Independent Auditor’s Report

The Board of Directors
JALUX Inc.

We have audited the accompanying consolidated financial statements of JALUX Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity’s internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JALUX Inc. and its consolidated subsidiaries as at March 31, 2014, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

June 23, 2014
Tokyo, Japan

JALUX Inc. and Consolidated Subsidiaries

Consolidated Balance Sheet

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Assets			
Current assets:			
Cash and time deposits *(Notes 17 and 22)*	¥ 6,361,146	¥ 5,219,694	$ 61,759
Trade notes and accounts receivable *(Notes 17 and 24)*	7,705,147	8,034,413	74,807
Inventories *(Note 4)*	6,718,044	5,502,201	65,224
Deferred income taxes *(Note 13)*	320,673	304,790	3,113
Other	3,071,811	2,426,833	29,823
Allowance for doubtful accounts	(5,688)	(76,035)	(55)
Total current assets	24,171,135	21,411,898	234,671
Property and equipment *(Notes 5, 12 and 18)*:			
Buildings and structures	2,342,743	2,536,805	22,745
Machinery and vehicles	117,832	128,155	1,144
Flight equipment	102,277	155,528	993
Land	1,789,273	2,099,940	17,372
Construction in process	–	4,550	–
Other	351,236	409,835	3,410
Property and equipment, net	4,703,362	5,334,815	45,664
Intangible assets:			
Software *(Note 12)*	273,312	376,546	2,654
Goodwill *(Notes 20 and 23)*	206,543	–	2,005
Other	28,015	30,960	272
Total intangible assets	507,871	407,506	4,931
Investments and other assets:			
Investment securities *(Notes 6, 17 and 18)*	1,537,056	1,511,306	14,923
Long-term loans receivable	75,001	104,244	728
Deposits for business space *(Note 17)*	1,784,109	2,073,691	17,321
Deferred income taxes *(Note 13)*	287,972	266,566	2,796
Other	102,616	80,407	996
Allowance for doubtful accounts	(13,684)	(13,837)	(133)
Total investment and other assets	3,773,072	4,022,380	36,632
Deferred charges:			
Business commencement expenses	48,718	64,991	473
Total deferred charges	48,718	64,991	473
Total assets	¥33,204,160	¥31,241,592	$322,370

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Liabilities and net assets			
Current liabilities:			
Trade notes and accounts payable *(Notes 17 and 22)*:	¥ 7,025,906	¥ 6,790,479	$ 68,213
Short-term borrowings and Current portion of long-term debt *(Notes 7 and 17)*	1,893,790	2,045,181	18,386
Accrued income taxes *(Note 13)*	556,925	396,301	5,407
Accrued expenses *(Note 17)*	2,047,850	2,164,214	19,882
Other	2,521,353	2,359,857	24,479
Total current liabilities	14,045,827	13,756,034	136,367
Long-term liabilities:			
Long-term debt *(Notes 7 and 17)*	2,082,326	1,463,875	20,217
Accrued pension and severance costs *(Note 8)*	–	529,783	–
Liability for retirement benefits *(Note 8)*	553,275	–	5,372
Directors' and statutory auditors' retirement benefits	–	9,200	–
Deferred income taxes *(Note 13)*	26,528	36,860	258
Other	647,852	623,094	6,290
Total long-term liabilities	3,309,983	2,662,813	32,136
Commitments and contingent liabilities *(Notes 7 and 15)*			
Net assets *(Note 9)*:			
Shareholders' equity:			
Common stock	2,558,550	2,558,550	24,840
Capital surplus	711,250	711,250	6,905
Retained earnings	12,176,600	11,400,172	118,219
Common stock in treasury	(143,726)	(147,089)	(1,395)
Total shareholders' equity	15,302,673	14,522,883	148,570
Accumulated other comprehensive income:			
Net unrealized loss on other securities, net of taxes *(Note 18)*	(493)	(1,870)	(5)
Net unrealized gain on hedging instruments, net of taxes *(Note 19)*	33,404	53,458	324
Translation adjustments	(272,329)	(716,881)	(2,644)
Retirement benefits liability adjustment	(70,279)	–	(682)
Total accumulated other comprehensive income	(309,697)	(665,293)	(3,007)
Subscription rights to shares *(Note 10)*	7,724	9,882	75
Minority interests	847,649	955,271	8,230
Total net assets	15,848,349	14,822,743	153,867
Total liabilities and net assets	¥33,204,160	¥31,241,592	$322,370

The accompanying notes are an integral part of these statements.

JALUX Inc. and Consolidated Subsidiaries

Consolidated Statements of Income

	Year ended March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Operating revenues *(Notes 23 and 24)*	¥99,837,354	¥85,937,397	$969,295
Operating expenses *(Notes 23 and 24)*:			
Cost of sales	80,297,422	66,944,669	779,587
Selling, general and administrative expenses	17,832,961	17,601,138	173,136
	98,130,384	84,545,808	952,722
Operating income	1,706,970	1,391,589	16,573
Non-operating income (expenses):			
Interest income	12,811	10,181	124
Interest expense	(46,941)	(46,343)	(456)
Equity in earnings of affiliates	49,291	109,330	479
Other, net *(Note 11)*	47,447	(184,502)	461
	62,608	(111,334)	608
Income before income taxes and minority interests	1,769,579	1,280,254	17,180
Income taxes *(Note 13)*:			
Current	776,810	666,998	7,542
Deferred	(3,947)	82,362	(38)
	772,862	749,360	7,504
Net income before minority interests	996,716	530,893	9,677
Minority gain (loss)	29,407	(248,966)	286
Net income	¥ 967,308	¥ 779,860	$ 9,391

The accompanying notes are an integral part of these statements.

JALUX Inc. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Income before minority interests	¥ 996,716	¥ 530,893	$ 9,677
Other comprehensive income:			
Net unrealized gain on other securities, net of taxes	3,691	7,331	36
Net unrealized gain (loss) on hedging instruments, net of taxes	(20,053)	25,728	(195)
Translation adjustments	424,652	186,502	4,123
Share of other comprehensive income of companies accounted for by the equity method	22,239	21,090	216
Total other comprehensive income *(Note 14)*	430,530	240,653	4,180
Comprehensive income	¥1,427,246	¥ 771,547	$13,857
Comprehensive income attributable to:			
Stockholders of JALUX Inc.	¥1,393,184	¥1,013,634	$13,526
Minority interests	¥ 34,061	¥ (242,087)	$ 331

JALUX Inc. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Net unrealized loss on other securities, net of taxes *(Note 18)*	Net unrealized gain on hedging instruments, net of taxes *(Note 19)*	Translation adjustments	Retirement benefits liability adjustment	Subscription rights to shares *(Note 10)*	Minority interests	Total net assets
										(Thousands of yen)		
Balance at March 31, 2012	12,775,000	¥2,558,550	¥711,250	¥10,811,239	¥ (68,191)	¥(7,685)	¥ 27,730	¥(919,112)	¥ –	¥ 9,882	¥1,252,141	¥14,375,804
Cash dividends (¥15 per share)				(190,926)								(190,926)
Net income for the year ended March 31, 2013				779,860								779,860
Purchases of common stock in treasury					(78,897)							(78,897)
Other						5,814	25,728	202,230			(296,870)	(63,096)
Balance at March 31, 2013	12,775,000	2,558,550	711,250	11,400,172	(147,089)	(1,870)	53,458	(716,881)	–	9,882	955,271	14,822,743
Cash dividends (¥15 per share)				(189,591)								(189,591)
Net income for the year ended March 31, 2014				967,308								967,308
Purchases of common stock in treasury					(89)							(89)
Disposal of common stock in treasury				(1,290)	3,451							2,161
Other						1,376	(20,053)	444,552	(70,279)	(2,158)	(107,621)	245,816
Balance at March 31, 2014	12,775,000	¥2,558,550	¥711,250	¥12,176,600	¥(143,726)	¥ (493)	¥ 33,404	¥(272,329)	¥(70,279)	¥ 7,724	¥ 847,649	¥15,848,349

	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Net unrealized loss on other securities, net of taxes *(Note 18)*	Net unrealized gain on hedging instruments, net of taxes *(Note 19)*	Translation adjustments	Retirement benefits liability adjustment	Subscription rights to shares *(Note 10)*	Minority interests	Total net assets
										(Thousands of U.S. dollars) (Note 3)		
Balance at March 31, 2013	12,775,000	$24,840	$6,905	$110,681	$(1,428)	$(18)	$ 519	$(6,960)	$ –	$ 96	$9,274	$143,910
Cash dividends ($0.15 per share)				(1,841)								(1,841)
Net income for the year ended March 31, 2014				9,391								9,391
Purchases of common stock in treasury					(1)							(1)
Disposal of common stock in treasury				(13)	34							21
Other						13	(195)	4,316	(682)	(21)	(1,045)	2,387
Balance at March 31, 2014	12,775,000	$24,840	$6,905	$118,219	$(1,395)	$ (5)	$ 324	$(2,644)	$(682)	$ 75	$8,230	$153,867

The accompanying notes are an integral part of these statements.

