

Kansai International Airport Company, Ltd.

Consolidated Balance Sheets

March 31, 2008 and 2007

ASSETS	Millions of Yen		Thousands of U.S. Dollars	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008		2008	2007	2008
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents:				Short-term bank loans	¥ 14,100	¥	\$ 141,000
Cash	¥ 10,706	¥ 19,728	\$ 107,059	Current maturities of long-term debt	138,104	274,678	1,381,039
Time deposits	400	41,000	4,000	Payables:			
Total cash and cash equivalents	11,106	60,728	111,059	Trade accounts	3,675	4,381	36,752
Receivables:				Construction and other	12,481	10,888	124,815
Trade accounts	6,190	5,907	61,906	Other current liabilities	10,429	10,884	104,294
Other	74	2,351	738				
Other current assets	2,248	6,883	22,484	Total current liabilities	178,789	300,831	1,787,900
Allowance for doubtful accounts	(13)	(92)	(134)				
				LONG-TERM LIABILITIES:			
Total current assets	19,605	75,777	196,053	Long-term debt	1,205,137	1,143,663	12,051,369
PROPERTY, PLANT AND EQUIPMENT				Long-term deposits received	10,125	11,163	101,256
Land	995,156	629,702	9,951,567	Other long-term liabilities	2,532	4,988	25,319
Buildings and structures	851,788	808,444	8,517,878				
Machinery and equipment	97,922	102,847	979,220	Total long-term liabilities	1,217,794	1,159,814	12,177,944
Furniture and fixtures	18,457	9,885	184,568				
Construction in progress	437,576	829,272	4,375,760	EQUITY			
Total	2,400,899	2,380,150	24,008,993	Common stock, 17,542 thousand shares authorized in 2008 and 2007; 16,251 thousand and 16,218 thousand shares issued and outstanding in 2008 and 2007	812,550	810,900	8,125,500
Accumulated depreciation	(423,126)	(406,978)	(4,231,267)	Deficits	(208,265)	(219,133)	(2,082,657)
Net property, plant and equipment	1,977,773	1,973,172	19,777,726				
INVESTMENTS AND OTHER ASSETS	3,832	3,721	38,318	Total	604,285	591,767	6,042,843
DEFERRED CHARGES - NET		93		Minority Interests	341	351	3,410
TOTAL	¥ 2,001,210	¥ 2,052,763	\$ 20,012,097	Total equity	604,626	592,118	6,046,253
				TOTAL	¥ 2,001,210	¥ 2,052,763	\$ 20,012,097

Kansai International Airport Company, Ltd.

Consolidated Statements of Operations
Years Ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	<u>2008</u>	<u>2007</u>	<u>2008</u>
OPERATING REVENUES:			
Airport facilities	¥ 59,000	¥ 58,554	\$ 590,004
Airport service	19,736	19,830	197,358
Airport - other	22,592	22,459	225,921
Railway facilities	4,786	4,894	47,859
Total operating revenues	<u>106,114</u>	<u>105,737</u>	<u>1,061,142</u>
OPERATING EXPENSES:			
Airport - facilities and service operations	27,895	30,019	278,949
Airport - other operations	10,072	9,693	100,722
Airport - selling, general and administrative	10,431	9,928	104,308
Airport - depreciation	29,090	26,797	290,899
Total airport operating expenses	<u>77,488</u>	<u>76,437</u>	<u>774,878</u>
Railway facilities - operations	940	925	9,403
Railway facilities - general and administrative	132	162	1,319
Railway facilities - depreciation	2,530	2,505	25,305
Total railway operating expenses	<u>3,602</u>	<u>3,592</u>	<u>36,027</u>
Total operating expenses	<u>81,090</u>	<u>80,029</u>	<u>810,906</u>
OPERATING INCOME	<u>25,024</u>	<u>25,708</u>	<u>250,237</u>
OTHER INCOME(EXPENSES):			
Interest income	243	249	2,433
Government subsidy	9,000	9,000	90,000
Interest expense	(22,672)	(22,103)	(226,722)
Amortization of deferred charges	(93)	(415)	(928)
Other - net	(595)	(2,397)	(5,949)
Other expenses - net	<u>(14,117)</u>	<u>(15,666)</u>	<u>(141,166)</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>10,907</u>	<u>10,041</u>	<u>109,071</u>
INCOME TAXES			
Current	63	211	630
Deferred	(13)	(20)	(134)
Total income taxes	<u>50</u>	<u>191</u>	<u>496</u>
MINORITY INTERESTS IN NET INCOME OF SUBSIDIARIES	<u>(10)</u>	<u>29</u>	<u>(98)</u>
NET INCOME	<u>¥ 10,867</u>	<u>¥ 9,821</u>	<u>108,673</u>
	<u>Yen</u>		<u>U.S. Dollars</u>
INCOME PER COMMON SHARE	¥ 669.56	¥ 616.20	\$ 6.70

Kansai International Airport Company, Ltd.

Consolidated Statements of Changes in Equity
Years Ended March 31, 2008 and 2007

	Thousands	Millions of Yen				
	Issued Number of Shares of Common Stock	Shareholders' Equity			Minority interest	Total Equity
		Common Stock	Deficits	Total		
BALANCE, APRIL 1, 2006	15,771	¥ 788,556	¥ (228,954)	¥ 559,602	¥	¥ 559,602
Reclassified balance as of March 31,2006					661	661
Issuance of common stock	447	22,344		22,344		22,344
Net income			9,821	9,821		9,821
Net change in the year					(310)	(310)
BALANCE, MARCH 31, 2007	16,218	810,900	(219,133)	591,767	351	592,118
Issuance of common stock	33	1,650		1,650		1,650
Net income			10,867	10,867		10,867
Net change in the year					(10)	(10)
BALANCE, MARCH 31, 2008	<u>16,251</u>	<u>¥ 812,550</u>	<u>¥ (208,265)</u>	<u>¥ 604,285</u>	<u>¥ 341</u>	<u>¥ 604,626</u>

Kansai International Airport Company, Ltd.

Consolidated Statements of Changes in Equity
Years Ended March 31, 2008 and 2007

	Thousands of U.S. dollars				Total Equity
	Shareholders' Equity			Minority interest	
	Common Stock	Deficits	Total		
BALANCE, MARCH 31, 2007	\$ 8,109,000	\$ (2,191,330)	\$ 5,917,670	\$ 3,509	\$ 5,921,179
Issuance of common stock	16,500		16,500		16,500
Net income		108,673	108,673		108,673
Net change in the year				(99)	(99)
BALANCE, MARCH 31, 2008	<u>\$ 8,125,500</u>	<u>\$ (2,082,657)</u>	<u>\$ 6,042,843</u>	<u>\$ 3,410</u>	<u>\$ 6,046,253</u>