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IACT BULLETIN

IACT'S BEST QUALITY
SERVICE IN NARITA
INTERNATIONAL AIRPORT AND
ITS FUTURE



IACT President Osamu Tsukahara

Import Warehouse Business

Since its opening in 1966, IACT, as a pioneer of import common warehouses in Japan, has been leading the industry and providing proficient customer satisfaction: Your Smile is Our Happiness. We believe that this accumulation of day-to-day service brings us customer trust.

We have been able to provide higher quality service after our import warehouse control system ACE launched in 2004. We reduce the lead-time from cargo arrival to import declaration by performing quick bond-in checks. We also deliver air cargo rapidly to customers with accurate location management.

We are proud of ACE, which was created based on over 40 years of our employees' experience and knowledge and can provide suitable service to each customer. Our high quality service is supported by great employees and this great system.

FUTURE EVOLUTION WITH CUSTOMER TRUST AND KNOW-HOW

Export Business Expansion

Our export cargo handling volume increased 2.5 times from the previous year (approximately 5,000 tons/month). This is because of our new client Polar Air Cargo (PO) since March 2011 (twelve 747F/week) and the increased freighter service to Narita (seven A330-200/week) of our existing client Hong Kong Airlines (HX).

IACT's Cargo Handling Volume at Narita International Airport

	2009	2010	2011
IMPORT	178,415t	239,867t	243,698t
EXPORT	12,396t	20,908t	51,660t

IACT implemented three procedures to stabilize our operations during the expansion of the cargo handling.

- 1) Document Business: Strengthened our team by recruiting well-experienced employees and creating the perfect fit between existing core and new employees, job skills, and job tasks
- 2) Facilities: Increased facilities with additional capacities (Building F usage started on October 2011)
- 3) Warehouse Business: Improved communication between Document and Warehouse teams by better organizing well-trained staff

The Operation Department 2 was established in June 2011 and consists of Export Warehouse Business and Import & Export Document Business. In October 2011, two Deputy General Managers were assigned to assure responsibilities. Furthermore, the Project Team directly under the IACT president was launched in November 2011 to make a plan for improving productivity and multitasking skills by training employees.

In addition to IACT's basic training of Document and Warehouse business, we are especially aiming to train export load-planners who will know the overall air cargo business in cooperation with ramp-handling company Sky Port Service.

We are also considering introducing an IACT export business processing system instead of using the airlines' processing systems. We would like to increase productivity using EDI interface between airline terminals and the export system.



Ramp-Handling Business Expansion

Since October 2010, IACT, in collaboration with Sky Port Service, has been providing total ground handling service which includes ramp-handling, passenger service, and warehouse business for airline convenience and promptness of air cargo logistics.

We are grateful that we receive high customer reviews for providing necessary GSE equipment and for our well-experienced skillful staff. Our ramp-handling business has been steady since it was launched over a year ago.

The number of new airlines to Narita Airport has stayed stagnant due to the economic difficulty caused by the East Japan Earthquake in March 2011 and European debt crisis; however, we will expand our business to attain competitiveness by reducing cost in operating our business efficiently and maintaining what we value most — our high quality service. IACT is targeting to new-in-service airlines including LCC at Narita Airport.

The ramp-handling business has a high fixed cost, most of which is GSE equipment fees and personnel expenses. This requires that we expand business up to a certain point in order to balance the budget. It is essential to sustain optimal system flow in pursuit of customers' needs and facility additions.

Newest Generation of ACE - Import Warehouse Control System

IACT has been refining the import warehouse control system ACE because of the changing business environment. The purposes are as follows: 1. Reducing IT cost; 2. Creating uniform industry standards; 3. Outsourcing system maintenance; 4. Expanding capability of warehouse controlling system not only for import but also for export; 5. Improving the expandability, flexibility, availability, and usability for data analysis; 6 Embracing better maneuverability, higher performance, and newer technology.

Purpose 2 is the most important focus of ACE's redevelopment. It is better to have a common system that reduces transportation industry costs and increases user-friendliness rather than to have individual systems for each company in the air cargo industry.

Each participating company will share the costs of the common system development. They will be able to customize their implementation of the common system to fit their individual needs and goals. IACT will contribute to the efficiency and development of the whole air cargo industry by promoting the standardization of the warehouse system in Narita.

IACT, in cooperation with other related companies, finished creating the Narita Core Spec Report about system standardization of import cargo in Narita. Because of current business expansion, IACT started promoting system expansion beyond import warehouse business.

IACT has received proposals for developing costs, terms, and conditions from IT vendors. We are planning to launch the new generation of ACE around 2014.

Client Airlines

As of March 1, 2012

AIRLINE		IMPORT	EXPORT	RAMP	PASSENGER
AF	Air France	•			
AZ	Alitalia - Compagnia Aerea Italiana S.p.A.	•	•		
BA	British Airways	•	•		
CX	Cathay Pacific Cargo	•			
C8	Cargolux Italia S.p.A.	•			
DL	Delta Air Lines	•			
FX	Federal Express	•	•		
HY	Uzbekistan Airways	•			
HX	Hong Kong Airlines	•	•	•	•
KL	KLM Royal Dutch Airlines	•			
KZ	Nippon Cargo Airlines		•		
LD	AHK Air Hong Kong Limited.	•			
NH	All Nippon Airways	•			
NX	Air macau	•			
OZ	Asiana Airlines	•			
PO	Polar Air Cargo	•	•	•	
QR	Qatar Airways	•	•		
RU	Air Bridge Cargo	•			
SB	Air Caledonie International	•			
SK	Scandinavian Airlines	•			
TK	Turkish Airlines Inc.			•	
TN	Air Tahiti Nui	•			
UL	SriLankan Airlines Ltd.	•	•	•	•
Y8	Yangtze River Express	•			

* alphabetical order