JALUX Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Operating activities			
Income before income taxes and minority interests	¥ 1,769,579	¥ 1,280,254	$ 17,180
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	592,219	633,691	5,750
Decrease in provision for allowance for doubtful accounts	(35,118)	(4,844)	(341)
Increase in net provision for accrued pension and severance costs	–	118,194	–
Decrease in defined benefit liability	(47,183)	–	(458)
Interest and dividend income	(45,792)	(34,706)	(445)
Interest expense	46,941	46,343	456
Exchange loss, net	(31,765)	688	(308)
Equity in earnings of affiliates	(49,291)	(109,330)	(479)
Loss on sales of, and loss on disposal of property and equipment	6,233	44,978	61
Impairment losses on fixed assets	40,203	536	390
Gain on sales of investment in a subsidiary	(54,215)	–	(526)
Loss on sales of investments in securities	–	481	–
Loss on revaluation of investments in securities	5,041	7,308	49
Decrease in notes and accounts receivable	600,175	1,784,680	5,827
(Increase) decrease in inventories	(2,732)	500,674	(27)
Increase (decrease)in notes and accounts payable	186,499	(1,882,060)	1,811
(Increase) decrease in advance payment	(787,186)	315,851	(7,643)
Increase (decrease)in advance received	168,833	(121,136)	1,639
Decrease in bad debts on receivables	330	7,830	3
Other, net	(28,061)	46,158	(272)
Subtotal	2,334,709	2,635,594	22,667
Interest and dividends received	126,643	95,436	1,230
Interest paid	(48,162)	(50,533)	(468)
Income taxes paid	(646,736)	(577,801)	(6,279)
Income taxes refund	153,072	–	1,486
Net cash provided by operating activities	1,919,526	2,102,696	18,636
Investing activities			
Purchases of property and equipment	(874,390)	(1,225,420)	(8,489)
Proceeds from sales of property and equipment	13,766	4,732	134
Purchases of intangible assets	(167,670)	(95,495)	(1,628)
Purchases of investments in securities	(47,269)	(8,263)	(459)
Proceeds from sales of investments in securities	–	117,734	–
Payments for sales of investment in a subsidiary resulting in change in scope of consolidation *(Note 22)*	(22,775)	–	(221)
Payments for transfer of business *(Note 22)*	(205,799)	–	(1,998)
Long-term loans receivable made	(5,730)	(156)	(56)
Collection of long-term loans	73,251	64,015	711
Purchases of time deposits	(16,330)	(5,707)	(159)
Proceeds from maturity of time deposits	–	9,596	–
Increase in deposits for business space	(129,880)	(153,615)	(1,261)
Decrease in deposits for business space	270,795	106,362	2,629
Other, net	(10,035)	(10,552)	(97)
Net cash used in investing activities	(1,122,067)	(1,196,769)	(10,894)
Financing activities			
Decrease in short-term borrowings, net	(129,423)	(702,092)	(1,257)
Proceeds from long-term loans	1,300,000	1,032,000	12,621
Repayment of long-term loans	(773,262)	(1,074,652)	(7,507)
Dividends paid to stockholders	(189,259)	(191,122)	(1,837)
Dividends paid to minority stockholders	(36,000)	(60,000)	(350)
Other, net	(86,344)	(148,827)	(838)
Net cash provided by (used in) financing activities	85,710	(1,144,694)	832
Effect of exchange rate changes on cash and cash equivalents	203,540	70,842	1,976
Net increase (decrease) in cash and cash equivalents	1,086,709	(167,925)	10,551
Cash and cash equivalents at beginning of the year	5,216,742	5,384,667	50,648
Cash and cash equivalents at end of the year *(Note 22)*	¥ 6,303,451	¥ 5,216,742	$ 61,199

The accompanying notes are an integral part of these statements.

1. Summary of Significant Accounting Policies

a. Basis of preparation

JALUX Inc. (the "Company") and its consolidated domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Financial Services Agency as required by the Financial Instruments and Exchange Law of Japan, certain modifications and inclusion of certain additional financial information are made for the convenience of readers outside Japan.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one thousand yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

b. Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The consolidated financial statements include the accounts of the Company and significant companies controlled directly or indirectly by the Company. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

The balance sheet date of nine of the consolidated subsidiaries is December 31. Any significant differences in intercompany accounts and transactions arising from intervening intercompany transactions during the period from January 1 through March 31 have been adjusted, if necessary, for the respective years.

All significant intercompany accounts and transactions and unrealized gain or loss on intercompany accounts and transactions have been eliminated.

1. Summary of Significant Accounting Policies (continued)

c. Securities

Securities except for investments in an unconsolidated subsidiaries and affiliates are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gain or loss reported as a separate component of net assets, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined principally by the average method.

d. Derivatives

Derivatives positions are stated at fair value.

Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized. Foreign receivables and payables are translated at the applicable forward foreign exchange rates if certain conditions are met. In addition, the related interest differential paid or received under interest-rate swaps utilized as hedging instruments is recognized over the terms of the swap agreements as an adjustment of interest expense on the hedged items if certain conditions are met.

e. Inventories

Inventories are stated at the lower of cost or net selling value, cost being determined as follows:

Merchandise:		
The Company	–	by the moving average method
Subsidiaries	–	principally by the first-in, first-out method
Real estate for sale	–	by the specific identification method Leasing real estates for sale are depreciated by applying the method of tangible fixed assets.

f. Property and equipment

For the Company and the consolidated domestic subsidiaries, depreciation of the shops in airports and the buildings for rent is computed principally by the straight-line method and depreciation of other property and equipment is computed principally by the declining-balance method. The consolidated foreign subsidiaries principally adopt the straight-line method. The estimated useful lives of the assets are as follows:

Buildings and structures:	8 to 47 years
Machinery and vehicles:	4 to 10 years

1. Summary of Significant Accounting Policies (continued)

g. Software

Computer software intended for internal use is amortized by the straight-line method based on their estimated useful life.

h. Leased assets

Leased assets arising from transactions under finance lease agreements which do not transfer the ownership to the lessee is depreciated to residual value of zero by the straight-line method over the terms of the agreements.

i. Deferred charges

Business commencement expenses are amortized using the straight-line method over 5 years or less.

j. Allowance for doubtful accounts

The allowance for doubtful accounts on specific receivables is provided at the estimate of the unrecoverable amounts. The allowance for doubtful accounts on other receivables is provided based on the historical rate of losses on receivables.

k. Reserve for bonuses to officers

Reserve for bonuses to officers is provided for at the necessary amounts based on the estimated amounts payable at the date of the balance sheet.

l. Retirement benefit

The retirement benefit obligation for employees is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

The adjustment incurred during this fiscal year arising from revisions to the actuarial assumptions is to be amortized by the straight-line method beginning the following fiscal year over a period of 5 years.

Certain consolidated subsidiaries have adopted the simplified method in the calculation of their retirement benefit obligation and retirement benefit expense.

m. Goodwill

Goodwill has been amortized by the straight-line method over 5 years.

n. Cash equivalents

The Company and its consolidated subsidiaries define cash equivalents as highly liquid, short-term investments with an original maturity of three months or less.

1. Summary of Significant Accounting Policies (continued)

o. Standards issued but not yet effective

Accounting Standard for Retirement Benefits (Accounting Standard Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012)

Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on May 17, 2012)

The standard provides guidance for the accounting for unrecognized actuarial differences and unrecognized prior service costs, the calculation methods for retirement benefit obligation and service costs, and enhancement of disclosures taking into consideration improvements to financial reporting and international trends. The revised accounting standard and guidance were adopted as of the end of the fiscal year ended March 31, 2014. However, revisions to the calculation methods for the retirement benefit obligation and service costs are scheduled to be adopted from the beginning of the fiscal year ending March 31, 2015. As a result of this adoption, liability for retirement benefits will decrease by ¥458,403 thousand ($4,451 thousand) and retained earnings will increase by ¥295,028 thousand ($2,864 thousand) as of March 31, 2015. The impact on operating income and income before income taxes and minority interests for the year ended March 31, 2015 will be immaterial.

