July 8, 2016 Civil Aviation Bureau Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Private Sector Outsourcing of the Operation of Takamatsu Airport will start from April 2018

~To make Takamatsu Airport more user-friendly~

MLIT, with the aim of achieving the utilization promotion and service improvement of Takamatsu Airport by making full use of private know-how, has decided to outsource the operation of Takamatsu Airport to the private sector starting from April 2018, and has developed its "Implementation Policy" which sets force the business outline.

The private sector outsourcing of the operation of Takamatsu Airport is the very first private consignment arrangement in Japan in the case of relatively small-sized local airports. (Annual number of passengers: approx. 181,000 in 2015 QE*) ** Quick estimation and subject to change We aim to invite new air routes and improve customer services as well as to attract inbound tourists and LCC demands by making full use of private know-how through integrated operation of the runway and the passenger terminal by a private enterprise.

1. Outline of the Implementation Policy

- · Administrator: Minister of Land, Infrastructure, Transport and Tourism
- Duration of business: For a maximum of 55 years (initial 15 years + optional extension within 35 years, possible extension due to force majeure, etc.)
 Ref. (Sendai Airport): Max. 65 years (initial 30 years + optional extension within 30 years, possible
 - extension due to force majeure, etc.)
- · Scope of business: Operation of the airport, passenger terminal, car parking lot, etc.
- · Business system: The government selects an operator through public offering.

The operator conducts an integrated operation of the runway and the passenger terminal.

The government sets the right to operate public facilities and receives the consideration for the operation right from the operator.

2. Holding the explanatory meeting on the Implementation Policy

The explanatory meeting on the Implementation Policy will be held on Thursday, July 14, 2016.

As for details of the explanatory meeting and the application, please refer to the Exhibit.

3. Receipt of opinions on the Implementation Policy

We will accept opinions on the Implementation Policy during the period from Thursday, July 14, 2016 17:00 to Friday, July 29, 2016 15:00.

As for the submission method and so on, please refer to the Exhibit.

4. Schedule (tentative)

- · Around September 2016: Publication of Application Guidelines etc.
- · Around August 2017: Selection of Preferred Negotiation Right Holder
- · Around October 2017: Execution of Project Agreement
- · Around April 2018: Airport Operating Business Commencement Date

[Contact Information]

Airport Governance Reform Unit, Planning Division,

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The explanatory meeting and Receipt of Opinions on the Implementation Policy

Holding the explanatory meeting on the Implementation Policy

• Date: 14:30- on July 14, 2016

· Venue: Common Meeting Room A,

10th Floor, Central Government Building No. 31-3, Kasumigaseki 2-chome, Chiyoda-ku, Tokyo

· Application: If you desire to participate in the explanatory meeting, please send the

application form (Form-1) by the application deadline to the Unit in Charge by email, and submit the original application form at the explanatory meeting place. No applications will be accepted at the explanatory meeting

place.

· Unit in charge: Airport Governance Reform Unit, Planning Division,

Aviation Network Department, Civil Aviation Bureau, MLIT

(Email: koku-nekika@mlit.go.jp)

• Deadline: No later than 15:00, July 13, 2016.

• Points to note: Participants in the explanatory meeting shall bring the Implementation Policy.

Photography is allowed only at the outset of the meeting.

(Those who wish to attend and/or take photos are requested to register in accordance with the above application procedure)

Receipt of opinions on the Implementation Policy

· Period of acceptance: From 17:00, July 14, 2016

No later than 15:00, July 29, 2016

• Submission method: Opinions concerning the Implementation Policy shall be briefly stated in the opinion form (Form-2) and the form shall be sent by email.

If the opinions contain any content (such as special techniques and know-how) which would infringe on the rights, competitive position, or other reasonable interest of the submitter if the opinions are disclosed, the submitter shall make a statement to that effect.

The opinion form shall be prepared in Microsoft Excel format and the company name and the name, department, telephone number and email address of the submitter shall be filled in. The opinion form shall be submitted to the Unit in Charge.

The submission by any method other than email shall not be accepted.

· Unit in charge: Airport Governance Reform Unit, Planning Division,

Aviation Network Department, Civil Aviation Bureau, MLIT

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