



September 26, 2017

ORIX Corporation
VINCI Airports S.A.S.
Kansai Airports

Establishment of Kansai Airports Kobe and Signing of Project Agreement for Kobe Airport Concession

The consortium made up of ORIX Corporation (“ORIX”), VINCI Airports S.A.S. (“VINCI Airports”) and Kansai Airports, an airport concession holder and operator, today announced the formation of a new company "Kansai Airports Kobe" to manage the Kobe Airport concession. At the same time, Kansai Airports Kobe signed a concession contract (“Project Agreement”) with Kobe City for the operation of Kobe Airport. Toward the start of this airport operating business next April, Kansai Airports Kobe will succeed operational procedures from Kobe City in a secure and smooth manner to ensure safety and security at the airport as a top priority.

Kansai Airports Kobe, headquartered in Kobe City, is wholly owned by Kansai Airports and jointly-managed by representative directors, Yoshiyuki Yamaya, CEO, and Emmanuel Menanteau, Co-CEO, as in the case of Kansai Airports.

Kansai Airports, the operator of Kansai International Airport and Osaka International Airport, commenced its business on April 1, 2016, marking the joining of forces between two complementary companies: ORIX, which has a strong footprint in the Kansai region, and VINCI Airports, whose successful track-record in airports operation has been extended in Portugal, Cambodia, France and Chile. ORIX and VINCI Airports each hold a 40% shareholding, while 30 other investors including companies based in Kansai region and financial institutes, hold the remaining 20%.

The transfer of airport operations to Kansai Airports Kobe is scheduled for April 1, 2018. During this period, Kansai Airports Kobe will work closely with Kobe City, airport employees, business partners and local communities.

By managing Kansai Airports Kobe, ORIX, VINCI Airports and Kansai Airports aim to improve services to passengers through appropriate investments and efficient operations, while placing the greatest focus on ensuring safety and security at Kobe Airport. Through the integrated operation of the three airports, the consortium will strive to make Kobe Airport more attractive to increase air traffic demand and promote economic growth across the Kansai region including Kobe.

Press Release



1. Outline of the Concessionaire

(1) Name: Kansai Airports Kobe

(2) Location: 1, Kobe airport, Chuo-ku, Kobe-shi, Hyogo

(3) Company representatives:

Representative Director and CEO: Yoshiyuki Yamaya

Representative Director and Co-CEO: Emmanuel Menanteau

(4) Business scope: Operation and maintenance and management services, etc. of Kobe Airport

(5) Capital: 135 million yen

(6) Date of incorporation: August 10, 2017

(7) Fiscal year end: End of March

(8) Shareholding ratio: Kansai Airports 100%

2. Details of the Project Agreement

(1) Outline of the Project

The Project period is scheduled to be 42 years, from April 1, 2018 to March 31, 2060. In the Project, Kobe City will continue to own the airport site and facilities. The Concessionaire will be granted the operating right from Kobe City pursuant to the "Act on Promotion of Private Finance Initiative," and will engage in the operation of both the aviation-related businesses (operation and maintenance and management of runways, etc.) and non-aviation-related businesses (operation and maintenance and management of terminal buildings, etc.) for Kobe Airport. In principle, the losses and profits from the Project will belong to the Concessionaire. However, the aviation control business is outside the scope of the business of the Concessionaire.

(2) Parties to the agreement

Kobe City and Kansai Airports Kobe

(3) Execution date of the agreement

September 26, 2017

(4) Term of the agreement

From September 26, 2017 to March 31, 2060

(The term may be extended up to March 31, 2070, if agreed to)

(5) Scheduled commencement date of the Project

April 1, 2018

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Kansai Airports Kobe: Strategy and Vision

— For Integrated Operation of Three Airports in Kansai Region —

September 26, 2017

Kansai Airports Kobe



Shaping a New Journey



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1. Our Consortium

Only one team which enables 3 airport integrated operation



- Brings local knowledge, local operations
- Kansai origins, footprint
- Committed to the region
- Entrepreneurial spirit
- Agile, flexible business style
- Similar mindset to VINCI Airports



- Realization of privatization in Japan's first large international airport
- The only operator of multiple airport in Japan
- Airport platform with the second largest number of passengers in Japan
- Proven track record of safe and secure airport operation
- Extensive experts with advanced knowledge and experience
- The company that share know-how with Orix and VINCI Airport



- Brings demonstrated airport expertise
- International network
- Committed to the region
- Entrepreneurial spirit
- Agile, flexible business style
- Similar mindset to ORIX