2. Accounting Changes

The Company adopted "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012) (except for certain provisions described in the main clause of Section 35 of the standard and in the main clause of Section 67 of the guidance) as of the end of the fiscal year ended March 31, 2014. These accounting standards require entities to apply a revised method for recording the retirement benefit obligation, after deducting pension plan assets, as a liability for retirement benefits. Therefore, unrecognized actuarial differences and unrecognized prior service costs are recorded as a part of liability for retirement benefits. Concerning the application of the Accounting Standard for Retirement Benefits, based on the provisional treatment set out in Clause 37 of the standard, the effects of such changes in the current fiscal year have been recorded in retirement benefits liability adjustments through accumulated other comprehensive income. As a result of this change, a liability for retirement benefits was recognized in the amount of ¥553,275 thousand ($5,372 thousand) and accumulated other comprehensive income decreased by ¥70,279 thousand ($682 thousand) as of March 31, 2014. In addition, net assets per share decreased by ¥5.56 ($0.054).

3. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥103.00 = U.S.$1.00, the approximate exchange rate prevailing on March 31, 2014, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4. Inventories

Inventories at March 31, 2014 and 2013 were as follows:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Merchandise and finished products	¥5,981,172	¥4,677,034	$58,070
Real estate held for sale	676,769	773,438	6,571
Raw materials and supplies	60,102	51,729	584
	¥6,718,044	¥5,502,201	$65,224

Revaluation loss included in "Cost of sales" amounted to ¥47,328 thousand ($459 thousand) and ¥17,957 thousand for the years ended March 31, 2014 and 2013.

5. Property and Equipment

The following table sets forth the acquisition costs and related accumulated depreciation of certain property and equipment at March 31, 2014 and 2013:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Buildings and structures	¥ 4,063,485	¥ 3,713,481	$ 39,451
Machinery and vehicles	353,931	205,297	3,436
Flight equipment	435,028	647,061	4,223
Other	1,675,929	1,256,748	16,271
	6,528,375	5,822,589	63,382
Accumulated depreciation	(3,614,285)	(2,592,265)	(35,090)
	¥ 2,914,089	¥ 3,230,324	$ 28,292

6. Investments and Other Assets

Investments in unconsolidated subsidiaries and affiliates included in "Investment securities" as of March 31, 2014 and 2013 amounted to ¥1,238,255 thousand ($12,022 thousand) and ¥1,225,640 thousand, respectively.

7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt at March 31, 2014 and 2013 consisted of the following:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Short-term Borrowings:			
Short-term Borrowings without collateral, with weighted-average interest rate of 1.84%	¥1,232,276	¥1,271,757	$11,964
	¥1,232,276	¥1,271,757	$11,964
Long-term debt:			
Loans without collateral, due 2015 to 2018, with weighted-average interest rate of 1.02%	¥2,743,840	¥2,237,299	$26,639
Lease obligations	112,994	117,926	1,097
	2,856,835	2,355,225	27,736
Less current portion	(706,658)	(842,812)	(6,861)
	¥2,150,176	¥1,512,412	$20,875

The aggregate annual maturities of long-term debt subsequent to March 31, 2014 are summarized as follows:

Year ending March 31,	*(Thousands of yen)*	*(Thousands of U.S. dollars)*
2015	¥ 661,514	$ 6,422
2016	696,150	6,759
2017	696,175	6,759
2018	470,000	4,563
2019	220,000	2,136
	¥2,743,840	$26,639

The aggregate annual maturities of lease obligations subsequent to March 31, 2014 are summarized as follows:

Year ending March 31,	*(Thousands of yen)*	*(Thousands of U.S. dollars)*
2015	¥ 45,143	$ 438
2016	23,826	231
2017	15,248	148
2018	13,835	134
2019	11,850	115
2020 and thereafter	3,092	30
	¥112,994	$1,097

7. Short-Term Borrowings and Long-Term Debt (continued)

The Company has entered into loan commitment agreements with banks in order to source funds for its operations smoothly.

The outstanding balance of loan commitment as of March 31, 2014 and 2013 were as follows:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Total commitment available	¥6,500,000	¥7,000,000	$63,107
Less amount utilized	(450,000)	(500,000)	(4,369)
Balance available	¥6,050,000	¥6,500,000	$58,738

8. Retirement Benefit Plan

The Company and certain consolidated subsidiaries have either funded or unfunded defined benefit plans and/or defined contribution plans. The Company and certain consolidated subsidiaries have defined benefit plans covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. Certain consolidated subsidiaries have adopted the simplified method in the calculation of their retirement benefit obligation.

For the year ended March 31, 2014

Plan excluding that calculated by simplified method

The changes in the retirement benefit obligation during the year ended March 31, 2014 are as follows:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Retirement benefit obligation at April 1, 2013	¥2,566,249	$24,915
Service cost	105,478	1,024
Interest cost	46,192	448
Adjustment for actuarial assumptions	227,059	2,204
Retirement benefit paid	(157,682)	(1,531)
Retirement benefit obligation at March 31, 2014	¥2,787,297	$27,061

8. Retirement Benefit Plan (continued)

For the year ended March 31, 2014 (continued)

The changes in plan assets during the year ended March 31, 2014 are as follows:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Plan assets at April 1, 2013	¥2,120,711	$20,589
Expected return on plan assets	53,017	515
Adjustment for actuarial assumptions	85,685	832
Contributions by the Company	189,476	1,840
Retirement benefit paid	(157,682)	(1,531)
Plan assets at March 31, 2014	¥2,291,209	$22,245

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2014 for the Company's defined benefit plans:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Funded retirement benefit obligation	¥ 2,787,297	$ 27,061
Plan assets at fair value	(2,291,209)	(22,245)
	496,087	4,816
Unfunded retirement benefit obligation	–	–
Net liability for retirement benefits in the balance sheet	496,087	4,816
Liability for retirement benefits	496,087	4,816
Net liability for retirement benefits in the balance sheet	¥ 496,087	$ 4,816

The components of retirement benefit expenses for the year ended March 31, 2014 are as follows:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Service cost	¥105,478	$1,024
Interest cost	46,192	448
Expected return on plan assets	(53,017)	(515)
Amortization of adjustment for actuarial assumptions	39,171	380
Retirement benefit expense	¥137,824	$1,338

8. Retirement Benefit Plan (continued)

For the year ended March 31, 2014 (continued)

Unrecognized prior service cost and unrecognized adjustment for actuarial assumptions included in other comprehensive income (before tax effect) for the year ended March 31, 2014 are as follows:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Unrecognized prior service cost	¥ –	$ –
Unrecognized adjustment for actuarial assumptions	109,198	1,060
Total	¥109,198	$1,060

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2014 is as follows:

	March 31, 2014
Bonds	17.9%
Stocks	20.9
General account assets	58.8
Other	2.3
Total	100.0%

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumption used in accounting for the above plans were as follows:

	March 31, 2014
Discount rate	1.1%
Expected rates of return on plan assets	2.5%

Plan calculated by the simplified method

The changes in the retirement benefit obligation for consolidated subsidiaries adopting the simplified method during the year ended March 31, 2014 are as follows:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Retirement benefit obligation at April 1, 2013	¥ 91,242	$ 886
Retirement benefit expense	38,160	370
Retirement benefit paid	(3,200)	(31)
Contribution to pension plans	(27,649)	(268)
Translation adjustment	392	4
Change in scope of consolidation	(41,756)	(405)
Retirement benefit obligation at March 31, 2014	¥ 57,187	$ 555

8. Retirement Benefit Plan (continued)

For the year ended March 31, 2014 (continued)

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2014 for consolidated subsidiaries adopting the simplified method:

	March 31, 2014	
	(Thousands of yen)	*(Thousands of U.S. dollars)*
Funded retirement benefit obligation	¥ 251,907	$ 2,446
Plan assets at fair value	(208,776)	(2,027)
	43,130	419
Unfunded retirement benefit obligation	14,056	136
Net liability for retirement benefits in the balance sheet	57,187	555
Liability for retirement benefits	57,187	555
Net liability for retirement benefits in the balance sheet	¥ 57,187	$ 555

Retirement benefit expenses for the simplified method of ¥38,160 thousand ($370 thousand) was accounted for the year ended March 31, 2014.

