiency improvement 　· Securing opportunities to create new value	● Advance and streamline airport operations with digital technologies ● Create and deliver a next-generation passenger experience that only Narita Airport can provide ● Promote innovation through a customer-oriented, open-innovation approach
Changes in the airline and airport industry ● Intensifying competition among airports in Asia ● Diversifying airline business models	**Risks** ● Passenger attrition due to reduced convenience and comfort ● Airline partner attrition due to insufficient adaptation to changes in airline strategies **Opportunities** ● Maximizing the value of the passenger experience through co-creation with a diverse range of airlines	● Strengthen air route networks (for passengers and cargo) through co-creation of new values with partners ● Create and deliver a next-generation passenger experience that only Narita Airport can provide ● Promote innovation through a customer-oriented, open-innovation approach
Rising momentum for sustainability ● Intensifying climate change due to global warming ● Further dissemination of SDGs in society ● Progress in the work-style reforms and health and productivity management	**Risks** ● Reputational decline resulting from failure to meet international benchmarks **Opportunities** ● Deepening and advancing long-standing Eco-Airport initiatives ● New value creation driven by environmental and social considerations	● Cooperate with local communities for coexistence and mutual prosperity and developing an airport city ● Take actions for airport human capital management to attract/engage diverse talent ● Take global-level climate change response ● Reinforce human capital management to elevate group capabilities and streamline organization and operational efficiency
Increase in global risks ● Increase in natural disasters and infectious disease risks ● Increasing international instability	**Risks** ● Business interruptions (operational shutdowns due to disasters, supply chain disruptions, etc.) ● Contraction of aviation networks due to geopolitical shifts between countries and regions	● Pursue world's highest standards in safety and security ● Strengthen profitability and financial foundation to support large-scale investments ● Reinforce human capital management to elevate group capabilities and streamline organization and operational efficiency ● Develop overseas business and group business for diversification of income