



August 29, 2018

To All Concerned Parties

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## **Notice of Procurement of Finance Through Hybrid Loan (Subordinated Loan)**

Japan Airport Terminal Co., Ltd. (“the Company”) hereby announces that, on August 29, 2018, it concluded an agreement for the procurement of finance totaling ¥30 billion through a hybrid loan (subordinated loan; “the Hybrid Loan”).

### **1. Objective and Significance of Procurement of Finance**

The Company established a five-year growth strategy, looking toward FY2020, in the form of its medium-term business plan, “To Be a World Best Airport 2020.” Under this plan, it has declared a goal of the early stability of its capital adequacy ratio, as a target stability indicator that will serve as a guideline for the plan’s achievement.

As part of this plan, the Company decided to procure finance through the Hybrid Loan, which is a strategic method of achieving both financial stability and capital efficiency. The Hybrid Loan is recognized by a credit rating agency as being of a capital nature to a certain extent, so it can be used to strengthen the Company’s substantive financial situation without diluting its shares.

### **2. Outline of Hybrid Loan**

- |                                 |  |
|---------------------------------|--|
| (1) Total amount procured       | ¥30 billion  |
| (2) Date of agreement           | August 29, 2018  |
| (3) Date of loan execution      | August 31, 2018  |
| (4) Final repayment deadline    | August 31, 2078<br>However, from five (5) years after the execution of the loan, all or part of the principal may be paid prior to the deadline on interest payment dates. |
| (5) Use of funds                | Capital investments  |
| (6) Interest payment provisions | Voluntary deferral of interest payment is possible. However, there are provisions for mandatory payment.   |
| (7) Subordination provisions    | The creditor shall have a subordinated claim in liquidation proceedings, bankruptcy proceedings, corporate reorganization proceedings, or civil                            |

rehabilitation proceedings, or equivalent proceedings overseas by the Company. The individual provisions of this agreement must not be amended in any way that would be disadvantageous to senior debtors, in all respects.

(8) Provision restricting refinancing

Intended to procure funds that have been approved by a credit rating agency as having at least the equivalent capital nature as common stock or the Hybrid Loan within twelve months before the pre-deadline prepayment date. However, if the Hybrid Loan is to be prepaid on or after the interest payment date of August 31, 2023 and before the final repayment deadline, if [1] below is met, an amount that meets [2] may be deducted from the amount equivalent to the assessed capital (total procured funds x 50%).

[1] If the capital adequacy rate is approximately 40% or higher

[2] If equity capital is greater than the equity capital as of June 30, 2018, an amount equivalent to 50% of the amount by which equity capital is exceeded

(9) Approval of capital nature of loan by credit rating agency

50% of the procured amount has been recognized as capital by Rating and Investment Information Inc.