For the year ended March 31, 2013

The projected benefit obligation and the funded status of the plans were as follows:

	March 31, 2013
	(Thousands of yen)
Projected benefit obligation	¥(2,854,663)
Plan assets	2,317,883
Accrued pension and severance costs	529,783
Net unrecognized amount	¥ (6,995)

In computing the projected benefit obligation, several simplified methods are permitted for small companies, and certain consolidated subsidiaries have adopted such methods.

The net unrecognized amount was as follows:

	March 31, 2013
	(Thousands of yen)
Adjustment for actuarial assumptions	¥(6,995)
Prior service cost	–
Net unrecognized amount	¥(6,995)

8. Retirement Benefit Plan (continued)

For the year ended March 31, 2013 (continued)

The components of net periodic pension and severance costs excluding the employees' contributory portion were as follows:

	March 31, 2013
	(Thousands of yen)
Service cost	¥165,379
Interest cost on projected benefit obligation	45,409
Expected return on plan assets	(48,473)
Amortization of adjustment for actuarial assumptions	137,262
Amortization of past service cost	60,343
Contribution to defined contribution pension plans	85,786
Net periodic pension and severance costs	¥445,708

The assumptions used were as follows:

	2013
Discount rate	1.8%
Expected rate of return on plan assets	2.5%

9. Net Assets

The Corporation Law of Japan provides that an amount equal to at least 10% of the amount to be disbursed as distributions of capital surplus (except for distributions from additional paid-in capital) and retained earnings (except for distributions from the legal reserve) be appropriated to additional paid-in capital and the legal reserve, respectively, until the sum of additional paid-in capital and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the stockholders, or by the Board of Directors if certain conditions are met, but neither additional paid-in capital nor the legal reserve is available for distribution by resolution of the Board of Directors.

The total number and periodic changes in the number of shares of stock in issue and the total number and periodic changes in the number of shares of common stock in treasury for the years ended March 31, 2014 and 2013 were as follows:

	Year ended March 31, 2014			
	At March 31, 2013	Increase	Decrease	At March 31, 2014
	(Thousands of shares)			
Number of shares of stock in issue:				
Common stock	12,775	–	–	12,775
Number of shares of common stock in treasury:				
Common stock	143	0	3	140

The increase in common stock in treasury of 0 thousand shares resulted from the Company's purchase of 0 thousand odd-lot shares of less than one unit at the request of the stockholders.

The decrease in common stock in treasury of 3 thousand shares resulted from exercise of subscription rights as stock potions.

9. Net Assets (continued)

	Year ended March 31, 2013			
	At March 31, 2012	Increase	Decrease	At March 31, 2013
		(Thousands of shares)		
Number of shares of stock in issue:				
Common stock	12,775	–	–	12,775
Number of shares of common stock in treasury:				
Common stock	54	89	–	143

The increase in common stock in treasury of 89 thousand shares resulted from the Company's purchase of 89 thousand shares based on the resolution of the board of directors and purchase of 0 thousand odd-lot shares of less than one unit at the request of the stockholders.

Dividends

Dividends paid

Resolution	Type of shares	Total dividends		Dividends per share		Cut off date	Effective date
		(Thousands of yen)	*(Thousands of U.S. dollars)*	*(Yen)*	*(U.S. dollars)*		
General meeting of stockholders held on June 21, 2013	Common stock	¥189,591	$1,841	¥15.0	$0.15	March 31, 2013	June 24, 2013

Dividends with the cut off date in the year ended March 31, 2014 and effective date in the year ended March 31, 2015

Resolution	Type of shares	Total dividends		Dividends per share		Cut off date	Effective date
		(Thousands of yen)	*(Thousands of U.S. dollars)*	*(Yen)*	*(U.S. dollars)*		
General meeting of stockholders held on June 20, 2014	Common stock	¥252,852	$2,455	¥20.0	$0.19	March 31, 2014	June 23, 2014

10. Stock Options

The Company adopted the stock option plan under which share subscription rights are granted to directors and operating officers of the Company in accordance with the Corporation Law.

The descriptions of stock options for the year ended March 31, 2014 are as follows:

	2010 Stock Option Plan	2009 Stock Option Plan
Individuals covered by the plan	4 directors of the Company	7 directors of the Company 6 operating officers of the Company
Type and number of shares to be issued upon the exercise of the share subscription rights	15,000 shares of common stock	23,600 shares of common stock
Granted date	September 24, 2010	October 29, 2009
Vesting conditions	No provisions	No provisions
Vesting period	No provisions	No provisions
Exercise period	September 25, 2010 – September 24, 2040	October 30, 2009 – October 29, 2039

The changes in the size of stock options for the year ended March 31, 2014 are as follows:

	2010 Stock Option Plan	2009 Stock Option Plan
Share subscription rights which are not yet vested *(Number of shares)*		
Outstanding as of March 31, 2012	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Outstanding as of March 31, 2013	–	–
Share subscription rights which have already been vested *(Number of shares)*		
Outstanding as of March 31, 2012	9,200	3,200
Vested	–	–
Exercised	3,300	–
Forfeited	–	–
Outstanding as of March 31, 2013	5,900	3,200
Exercise price *(yen)*	¥ 1	¥ 1
Weighted average fair value per stock at the exercising date *(yen)*	958	–
Fair value per stock option at the granted date *(yen)*	654	1,208
Exercise price *(U.S. dollars)*	$ 0.01	$ 0.01
Weighted average fair value per stock at the exercising date *(U.S. dollars)*	–	–
Fair value per stock option at the granted date *(U.S. dollars)*	6.35	11.73

11. Other Income (Expenses)

The components of “Other, net” in “Non-operating income (expenses)” in the period ended March 31, 2014 and 2013 were as follows:

	Year ended March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Dividends received	¥ 32,981	¥ 24,525	$ 320
Exchange gain (loss), net	19,122	(252,965)	186
Gain on sales of property and equipment	7,088	1,608	69
Gain on sales of investment in a subsidiary	54,215	–	526
Settlement received	–	10,000	–
Gain on reversal of translation adjustments	–	80,102	–
Commission paid	(37,600)	(42,280)	(365)
Loss on sales and disposal of property and equipment	(13,321)	(46,586)	(129)
Impairment losses on fixed assets	(40,203)	(536)	(390)
Loss on revaluation of investments in securities	(5,041)	(7,308)	(49)
Loss on sales of investments in securities	–	(481)	–
Other, net	30,206	49,419	293
	¥ 47,447	¥(184,502)	$ 461

12. Impairment of Fixed Assets

For the year ended March 31, 2014, the Company and a consolidated subsidiary recognized impairment losses on fixed assets of ¥40,203 thousand ($390 thousand), and for the year ended March 31, 2013 the Company recognized impairment losses on fixed asset of ¥536 thousand which consisted of the following:

			Year ended March 31,		
Location	Use	Classification	2014	2013	2014
			(Thousands of yen)		*(Thousands of U.S. dollars)*
Aomori-shi, Aomori	Airport shops	Buildings, furniture and other	¥10,723	¥ –	$104
Bangkok, Thailand	Business assets	Furniture, software and other	29,480	–	286
Hakodate-shi, Hokkaido	Airport shops	Buildings, furniture and other	–	536	–

The Company and its consolidated subsidiaries base its grouping for assessing the impairment loss on fixed assets on the smallest identifiable groups of assets which generate cash inflows and which are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses on Business assets including airport shops were recognized due to significant decrease in expected future cash flows on the strategy plan for the years ended March 31, 2014 and 2013.

The recoverable amount of each group of assets was measured by their usage value and future cash flows at discount rates of 3.6% and 3.3% for the years ended March 31, 2014 and 2013.

