Settlement of accounts for the first half of FY2005
~Increased operating revenues and profits achieved on an ordinary profit basis~

Kansai International Airport has settled accounts for the first half of FY 2005 (consolidated basis) and announced that operating revenues rose to 52.8 billion, led by growing demand for aviation services such as increases in the number of international flights per day to a total of more than 100, and a marked increase in the number of domestic flights. Revenues have thus risen for the second consecutive term.

Operating expenses were reduced to an all-time low despite increasing revenue-related costs, as a result of cost-reduction initiatives and declines in cost depreciation due to loss write-offs. Operating profits reached ¥14 billion, marking an increase for the second year in a row as of the half-year settlement.

Non-operating revenues stood at ¥5.4 billion due to the appropriation of government subsidy funds for the term, which has been the procedure through the present time. Meanwhile, non-operating expenses fell to ¥11.9 billion yen due to the refinancing of interest-bearing liabilities to low-interest funds, as well as amortization of liabilities, which yielded a ¥1.1 billion reduction in interest paid on the previous year.

As a result, ordinary revenues rose ¥3.5 billion on the previous year to reach an all-time high of ¥7.4 billion, which also led to an increase on an ordinary profit basis.

Having written off Aeroplaza losses as extraordinary losses, after-tax net loss for the term stood at ¥19 billion.

In the future, we plan to make Kansai International Airport ever more convenient as we implement further administrative improvements.

* For details, see our website, as follows.
http://www.kiac.co.jp/fina/fina.htm