

## Qualified Project, etc., for Hiroshima Airport Operation - FAQs on the Implementation Policy

25 March, 2019

No	Item	Page	Paragraph, Section				Questions	Answers
1	Related laws and regulations	11	2	1	(5)	A) xlv)	Does "Other related laws and regulations" include the laws and regulations to be implemented in the future?	Yes. The State shall require the Operating Right Holder to comply with the laws and regulations which may be changed during the Project Period property as well as the current ones.
2	Project Period	13	2	1	(6)	A)	Why is the Project Period set as 30 years?	Considering the expected schedule of replacement investment, it was concluded that 30 years is appropriate. Most comments from the Market Sounding participants were affirmative.
3	Project Period	14	2	1	(6)	B)	Is it possible to extend the Airport Operating Business Period for the Operating Right Holder to recover their investment (capital expenditure) conducted during the Airport Operating Business Period?	No. Only if any of the applicable events set out in the Project Agreement, such as force majeure etc., occurs, the Agreed Extension up to 5 years shall be approved, but the extension shall not be approved for any other reasons (e.g. for the purpose of recovering investment etc.) The State may purchase any asset which is held by the Operating Right Holder if the State deems it necessary, and also the Operating Right Holder may request the State to arrange a hearing on the scope of such purchase. Therefore, there is an opportunity for investment recovery. In addition, the State shall bear the costs for those investments pertaining to the Facilities Subject to the Operating Right made by the Operating Right Holder for which certain requirements specified in the Project Agreement are fulfilled.
4	Airport Hotel	16	2	1	(7)	D)	Is it possible to dispose the airport hotel and use the land for a purpose other than hotel business during the Project Period?	The Operating Right Holder shall need to coordinate with the land owners, Hiroshima Prefecture and Mihara City, to use the land for a purpose other than hotel business. In addition, the Operating Right Holder shall need to obtain approval from the State to conduct business outside of the Airport Site, from which they earn revenue, etc., from third parties.
5	Prefecture-managed parking	16	2	1	(7)	E) a)	With regard to "the Operating Right Holder's plan on use of the land", can the Operating Right Holder use the land for a purpose other than parking?	Yes.
6	Forest Hills Garden	17	2	1	(7)	E) b)	What is the specific scope of the designated manager service of Forest Hills Garden to be succeeded by the Operating Right Holder?	Please refer to the information published on the Hiroshima Prefecture website. (Japanese only) <a href="https://www.pref.hiroshima.lg.jp/soshiki/9/h30siteibosyu-2.html">https://www.pref.hiroshima.lg.jp/soshiki/9/h30siteibosyu-2.html</a>

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7	Passenger service facility charge	19	2	1	(8)		What is "the passenger (service) facility charge"?	The passenger (service) facility charge (PSFC) is the usage fee which the operator etc. of the passenger building facilities can collect from passengers, and the Operating Right Holder can apply for setting the PSFC in accordance with Article 16 of the Airport Act. Such application shall be based on "the procedure for examination and approval of the upper limit of PSFC". The procedure shall be disclosed after the publication of the Application Guidelines etc.
8	Dispatch, etc., of personnel from the State to the Operating Right Holder in relation to the Airport Operating Business	32	2	1	(15)		Will the State dispatch air controllers and air navigation services engineers to the Operating Right Holder?	No. The State shall continue to assume these two roles.
9	Consideration for the acquisition of the Building Facility Operator Shares	32	2	1	(16)	(i)	How much is the consideration for the acquisition of the Building Facility Operator Shares?	It is JPY 6,301.8 million.
10	Submission documents	34	3	2			Are there any additional procedures for a foreign corporation to participate in the bidding of the Project?	No. The State shall accept the alternatives for peculiar Japanese documents, such as certificate of authorized signatory for certificate of a seal impression. This State shall also accept a company's prospectus and articles of incorporation in English. If such documents are prepared in other than English, the attachment translated into Japanese or English are required to be submitted.
11	Interpreter	34	3	2			If a foreign corporation participates in the bidding of the Project, can they have an interpreter attend the Competitive Dialogues etc. and the presentation in the Second Screening?	Yes.
12	Outsourcing of the Representative Company's paperwork	34	3	2			Is it possible to have the Applicant's advisor take care of the paperwork during the period of the bidding of this Project?	The Applicant cannot have their advisor take care of the paperwork prior to the First Screening because the Consortium Members are not fixed. The Applicant can do so for the Second Screening on the Representative Company's own responsibility.
13	Incorporation of SPC	37	3	2	(9)		Will it be allowed to merge SPC and Hiroshima Airport Building Co.,Ltd.?	Yes.