13. Income Taxes

The significant components of deferred tax assets and liabilities at March 31, 2014 and 2013 were as follows:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		(Thousands of U.S. dollars)
Deferred tax assets:			
Accrued bonuses	¥ 174,486	¥ 181,496	$ 1,694
Allowance for doubtful accounts	6,092	14,935	59
Accrued pension and severance costs	–	194,893	–
Liability for retirement benefits	193,447	–	1,878
Impairment losses on fixed assets	38,129	42,708	370
Accrued enterprise tax	41,143	37,925	399
Elimination of unrecognized gain on intercompany accounts and transactions	69,540	72,767	675
Loss on revaluation of inventories	29,362	20,117	285
Loss on revaluation of investments in securities	3,567	6,180	35
Goodwill	52,885	–	513
Tax loss carryforwards	327,668	318,125	3,181
Other	143,832	133,693	1,396
	1,080,157	1,022,843	10,487
Valuation allowance	(376,392)	(340,131)	(3,654)
Total deferred tax assets	703,765	682,712	6,833
Deferred tax liabilities:			
Accumulated retained earnings of consolidated subsidiaries	(41,318)	(45,602)	(401)
Depreciation	(30,761)	(48,712)	(299)
Other	(49,567)	(53,900)	(481)
Total deferred tax liabilities	(121,647)	(148,215)	(1,181)
Net deferred tax assets	¥ 582,117	¥ 534,497	$ 5,652

Reconciliations between the statutory tax rate and the effective tax rates for the years ended March 31, 2014 and 2013 were presented as follows:

	Year ended March 31,	
	2014	2013
Statutory tax rate	38.01%	38.01%
Disallowed expenses, including entertainment expenses	2.40	2.74
Non-taxable income, including dividends received	(0.52)	(0.64)
Inhabitants' per capita taxes	0.98	1.21
Changes in valuation allowance	0.72	18.10
Equity in earnings of affiliates	(1.06)	(3.25)
Decrease in deferred tax assets due to tax rate change	1.34	–
Amortization of goodwill	0.78	–
Other	1.02	2.36
Effective tax rate	43.67%	58.53%

13. Income Taxes (continued)

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 10 of 2014) was promulgated on March 31, 2014 and, as a result, the Company and the consolidated domestic subsidiaries are no longer subject to the Special Reconstruction Corporation Tax effective for fiscal years beginning on or after April 1, 2014. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 38.01% to 35.64% for the temporary differences to be realized or settled from fiscal years beginning April 1, 2014. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets offsetting deferred tax liabilities by ¥22,555 thousand ($219 thousand) and increase deferred income taxes by ¥23,786 thousand ($231 thousand) as of and for the year ended March 31, 2014.

14. Other Comprehensive Income

The following table presents reclassifications adjustments and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2014 and 2013:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars) (Note 3)*
Net unrealized loss on other securities:			
Amount arising during the year	¥ 7,052	¥ 10,243	$ 68
Reclassification adjustments for gains and losses included in net income	(887)	–	(9)
Amount before tax effect	6,165	10,243	60
Tax effect	(2,474)	(2,912)	(24)
	3,691	7,331	36
Net unrealized gain on hedging instruments:			
Amount arising during the year	(34,333)	41,503	(333)
Tax effect	14,280	(15,775)	139
	(20,053)	25,728	(195)
Translation adjustments:			
Amount arising during the year	424,652	236,649	4,123
Reclassification adjustments for gains and losses included in net income	–	(80,102)	–
Amount before tax effect	424,652	156,546	4,123
Tax effect	–	29,956	–
	424,652	186,502	4,123
Share of other comprehensive income of companies accounted for by the equity method:			
Amount arising during the year	22,239	21,090	216
Total other comprehensive income	¥430,530	¥240,653	$4,180

15. Leases

As lessee under operating leases

Future rental expenses under operating leases outstanding at March 31, 2014 and 2013 are summarized as follows:

	March 31, 2014	March 31, 2013	March 31, 2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Within 1 year	¥1,508,985	¥1,568,830	$14,650
Over 1 year	4,632,124	4,618,157	44,972
	¥6,141,109	¥6,186,988	$59,622

As lessor under financing leases

The annual collections of lease receivables subsequent to March 31, 2014 are summarized as follows:

Year ending March 31,	*(Thousands of yen)*	*(Thousands of U.S. dollars)*
2015	¥6,939	$67
2016	3,143	31
2017	1,376	13

The annual collections of lease receivables subsequent to March 31, 2013 were summarized as follows:

Year ending March 31,	*(Thousands of yen)*
2014	¥8,703
2015	5,700
2016	2,582
2017	1,000

As lessor under operating leases

Future rental revenues under operating leases outstanding at March 31, 2014 and 2013 are summarized as follows:

	March 31, 2014	March 31, 2013	March 31, 2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Within 1 year	¥1,314,882	¥1,378,683	$12,766
Over 1 year	2,941,818	4,819,345	28,561
	¥4,256,701	¥6,198,029	$41,327

16. Amounts Per Share

Net income per share is computed based on the weighted average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding during each year after giving effect to the potentially dilutive securities to be issued upon the exercise of subscription rights as stock options.

	Year ended March 31,		
	2014	2013	2014
	(Yen)		*(U.S. dollars)*
Net income per share of common stock:			
Basic	¥76.56	¥61.70	$0.743
Diluted	¥76.50	¥61.64	$0.743

The following table sets forth the basis of the computation of net income per share and diluted net income per share of common stock for the years ended March 31, 2014 and 2013:

	Year ended March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Net income	¥967,308	¥779,860	$9,391
Net income available to stockholders of shares of common stock	¥967,308	¥779,860	$9,391

	Year ended March 31,	
	2014	2013
	(Thousands of shares)	
Weighted-average number of shares of common stock outstanding	12,634	12,638
Effect of dilutive securities:		
Subscription rights to shares	9	12

Net assets per share are computed based on the number of shares of common stock outstanding at each balance sheet date.

	March 31,		
	2014	2013	2014
	(Yen)		*(U.S. dollars)*
Net assets per share	¥1,186.64	¥1,097.06	$11.521

17. Financial Instruments

Policy for financial instruments

The Company and its consolidated subsidiaries (the "Group") manage temporary cash surpluses mainly through short-term deposits. Further, the Group raises short-term capital through bank borrowings.

Types of financial instruments and related risk

Notes and accounts receivable are exposed to credit risk in relation to customers. In addition, the Company is exposed to foreign currency exchange risk arising from receivables denominated in foreign currencies. In principle, the foreign currency exchange risks deriving from the trade receivables denominated in foreign currencies are hedged by forward foreign exchange contracts.

Marketable securities and investment securities are composed of mainly stocks. Those securities are exposed to market risk.

Deposits for business space are composed of mainly deposits for rental spaces of the airport buildings. Those deposits are exposed to credit risk in relation to counterparties.

Types of financial instruments and related risk (continued)

All notes and accounts payable have payment due dates within one year. Although the Company is exposed to foreign currency exchange risk arising from those payables denominated in foreign currencies, foreign exchange contracts are arranged to reduce the risk.

Short-term borrowings are raised mainly in connection with business activities, and long-term debt is taken out principally for the purpose of making capital investments. Long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk and fix interest expense for long-term debt bearing interest at variable rates, the Company utilizes interest rate swap transactions as a hedging instrument.

A certain subsidiary has the hybrid financial instrument (bond) with embedded derivative.

Risk management for financial instruments

a. Monitoring of credit risk (the risk that customers or counterparties may default)

   In accordance with the internal policies of the Group for managing credit risk arising from receivables and deposits for business space, each related division monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by individual customer. In addition, the Group is making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

   The Group believes that the credit risk of derivatives is insignificant as it enters into derivative transactions only with financial institutions which have the high credit-rating.

17. Financial Instruments (continued)

Risk management for financial instruments (continued)

b. Monitoring of market risks (the risks arising from fluctuations in foreign exchange rates, interest rates and others)

   For accounts receivables and payables denominated in foreign currencies, the Company enters into forward foreign exchange contracts to hedge such risk. In order to mitigate the interest rate risk for loans payable bearing interest at variable rates, the Company may also enter into interest rate swap transactions if certain conditions are met.

   For marketable securities and investment securities, the Group periodically reviews the fair values of such financial instruments and the financial position of the issuers. In addition, the Group continuously evaluates whether securities should be maintained taking into account their fair values and relationships with the issuers.

   In conducting derivative transactions, the division in charge of each derivative transaction follows the internal policies, which set forth delegation of authority and maximum upper limit on positions.

c. Monitoring of liquidity risk (the risk that the Group may not be able to meet its obligations on scheduled due dates)

   Based on the report from each division, the Group prepares and updates its cash flow plans on a timely basis to manage liquidity risk.