2. Track Record in Kansai



Achievements in the initial year of the team in Kansai



+5.4%

increase in aircraft movements in FY2016 at KIX



+3.2%

increase in air passenger traffic in FY2016 at ITM



1680 m2

of commercial facilities with the expansion of Terminal 2



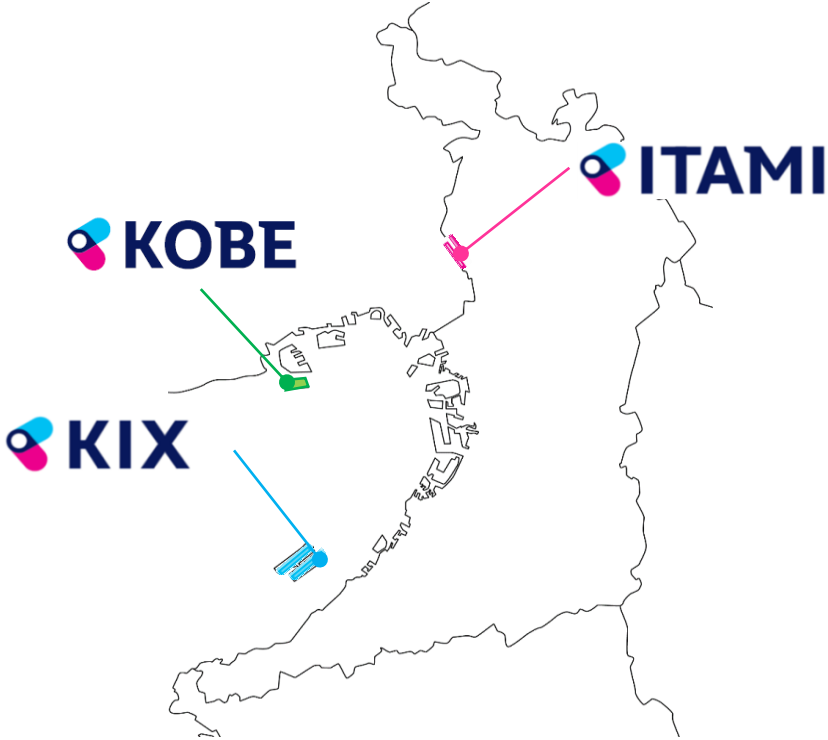
ITAMI renovation

full-scale renovation of the passenger terminal ongoing

3. 3 Airports Integration



Vitalize Kansai Region leveraging 3 airport integrated operation



Aviation Network Optimization and Expansion



Airport Access Network Improvement



Safety, Security, and Quality Improvements



Capex optimization: Sharing and Mutual Investment of Airport Business Resources



High quality services and offers at non-aviation activities



Teams integration and local empowerment



Cooperation and Symbiosis with the Kansai Region



4-1. Improvement in Business



Developing virtuous cycle between traffic growth and commercial activities

Aviation

Convince airlines to use larger airplanes

Boost business demand in Kobe Airport

Establish domestic routes with limited passenger overlap

Non-Aviation

Significant increase in commercial space through terminal reconfiguration

Re-direction of passenger flow to improve penetration to commercial area

Re-configuration of Check-in area to improve efficiency and lengthen dwell time

Build a unique product offering celebrating the locality of Kansai, Hyogo region

4-2. Improvement in Business



Arrival Lobby 1F



Waiting Space before Boarding 2F

5. Investment and Maintenance

 Optimize Capex by sharing and mutual investment between 3 airports

Investment Plan

Overlay of runways and taxiways

Tracking of settlement state and facility deformation

Preventive maintenance and repairs for the basic airport facilities

Renovation and expansion of commercial area

Introduction of IT systems to manage tenants



6. Safety and Security



We give the highest priority to safety and security

Measures for Safety and Security

Establish Kobe Operation Centre

Create a training program of personnel common in 3 airports

Fulfill a role of Stating Care Unit (SCU) and disaster base

Introduction of Service Level Agreement (SLA) and Key Performance Index (KPI)



7. Promotion of Airport

 Take measures to increase airport use and improve airport access

Promotion for the use of Kobe Airport

- Involvement in Kobe Airport Promotion Council initiatives
- Development of a range of services to target group of inbounds coming to Kobe for specific events such as MICE events
- Smiling Day event for all the employees
- Collaboration with transport operators to improve airport access



8. Closing





Shaping a New Journey

