Ministry of Land, Infrastructure, Transport and Tourism

17 January 2018 Planning Division, Aviation Network Department Civil Aviation Bureau

Press Release

Private Sector Outsourcing of the Operation at Kumamoto Airport will start from April 2020

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 \sim Toward accelerated recovery from the Kumamoto earthquake \sim

MLIT, with the aim to accelerate the reconstruction of the quake-hit Kumamoto Airport and to achieve a utilization promotion and a service improvement of the airport by making full use of private know-how, has decided to outsource the operation of Kumamoto Airport to the private sector from April 2020, and has developed its "Implementation Policy" which sets force the business outline, etc.

The private sector outsourcing of the operation at Kumamoto Airport should become a symbol of creative reconstruction after the Kumamoto earthquake, and we therefore will tackle an unprecedented project to build a new terminal building with much enhanced seismic capacity uniting domestic and international terminals, after demolishing the domestic terminal building damaged by the earthquake.

We aspire to proactively attract inbound tourists and LCC demand, etc. as a result of our efforts to invite new air routes and improve customer services, by making the most use of the private know-how through the integrated operation of the runway and the terminal building by private enterprises.

1. Outline of the Implementation Policy

- Administrator of public facilities, etc. : Minister of Land, Infrastructure, Transport and Tourism
- Duration of business : Initial period of 33 years + optional extension of 15 years or less (+ possible extension of 10 years or less in the event of force majeure)
- Scope of business : Operation of the airport, operation of the terminal building and parking facilities^{**}, etc.

*Demolish the existing domestic terminal building and construct a new terminal building uniting domestic and international terminals under the responsibility of an operator (to be completed in FY 2022)

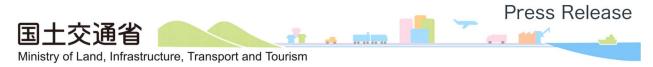
• Business system: The government selects an operator through public offering.

The operator conducts an integrated operation of the runway and the terminal building, etc.

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

%The Implementation Policy, etc. can be downloaded from the website:

http://www.mlit.go.jp/koku/koku_tk5_000033.html



2. Briefing Session on the Implementation Policy

Briefing session on the Implementation Policy will be held on Friday, 26 January 2018. As for details of the briefing session and the application procedure etc., please refer to the Exhibit.

3. Acceptance of Opinions on the Implementation Policy

We will accept opinions on the Implementation Policy during the period from 17:00 Wednesday, 17 January to 15:00 Friday, 2 February 2018. As for details such as the submission method, please refer to the Exhibit.

<u>4. Future Schedule (planning stage)</u>

- Around March 2018: Publication of application guidelines, etc.
- Around March 2019: Selection of preferred negotiation right holder
- Around May 2019: Execution of the project agreement
- Around April 2020: Airport operating business scheduled commencement date

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Exhibit

The Briefing Session and Acceptance of Opinions on the Implementation Policy

Briefing Session on the Implementation Policy

• Date:	14:30 \sim Friday, 26 January 2018
• Venue :	Common Meeting Room A,
	10 th Floor, Central Government Building No. 3,
	1-3 Kasumigaseki 2-chome, Chiyoda-ku, Tokyo
\cdot Application :	If you expect to participate the briefing session, please send the
	application form by the application deadline to the destination below
	by email, and then bring the original application form to the briefing
	session room. The application form shall be prepared in Microsoft
	\ensuremath{Excel} format. Applications of the day at the briefing session room will
	not be accepted.
\cdot Submission destination (Bidding advisors) : Ernst & Young ShinNihon LLC	
Infrastructure Advisory Group, Team Kumamoto Airport	
(Email address : <u>kmj@jp.ey.com</u>)	
• Deadline :	No later than 13:00 Thursday, 25 January 2018
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 Points to note : Participants of the briefing session shall bring the Implementation Policy. (No distribution at the venue) Please refrain from taking photos and videos.

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Acceptance of Opinions on the Implementation Policy

• Period of acceptance : From 17:00 Wednesday, 17 January 2018

No later than 15:00 Friday, 2 February 2018

 Submission method : Opinions concerning the Implementation Policy shall be briefly stated in Japanese in the opinion form (Form-1) attached to the Implementation Policy and the completed form shall be sent by email to the destination below.

> If the opinions contain any content (such as special technology and knowhow) which would infringe on the rights, competitive position or other reasonable interest of the submitter upon disclosure of the opinions, the submitter shall make a statement to that effect.

> The opinion form shall be prepared in Microsoft Excel format and the company name followed by the full name, department name, telephone number and email address of the submitter shall be filled in. Submission

by any method other than email shall not be accepted.

 Submission destination (Public recruited advisor) : Ernst & Young ShinNihon LLC Infrastructure Advisory Group, Team Kumamoto Airport Team (Email address : <u>kmj@jp.ey.com</u>)