Estimated Fair Value of Financial Instruments

Carrying value of financial instruments and estimated fair value on the consolidated balance sheet as of March 31, 2014 and 2013 are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value.

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value.

	March 31, 2014		
	Carrying value	Estimated fair value	Difference
	(Thousands of yen)		
Assets			
Cash and time deposits	¥ 6,361,146	¥ 6,361,146	¥ –
Trade notes and accounts receivable	7,705,147	7,705,147	–
Investment securities	112,827	112,827	–
Total assets	¥14,179,121	¥14,179,121	¥ –
Liabilities			
Trade notes and accounts payable	¥ 7,025,906	¥ 7,025,906	¥ –
Short-term borrowings	1,232,276	1,232,276	–
Accrued expenses	2,047,850	2,047,850	–
Long-term debt (*1)	2,743,840	2,741,140	(2,699)
Total liabilities	¥13,049,873	¥13,047,173	¥(2,699)
Derivatives (*2)	¥ 51,903	¥ 51,903	¥ –

17. Financial Instruments (continued)

Estimated Fair Value of Financial Instruments (continued)

	March 31, 2014		
	Carrying value	Estimated fair value	Difference
	(Thousands of U.S. dollars)		
Assets			
Cash and time deposits	$ 61,759	$ 61,759	$ –
Trade notes and accounts receivable	74,807	74,807	–
Investment securities	1,095	1,095	–
Total assets	$137,661	$137,661	$ –
Liabilities			
Trade notes and accounts payable	$ 68,213	$ 68,213	$ –
Short-term borrowings	11,964	11,964	–
Accrued expenses	19,882	19,882	–
Long-term debt (*1)	26,639	26,613	(26)
Total liabilities	$126,698	$126,672	$(26)
Derivatives (*2)	$ 504	$ 504	$ –

	March 31, 2013		
	Carrying value	Estimated fair value	Difference
	(Thousands of yen)		
Assets			
Cash and time deposits	¥ 5,219,694	¥ 5,219,694	¥ –
Trade notes and accounts receivable	8,034,413	8,034,413	–
Investment securities	121,167	121,167	–
Total assets	¥13,375,276	¥13,375,276	¥ –
Liabilities			
Trade notes and accounts payable	¥ 6,790,479	¥ 6,790,479	¥ –
Short-term borrowings	1,271,757	1,271,757	–
Accrued expenses	2,164,214	2,164,214	–
Long-term debt (*1)	2,237,299	2,234,937	(2,361)
Total liabilities	¥12,463,751	¥12,461,389	¥(2,361)
Derivatives (*2)	¥ 86,237	¥ 86,237	¥ –

*1. Long-term debt includes current portion of long-term debt.

*2. The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

17. Financial Instruments (continued)

Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

a. Cash and time deposits, Trade notes and accounts receivable and Other notes and accounts receivable

   Since these items are settled in a short period of time, their carrying value approximates fair value.

b. Investment securities

   The fair value of stocks is based on quoted market prices. The fair value of investment trusts and debt securities is based on either quoted market prices or prices provided by the financial institutions making markets in these securities.

c. Trade notes and accounts payable, short-term borrowings and accrued expenses

   Since these items are settled in a short period of time, their carrying value approximates fair value.

d. Long-term debt

   The fair value of long-term debt is based on the present value of the total of principal and interest discounted by the interest rate to be applied if similar new debt agreements were entered into.

e. Derivative transactions

   Refer to Note 19 Derivative Transactions of the notes to the consolidated financial statements. The fair value information of embedded derivative of the hybrid financial instrument is included in Note 18 Securities.

Financial instruments for which it is extremely difficult to determine the fair value

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Unlisted stocks	¥1,424,229	¥1,390,138	$13,827
Deposits for business space	1,784,109	2,073,691	17,321

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

17. Financial Instruments (continued)

Redemption schedule for receivables and marketable securities with maturities

	March 31, 2014			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Thousands of yen)			
Cash and time deposits	¥ 6,324,009	¥ –	¥ –	¥ –
Trade notes and accounts receivable	7,705,147	–	–	–
Investment securities with maturities:				
Bonds	–	–	–	100,000
Other	–	–	–	–
Total	¥14,029,157	¥ –	¥ –	¥100,000

	March 31, 2014			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Thousands of U.S. dollars)			
Cash and time deposits	$ 61,398	$ –	$ –	$ –
Trade notes and accounts receivable	74,807	–	–	–
Investment securities with maturities:				
Bonds	–	–	–	971
Other	–	–	–	–
Total	$136,205	$ –	$ –	$971

	March 31, 2013			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Thousands of yen)			
Cash and time deposits	¥ 5,175,413	¥ –	¥ –	¥ –
Trade notes and accounts receivable	8,034,413	–	–	–
Investment securities with maturities:				
Bonds	–	–	–	100,000
Other	–	–	–	–
Total	¥13,209,827	¥ –	¥ –	¥100,000

18. Securities

The components of unrealized gain or loss on marketable securities classified as other securities at March 31, 2014 and 2013 are summarized as follows:

	March 31, 2014		
	Carrying value	Acquisition costs	Unrealized gain (loss)
	(Thousands of yen)		
Unrealized gain:			
Stocks	¥ 19,177	¥ 12,834	¥ 6,342
	19,177	12,834	6,342
Unrealized loss:			
Stocks	–	–	–
Bonds:			
Other	93,650	100,000	(6,350)
Other	–	–	–
	93,650	100,000	(6,350)
Total	¥112,827	¥112,834	¥ (7)

	March 31, 2014		
	Carrying value	Acquisition costs	Unrealized gain (loss)
	(Thousands of U.S. dollars)		
Unrealized gain:			
Stocks	$ 186	$ 125	$ 62
	186	125	62
Unrealized loss:			
Stocks	–	–	–
Bonds:			
Other	909	971	(62)
Other	–	–	–
	909	971	(62)
Total	$1,095	$1,095	$ (0)

	March 31, 2013		
	Carrying value	Acquisition costs	Unrealized gain (loss)
	(Thousands of yen)		
Unrealized gain:			
Stocks	¥ 17,540	¥ 11,585	¥ 5,954
	17,540	11,585	5,954
Unrealized loss:			
Stocks	885	980	(94)
Bonds:			
Other	87,050	100,000	(12,950)
Other	15,692	20,000	(4,307)
	103,627	120,980	(17,352)
Total	¥121,167	$132,565	¥(11,397)

Non-marketable securities classified as other securities at March 31, 2014 and 2013 amounted to ¥185,973 thousand ($1,806 thousand) and ¥164,498 thousand, respectively.

19. Derivative Transactions

The Company utilizes forward foreign exchange contracts to reduce the foreign currency exchange risk arising from the receivables and payables denominated in foreign currencies.

As of March 31, 2014 and 2013, there were no derivative transactions outstanding for which hedged accounting has not been applied.

The notional amounts and the estimated fair value of the forward foreign exchange contracts outstanding at March 31, 2014 and 2013, for which hedged accounting has been applied, are summarized as follows:

	March 31, 2014	
Maturing within one year	Notional amount	Fair value
	(Thousands of yen)	
Sell:		
USD	¥ 300,044	¥ 536
EUR	20,566	(1,498)
Others	3,431	(107)
Buy:		
USD	2,660,483	51,765
EUR	253,114	892
Others	457,659	314
Total	¥3,695,299	¥51,903

	March 31, 2014	
Maturing within one year	Notional amount	Fair value
	(Thousands of U.S. dollars)	
Sell:		
USD	$ 2,913	$ 5
EUR	200	(15)
Others	33	(1)
Buy:		
USD	25,830	503
EUR	2,457	9
Others	4,443	3
Total	$35,877	$504

	March 31, 2013	
Maturing within one year	Notional amount	Fair value
	(Thousands of yen)	
Sell:		
USD	¥ 26,693	¥ 33
EUR	499	17
Buy:		
USD	1,912,169	81,221
EUR	139,549	5,672
Others	78,749	(707)
Total	¥2,157,659	¥86,237

19. Derivative Transactions (continued)

Foreign receivables and payables are translated at the applicable forward foreign exchange rates if certain conditions are met. The notional amounts of the forward foreign exchange contracts accounted for as part of accounts receivable or payable outstanding at March 31, 2014 and 2013, are summarized as follows:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Sell:			
USD	¥ 2,441	¥ 4,781	$ 24
EUR	–	51,032	–
Other	–	36,287	–
Buy:			
USD	430,503	354,561	4,180
EUR	19,279	30,340	187
Others	39,385	9,092	382
Total	¥491,609	¥486,094	$4,773

The Company also utilizes interest rate swap transactions to reduce fluctuation risk deriving from interest payable for long-term debt bearing interest at variable rates. The related interest differential paid or received under interest-rate swaps utilized as hedging instruments is recognized over the terms of the swap agreements as an adjustment of interest expense on the hedged items if certain conditions are met. The notional amounts of the interest-rate swaps hedging long-term debt outstanding at March 31, 2014 and 2013, are summarized as follows:

	March 31,		
	2014	2013	2014
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Maturing within one year	¥ 60,000	¥ 80,000	$ 583
Maturing after one year	180,000	240,000	1,748
Total	¥240,000	¥320,000	$2,330

The notional amounts of derivatives are not necessarily indicative of the actual market risk involved in derivative transactions.

