



September 15, 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 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

Japan Airport Terminal Co., Ltd. (“the Company”) hereby announces that, at a meeting held on September 15, 2017, the Board of Directors decided on a basic policy of the 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.

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, initiatives are being pursued to increase the airport’s capacity by about 39,000 slots by 2020, through the review of flight routes and other means, with the objective of strengthening the functions of the Tokyo Metropolitan Area’s airports.

Therefore, to respond to these circumstances with certainty, TIAT is pursuing plans to expand the international passenger terminal. One plan for financing the expansion is to secure funding from its shareholders through the issuance of new shares. 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 has decided to acquire the additional shares issued by TIAT, on the condition of approval by an extraordinary general meeting of TIAT shareholders and the completion of other necessary procedures. With the acquisition of these additional shares, the Company’s share of TIAT will reach 51%, and TIAT will become a consolidated subsidiary of the Company.

It is hoped that, with these developments, the Company, a domestic passenger terminal operator, and TIAT, an international passenger terminal operator, will build an even more united relationship, fully exerting the domestic and international hub functions that are Haneda Airport’s greatest feature, and strive towards the further improvement of convenience for airport users.

2. Outline of Tokyo International Airport Terminal Corp.

- (1) Trading Name Tokyo International Airport Terminal Corporation
- (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 INC. 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

- (1) Resolution by Board of Directors September 15, 2017
- (2) Date of Capital Increase No earlier than April 2018

5. Forecast

There will be no impact on the Company's consolidated results for the year ending March 2018. The impact of this matter on the Company's consolidated results will be thoroughly assessed once the matter has been approved by an extraordinary meeting of TIAT shareholders, other necessary procedures have been completed, and the acquisition procedures have been completed, and further announcements will be made promptly as required.