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14	Composition of an applicant	41	3	3	(1)		Can the Consortium have multiple Representative Companies?	No, please select one company as the Representative Company.	
15	Composition of an applicant	41	3	3	(1)	(iii)	Does the Representative Company need to receive the largest number of the shares?	No.	
16	Composition of an applicant	41	3	3	(1)	(iv)	Is it possible to add the Applicants in other Consortium who did not pass the First Screening to the Consortium Members prior to submission of the Second Screening Documents?	No.	
17	Key Consortium Members	41	3	3	(1)	(iv)	i.	What does "Key Consortium Members" mean?	"Key Consortium Members" means all or part of the Consortium Members designated as the key Consortium Members at the time of submission of the First Screening Documents.
18	Addition of Consortium Members between the First Screening and the Second Screening	41	3	3	(1)	(iv)	ii.	Does "the number of the Voting Shares of the added Consortium Member" mean not the aggregated number of the Voting Shares of the added Consortium Members but the number of the Voting Shares of each added Consortium Member?	Yes. The aggregated number of the Voting Shares of the added Consortium Member can exceed the number of the Voting Shares of the Applying Company or the member who receives the largest number of such shares among the Key Consortium Members.
19	Addition of Consortium Members between the First Screening and the Second Screening	42	3	3	(1)	(v)		It says "After submission of the First Screening Documents no withdrawal shall be allowed, as a general rule, to the Applying Company, the Representative Company, or the Consortium Members", but are there any cases to be allowed as exceptions?	There is a possibility to allow the withdrawal after evaluating the situation on a case-by-case basis.
20	Requirements for the Applying Company or the Representative Company	45	3	3	(3)		ii.	Requirements for the Applying Company or the Representative Company were revised. Please refer to the revised Implementation Policy from the link below. <a href="http://www.mlit.go.jp/en/report/press/koku05_hh_000014.html">http://www.mlit.go.jp/en/report/press/koku05_hh_000014.html</a>	
21	Construction works other than RESA	46	4	1	(iii)			What construction works other than RESA-related works are scheduled to be implemented by the State in the Airport Site?	Details shall be disclosed after the publication of the Application Guidelines etc.
22	Parking Facilities Business	61	9	2				Why is the Parking Facilities Business scheduled to start at the same timing with the Building Facilities Business?	Based on the current earning and expense, starting the Parking Facilities Business early is expected to contribute to the stable operation of the Operating Right Holder. In addition, it is supposed to be low-impact to start it early because the assets and employees can be succeeded in a short period of time through the transfer of business.

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23	Parking Facilities Business	61	9	2			The schedule shows Parking Facility Business Scheduled Commencement Date as October 2020. Will the prefecture-managed parking be included in this scope?	The Parking Facility Business in the schedule refers to the business succeeded from the Airport Environment Improvement Foundation. Details about the Prefecture-managed parking, including the commencement date etc, is expected to be disclosed by Hiroshima Prefecture during the period of the bidding of this Project.
24	Earning and expense of each airport						What is the current earning and expense of Hiroshima Airport?	Please refer to the earning and expense of each airport published on the MLIT website. (Japanese only) <a href="http://www.mlit.go.jp/koku/15_bf_000181.html">http://www.mlit.go.jp/koku/15_bf_000181.html</a>