20. Business Combinations

a. Overview of acquisition

(1) Names and business of acquired companies

Name of companies

Acquisition of trade rights:	Agri-Sun Co., Ltd. (“AgriSun”)
Acquisition of shares:	Taniyama Siam Co., Ltd. (“Taniyama Siam) Advance Agriculture Co., Ltd. (“Advance Agriculture”)
Business of acquired companies:	Produce, process, export and sell agricultural products

(2) Reason for acquisition

The Company has defined “Aviation, Airports and Foods” as three core business domains in the new JALUX Group Mid-Term Management Plan “Innovate 2014” (announced on May 23, 2012), and will expand its business under the plan. In the agricultural business in the foods business domain, the Group imports fresh vegetables and fruits, etc. from overseas, with paprika as the main commodity, and sells them wholesale to businesses, such as large retail stores, markets, and the food restaurant industry.

AgriSun owns two overseas group subsidiaries, Taniyama Siam in Thailand, and Advance Agriculture in Laos. It produces, processes, and exports local asparagus, okra, etc., and holds a large share in the imported asparagus and okra markets in Japan.

To expand the Group’s agricultural business on the whole, the Company has concluded a business transfer agreement with AgriSun to acquire trade rights from AgriSun, and to acquire all shares of the above mentioned two AgriSun overseas subsidiaries to convert them into subsidiaries of the Company. The plan is to implement the acquisition of trade rights through the establishment of a wholly-owned consolidated subsidiary (sales company).

As a result of the acquisition of trade rights and acquisition of shares, the Group will expand its fresh vegetable commodities in the agricultural business by introducing asparagus and okra of AgriSun as its second and third key commodities, in addition to its main commodity paprika. The Group will use its respective sales channels and seek synergistic effects to improve earning power.

(3) Date of acquisition

July 1, 2013

(4) Legal form of acquisition

Acquisition of trade rights and acquisition of shares

(5) Name of combined company

JALUX Fresh Foods, Inc.

20. Business Combinations (continued)

a. Overview of acquisition (continued)

(6) Ratio of acquired voting rights

Taniyama Siam:	100%
Advance Agriculture:	100%

b. The period for which acquired business results are included in consolidated financial statements

From July 1, 2013 to March 31, 2014

c. Details of acquisition cost

	(Thousands of yen)	*(Thousands of U.S. dollars)*
Acquisition cost	¥142,000	$1,379
Direct costs related to the acquisition, including advisory fee	26,226	255
Total	¥168,226	$1,633

d. Amount of goodwill, basis for recognition, and method and period for amortization of goodwill

(1) Amount of goodwill

¥240,378 thousand ($2,334 thousand)

(2) Basis for recognition

Goodwill was recognized because the acquisition cost of the company exceeded the net value allocated to the assets acquired and liabilities assumed.

(3) Method and period for amortization of goodwill

Goodwill has been amortized by the straight-line method over 5 years.

e. Assets acquired and liabilities assumed on the date of acquisition

	(Thousands of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 223,471	$ 2,170
Fixed assets	304,852	2,960
Total assets acquired	¥ 528,323	$ 5,129
Current liabilities	¥(575,554)	$(5,588)
Long-term liabilities	(24,920)	(242)
Total liabilities assumed	¥(600,475)	$(5,830)

21. Investment and Rental Properties

The Company and a certain consolidated subsidiary own buildings and lands for lease mainly in Tokyo and other areas.

The carrying value in the consolidated balance sheet and corresponding fair value of those properties for the year ended March 31, 2014 are as follows:

Carrying Value			Fair Value
March 31, 2014	Net change	March 31, 2013	March 31, 2014
	(Thousands of yen)		
¥2,856,171	¥(642,877)	¥3,499,049	¥2,707,870

Carrying Value			Fair Value
March 31, 2014	Net change	March 31, 2013	March 31, 2014
	(Thousands of U.S. dollars)		
$27,730	$(6,242)	$33,971	$26,290

The components of net change in carrying value include increases mainly due to acquisitions of real estate in the amount of ¥593,070 thousand ($5,758 thousand) and decreases mainly due to transfer to real estate held for sale in the amount of ¥1,297,432 thousand ($12,596 thousand).

The carrying value in the consolidated balance sheet and corresponding fair value of those properties for the year ended March 31, 2013 were as follows:

Carrying Value			Fair Value
March 31, 2013	Net change	March 31, 2013	Net change
	(Thousands of yen)		
¥3,499,049	¥292,440	¥3,206,608	¥2,793,852

The components of net change in carrying value include increases mainly due to acquisitions of real estate in the amount of ¥352,470 thousand.

The carrying value represents the acquisition cost less accumulated depreciation and cumulative impairment loss. The fair value is mainly estimated in accordance with appraisal standards for valuing real estate. However, if no material change has occurred in certain values or indices, the fair values are determined by adjusting such appraised values and indices.

22. Cash Flow Information

The components of cash and cash equivalents are summarized as follows:

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Cash and time deposits	¥6,361,146	¥5,219,694	$61,759
Time deposits with maturities of more than three months	(11,978)	(2,952)	(116)
Bank overdraft	(45,717)	–	(444)
	¥6,303,451	¥5,216,742	$61,199

The Company sold all of the shares of SHUFUNOTOMO DIRECT Co., Ltd. which resulted in changing scope of consolidation. The following is the summary of assets and liabilities at the date of sales, sales price and payments for sales of investment resulting in change in scope of consolidation.

	(Thousands of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 924,823	$ 8,979
Fixed assets	106,316	1,032
Current liabilities	(714,082)	(6,933)
Long-term liabilities	(87,194)	(847)
Net unrealized loss on other securities	(1,889)	(18)
Minority interests	(112,150)	(1,089)
Gain on sales of shares	54,215	526
Sales price of shares	170,038	1,651
Cash and cash equivalents	(192,814)	(1,872)
Payments for sales of investment resulting in change in scope of consolidation	¥ (22,775)	$ (221)

The following is the summary of assets acquired and liabilities assumed through the acquisition of business of AgriSun and shares of its subsidiaries for the year ended March 31, 2014, related acquisition costs and net disbursement:

	(Thousands of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 223,471	$ 2,170
Fixed assets	304,852	2,960
Goodwill	240,378	2,334
Current liabilities	(575,554)	(5,588)
Long-term liabilities	(24,920)	(242)
Acquisition costs	168,226	1,633
Cash and cash equivalents	37,572	365
Net disbursement due to the acquisition	¥ 205,799	$ 1,998

23. Segment Information

The reportable segments of the Company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

Aviation-related business segment includes aircraft components and aviation-related business. Media & life service business segment includes printing, insurance and real estate business. Retail business segment includes cabin service supply, mail-order sales, airport shops and gift item business. Food & beverage business segment includes agriculture & marine products, processed foods and wine sales business.

The accounting policies of the segments are substantially the same as those described in the significant accounting policies in Note 1. Segment performance is evaluated based on operating income or loss. Intersegment sales are recorded at the same price used in transactions with third parties.

