



October 26, 2017

To All Concerned Parties

Company: Japan Airport Terminal Co., Ltd.
Representative: Nobuaki Yokota, President & COO
(Code: 9706, First Section, Tokyo Stock Exchange)
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Notice of Underwriting by Japan Airport Terminal Co., Ltd. of Third-Party Allocation of Shares by Tokyo International Air Terminal Corp. to Increase Capital

As notified in the Notice of Decision by Japan Airport Terminal Co., Ltd. on its Basic Policy Regarding the Underwriting of Third-Party Allocation of Shares by Tokyo International Air Terminal Corp. to Increase Capital of September 15, 2017, Japan Airport Terminal Co., Ltd. (“the Company”) had decided, at an extraordinary meeting of the Board of Directors on the same day, on a basic policy of underwriting a third-party allocation of shares by Tokyo International Air Terminal Corp. (“TIAT”) to increase capital and the acquisition of additional shares in TIAT, on the condition of approval by an extraordinary general meeting of TIAT shareholders and the completion of other necessary procedures. The Company hereby announces that those conditions were satisfied today and it will now underwrite said third-party allocation of shares.

1. Reason for Underwriting

Tokyo International Air Terminal Corp. was established in June 2006 as a special-purpose company for a Private Finance Initiative Business to develop and operate the international passenger terminal and facilities at Tokyo International Airport (“the Business”), invested in by a consortium of 14 companies and financial institutions, including the airlines, under the leadership of the Company. TIAT is currently engaged in the construction, management, and operation of the international passenger terminal, the car park for airport users, and other facilities at Tokyo International Airport (hereafter “Haneda Airport”). TIAT has engaged the Company’s services in facilities maintenance and management, duty-free shop operations, and passenger service operations at Haneda Airport’s international passenger terminal, and the Company plays a central role in the terminal’s management and operation.

The Business has been progressing well since the Haneda Airport International Passenger Terminal commenced operations on October 21, 2010, including the extension of the terminal in September 2014 to accommodate the expansion of daytime slots for international flights. Currently, to strengthen the functions of the Tokyo Metropolitan Area’s airports, the national government is carefully providing information through avenues such as briefings for residents, in an effort to obtain the understanding of the local community.

Under these circumstances, development of facilities has commenced, while in the process of obtaining the community’s understanding. As part of that, TIAT is pursuing plans to expand the international passenger terminal. Secure funding from its shareholders through the issuance of new shares was a part of the plan for financing that expansion.

To fulfil its responsibilities as the leading company in the TIAT consortium and to cooperate with the further certain implementation of the Business, the Company decided to acquire the additional shares issued by TIAT. It is hoped that, with these developments, the Company, a domestic passenger terminal operator, and TIAT, an international passenger terminal operator, will cooperate with each other to fully exert the domestic and international hub functions that are Haneda Airport’s greatest feature and strive towards the further improvement of convenience for airport users.

The Company will acquire these additional shares in TIAT when the payment procedures have been completed. With the acquisition, the Company's share of TIAT will reach 51%, and TIAT, which is currently an affiliated company accounted for by the equity-method, will become a consolidated subsidiary of the Company.

2. Outline of Tokyo International Airport Terminal Corp.

- (1) Trading Name Tokyo International Airport Terminal Corp.
- (2) Address 2-6-5 Haneda-kuko, Ota-ku, Tokyo
- (3) Representative Katsuji Doi, President & CEO
- (4) Description of Business Management and operation of international passenger terminal
- (5) Paid-in capital 9,000 million yen
- (6) Date of Establishment June 20, 2006
- (7) Major shareholders and shareholding ratios
- | | |
|----------------------------------|--------|
| Japan Airport Terminal Co., Ltd. | 38.78% |
| Japan Airlines Co., Ltd. | 19.36% |
| ANA HOLDINGS Co., LTD. | 19.36% |
- (8) Relationships with the Company
- | | |
|-------------------------|--|
| Capital relationship | The Company holds 38.78% equity in TIAT |
| Personnel relationships | 28 Company employees are temporarily assigned to TIAT |
| Business relationship | Wholesale of Company products; engagement of services in operation of shops, etc.; receipt of interest |
- (9) TIAT's business performance and financial position for the past three years

	Year ended March 2015	Year ended March 2016	Year ended March 2017
Net assets	¥2,833 million	¥6,348 million	¥15,843 million
Total assets	¥161,222 million	¥158,939 million	¥160,182 million
Net assets per share	¥581,969	¥1,545,836	¥4,170,443
Net sales	¥57,357 million	¥70,819 million	¥77,847 million
Operating income	¥6,374 million	¥8,822 million	¥10,834 million
Ordinary income	¥2,306 million	¥4,639 million	¥7,119 million
Net income	¥2,924 million	¥4,316 million	¥5,417 million
Net income per share	¥824,014	¥1,186,638	¥1,491,682
Dividend per share	—	—	—

3. Number of shares to be acquired, acquisition cost, and shareholding status before and after acquisition

- | | |
|---|--|
| (1) Number of shares held before change | 1,396
(Percentage of voting rights: 38.78%) |
| (2) Number of shares to be underwritten in capital increase | 1,310 |
| (3) Value of equity investment | Ordinary shares in TIAT: 6,550 million yen |
| (4) Number of shares held after change | 2,706
(Percentage of voting rights: 51.00%) |

4. Schedule

Date of Payment April 27, 2018 (TBC)

5. Forecast

The acquisition of shares will be announced promptly as soon as the necessary procedures have been completed. The impact of this matter on the Company's consolidated results will be thoroughly assessed and if any matters requiring disclosure arise, they will be announced promptly.