The reportable segments information of the Company and its consolidated subsidiaries for the years ended March 31, 2014 and 2013 are summarized as follows:

	Year ended March 31, 2014						
	Reportable segments						
	Aviation-related business	Media & life service business	Retail business	Food & beverage business	Total	Adjustments and eliminations	Consolidated
				(Thousands of yen)			
Sales, profits and assets by reportable segments:							
Sales to outside parties	¥24,667,663	¥12,220,555	¥45,599,087	¥17,350,047	¥ 99,837,354	¥ –	¥99,837,354
Inter-segment sales and transfers	167,420	107,769	26,098	673,323	974,612	(974,612)	–
Total	24,835,084	12,328,324	45,625,186	18,023,370	100,811,966	(974,612)	99,837,354
Segment profits	¥ 510,687	¥ 910,855	¥ 2,097,538	¥ 109,199	¥ 3,628,281	¥(1,921,310)	¥ 1,706,970
Segment assets	¥ 4,573,859	¥ 7,217,826	¥ 9,468,056	¥ 9,535,554	¥ 30,795,296	¥ 2,408,864	¥33,204,160
Other items:							
Depreciation and amortization	¥ 47,684	¥ 63,941	¥ 286,358	¥ 101,922	¥ 499,907	¥ 92,312	¥ 592,219
Amortization of goodwill	¥ –	¥ –	¥ –	¥ 36,252	¥ 36,252	¥ –	¥ 36,252
Investment in affiliates accounted for by the equity method	¥ 127,109	¥ 257,942	¥ –	¥ –	¥ 385,052	¥ 814,403	¥ 1,199,455
Capital expenditures	¥ 6,680	¥ 784,298	¥ 166,400	¥ 455,860	¥ 1,413,240	¥ 32,647	¥ 1,445,887

23. Segment Information (continued)

	Year ended March 31, 2014						
	Reportable segments						
	Aviation-related business	Media & life service business	Retail business	Food & beverage business	Total	Adjustments and eliminations	Consolidated
	(Thousands of U.S. dollars)						
Sales, profits and assets by reportable segments:							
Sales to outside parties	$239,492	$118,646	$442,710	$168,447	$969,295	$ –	$969,295
Inter-segment sales and transfers	1,625	1,046	253	6,537	9,462	(9,462)	–
Total	241,117	119,692	442,963	174,984	978,757	(9,462)	969,295
Segment profits	$ 4,958	$ 8,843	$ 20,364	$ 1,060	$ 35,226	$(18,653)	$ 16,573
Segment assets	$ 44,406	$ 70,076	$ 91,923	$ 92,578	$298,983	$ 23,387	$322,370
Other items:							
Depreciation and amortization	$ 463	$ 621	$ 2,780	$ 990	$ 4,853	$ 896	$ 5,750
Amortization of goodwill	$ –	$ –	$ –	$ 352	$ 352	$ –	$ 352
Investment in affiliates accounted for by the equity method	$ 1,234	$ 2,504	$ –	$ –	$ 3,738	$ 7,907	$ 11,645
Capital expenditures	$ 65	$ 7,615	$ 1,616	$ 4,426	$ 13,721	$ 317	$ 14,038

Adjustments and eliminations for segment profits and losses include ¥3,553 thousand ($34 thousand) of elimination of inter-segment profit and minus ¥1,924,864 thousand ($18,688 thousand) of corporate general administration expenses which are not allocable to the reportable segments.

Adjustments and eliminations for segment assets include minus ¥149,854 thousand ($1,455 thousand) of elimination of accounts inter-segment receivable and ¥2,558,718 thousand ($24,842 thousand) of corporate assets which are not allocable to the reportable segments. Corporate assets consist primarily of investments in securities and assets belonging to the administrative part of the Company.

Adjustments and eliminations for capital expenditures consist primarily of investments in the head office software.

Segment profits are adjusted with operating income reported in the consolidated statements of income.

	Year ended March 31, 2013						
	Reportable segments						
	Aviation-related business	Media & life service business	Retail business	Food & beverage business	Total	Adjustments and eliminations	Consolidated
	(Thousands of yen)						
Sales, profits and assets by reportable segments:							
Sales to outside parties	¥17,182,600	¥10,617,953	¥44,476,019	¥13,660,824	¥85,937,397	¥ –	¥85,937,397
Inter-segment sales and transfers	135,782	172,154	23,545	420,721	752,204	(752,204)	–
Total	17,318,382	10,790,107	44,499,565	14,081,546	86,689,601	(752,204)	85,937,397
Segment profits	¥ 963,971	¥ 1,062,330	¥ 1,217,552	¥ 44,445	¥ 3,288,299	¥(1,896,710)	¥ 1,391,589
Segment assets	¥ 4,394,111	¥ 7,746,895	¥10,720,615	¥ 5,978,164	¥28,839,787	¥ 2,401,805	¥31,241,592
Other items:							
Depreciation and amortization	¥ 57,992	¥ 70,113	¥ 304,624	¥ 103,061	¥ 535,790	¥ 97,901	¥ 633,691
Investment in affiliates accounted for by the equity method	¥ 94,928	¥ 307,141	¥ –	¥ –	¥ 402,070	¥ 806,728	¥ 1,208,798
Capital expenditures	¥ 14,196	¥ 371,174	¥ 341,973	¥ 37,645	¥ 764,990	¥ 177,921	¥ 942,912

23. Segment Information (continued)

Adjustments and eliminations for segment profits and losses include ¥1,432 thousand of elimination of inter-segment profit and minus ¥1,898,143 thousand of corporate general administration expenses which are not allocable to the reportable segments.

Adjustments and eliminations for segment assets include minus ¥97,875 thousand of elimination of accounts inter-segment receivable and ¥2,499,680 thousand of corporate assets which are not allocable to the reportable segments. Corporate assets consist primarily of investments in securities and assets belonging to the administrative part of the Company.

Adjustments and eliminations for capital expenditures consist primarily of investments in the head office software.

Segment profits are adjusted with operating income reported in the consolidated statements of income.

For the years ended March 31, 2014 and 2013, net sales to outside parties in Japan represent more than 90% of consolidated operating revenues. As a result, net sales to outside parties by countries or areas grouped according to geographical classification are not required to be disclosed.

For the years ended March 31, 2014 and 2013, property and equipment in Japan represent more than 90% of consolidated property and equipment. As a result, property and equipment by geographical countries or areas is not required to be disclosed.

Impairment loss on fixed assets by reportable segments for the years ended March 31, 2014 and 2013 are summarized as follows:

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Aviation-related business	¥ –	¥ –	$ –
Media & life service business	–	–	–
Retail business	40,203	536	390
Food & beverage business	–	–	–
Reportable segments total	40,203	536	390
Adjustments and eliminations	–	–	–
	¥40,203	¥536	$390

23. Segment Information (continued)

The following table presents the amortization and balance of goodwill as of and for the year ended March 31, 2014 by reportable segment:

	Year ended March 31, 2014						
	Reportable segments						
	Aviation-related business	Media & life service business	Retail business	Food & beverage business	Total	Adjustments and eliminations	Consolidated
	(Thousands of yen)						
Amortization	¥ –	¥ –	¥ –	¥ 36,252	¥ 36,252	¥ –	¥ 36,252
Balance as of March 31	¥ –	¥ –	¥ –	¥206,543	¥206,543	¥ –	¥206,543

	Year ended March 31, 2014						
	Reportable segments						
	Aviation-related business	Media & life service business	Retail business	Food & beverage business	Total	Adjustments and eliminations	Consolidated
	(Thousands of U.S. dollars)						
Amortization	$ –	$ –	$ –	$ 352	$ 352	$ –	$ 352
Balance as of March 31	$ –	$ –	$ –	$2,005	$2,005	$ –	$2,005

24. Related Party Transactions

The significant transactions between the Company and Japan Airline Co., Ltd., for the years ended March 31, 2014 and 2013 are summarized as follows:

	Year ended March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Sales of flight equipment	¥5,701,841	¥6,649,003	$55,358
Purchases of merchandise	336,140	900,803	3,263

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Accounts receivable	¥536,344	¥739,762	$5,207
Accounts payable	59,496	60,515	576
Advance payment	–	62	–

24. Related Party Transactions (continued)

The significant transactions between certain consolidated subsidiaries of the Company and Japan Airlines Co., Ltd. for the years ended March 31, 2014 and 2013 are summarized as follows:

	Year ended March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Sales of flight equipment	¥335,776	¥278,039	$3,260

	March 31,		
	2014	**2013**	**2014**
	(Thousands of yen)		*(Thousands of U.S. dollars)*
Accounts receivable	¥27,466	¥49,872	$267