

**DETAILED PROCEDURAL REGULATIONS
ON EXCEPTIONS TO LANDING CHARGES CALCULATION**

(For Reference Purpose Only)

**This English translation has been prepared to provide reference
for the benefit of those who are unable to use the official Japanese text,
and should be regarded and treated as such.**

NARITA INTERNATIONAL AIRPORT CORPORATION

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**DETAILED PROCEDURAL REGULATIONS
ON EXCEPTIONS TO LANDING CHARGES CALCULATION
(Provisional Translation)**

29 March 2024 Ei E Ki No. 1107

Section 1 General Provisions

[Objective]

Article 1

The purpose of this Detailed Procedural Regulations on Exceptions to Landing Charges Calculation (the "Detailed Procedural Regulations") is to set out provisions required to ensure the exceptions to Landing Charges Calculation specified in Narita International Airport Administrative Regulations (the "Administrative Regulations") Article 14 Clause 6-(1)-(C).

[Definitions]

Article 2

The definitions of terms used in this Detailed Procedural Regulations are as specified in the Administrative Regulations and as described below.

- (1) An International Additional Tonnage Discount is a discount applied to the landing weight increment for international services.
- (2) A Domestic Additional Tonnage Discount is a discount applied to the landing charges increment for domestic services.
- (3) An International New Route Discount is a discount applied to a new international route.
- (4) A Domestic New Route Discount is a discount applied to a new domestic route.
- (5) A Morning Departure Bonus is a discount applied to landing charges for flights on new international and domestic routes with flight plans that provide scheduled departures from Narita Airport in the morning hours.
- (6) An Exception to the Morning Departure Bonus is a discount on landing charges for flights on international and domestic routes which are not deemed to be new routes and which are planned for the period from 31 March 2019 to 6 April 2019 to provide scheduled departures from Narita Airport in the morning hours.
- (7) A Long Haul International Passenger Flight Bonus is a discount applied to the landing charges for international scheduled passenger flights on long-haul routes which are new route for Narita Airport.
- (8) An International Air Transport Operator is the operator of an international air transport business.
- (9) A Domestic Air Transport Operator is the operator of a domestic air transport business.

- (10) A Scheduled Passenger Flight is an aircraft landing at Narita International Airport for the purpose of transporting revenue passengers on a scheduled basis, operated by an air transport operator over a route between Narita International Airport and a point inside or outside Japan at the demand of a third party. Further, amongst those Scheduled Passenger Flights, an International Scheduled Passenger Flight is a flight operated by an international air transport operator on a route between Narita International Airport and a point outside Japan (including services to/from points in Japan operated in conjunction with such a route) and a Domestic Scheduled Passenger Flight is a flight operated by a domestic air transport operator on a route between Narita International Airport and a point inside Japan.
- (11) A Scheduled Cargo Flight is an aircraft landing at Narita International Airport for the purpose of transporting revenue cargo on a scheduled basis, operated by an air transport operator over a route between Narita International Airport and a point inside or outside Japan at the demand of a third party. Further, amongst those Scheduled Cargo Flights, an International Scheduled Cargo Flight is a flight operated by an international air transport operator on a route between Narita International Airport and a point outside Japan (including services to/from points in Japan operated in conjunction with such a route) and a Domestic Scheduled Cargo Flight is a flight operated by a domestic air transport operator on a route between Narita International Airport and a point inside Japan.
- (12) An International Landing Charge is an amount calculated by the method specified in the Administrative Regulations Article 14 Clause 6-(1)-(A).
- (13) An International Parking Charge is an amount calculated by the method specified in the Administrative Regulations Article 14 Clause 6-(2)-(A).
- (14) A Domestic Landing Charge is an amount calculated by the method specified in the Administrative Regulations Article 14 Clause 6-(1)-(B).
- (15) A Domestic Parking Charge is an amount calculated by the method specified in the Administrative Regulations Article 14 Clause 6-(2)-(B).
- (16) A New Route is a route which a scheduled passenger flight or scheduled cargo flight has not operated within one (1) year, retroactive from 1 day before the launch of operation.
- (17) Morning Hours are before 9:00 a.m. Japan Standard Time for international routes and before 8:00 a.m. for domestic routes.
- (18) A long-haul route is a route from Narita Airport to any point 7,000km distant or more as defined by IATA data for distances between airports.

Section 2 International Additional Tonnage Discount

[Eligibility]

Article 3

The International Additional Tonnage Discount is applicable to International Scheduled Passenger Flights and International Scheduled Cargo Flights. However, amongst those International Scheduled Passenger Flights and International Scheduled Cargo Flights operating on a route that are eligible for an International New Route Discount (except those operating on the Exception to International Morning Departure Bonus Applicable Routes) shall not be eligible for the International Additional Tonnage Discount.

[Unit Period]

Article 4

A unit period applicable to the International Additional Tonnage Discount will be one (1) year from 1 April to 31 March of the following year.

[Rebate Amount]

Article 5

When the total of maximum take-off weight (MTOW) per unit period (the "Cumulative Weight") for International Scheduled Passenger Flights and International Scheduled Cargo Flights as specified in Article 3 exceeds that of the corresponding period of the previous year, the international air transport operator will be entitled to a rebate on the amount (the "Rebate Amount"), calculated by multiplying the amount (amount effective as at the last date of the applicable unit period) specified in the Administrative Regulations Article 14 Clause 6-(1)-(A)-(a) by one half (1/2) of the weight increment for the said period (in terms of tonne, with part thereof rounded up to one tonne). However, when calculating said Cumulative Weight, the weight on an International Scheduled Passenger Flight and International Scheduled Cargo Flight operating on a route that is eligible for the International New Route Discount (except aircraft operating on the Exception to International Morning Departure Bonus Applicable Routes) shall not be included in the Cumulative Weight for the unit periods of that year and the year before.

[Adjustment in Number of Days]

Article 6

In comparing the Cumulative Weight as specified in the preceding Article, if there is a difference in the number of days in the two (2) periods, an adjustment will be made as

necessary.

[Assessment of Weight]

Article 7

Narita International Airport Corporation ("NAA") may conduct an assessment of Cumulative Weight in the event that the international air transport operator is operating a code-share service, has undergone a corporate merger, or business integration by means of establishing a holding company, or in any other instances when deemed necessary.

[Implementation]

Article 8

The International Additional Tonnage Discount will be implemented by payment of the Rebate Amount by NAA to the international air transport operator(s) concerned after each unit period is completed. NAA will notify those operators in writing of the scheduled payment date in advance. However, the Rebate Amount will not be paid where any of the following applies to the operator.

- (1) Where all Flights are withdrawn within the Unit Period.
- (2) Where all Flights are suspended within the Unit Period or where there are periods in which services are not operated due to reasons such as seasonal operations within the unit period, and operations are not resumed on any of those routes for a period of more than one year from the day following the last day of service operation.
- (3) Where the suspended Flight route as per the preceding Item is resumed within one year from the day following the last day of operation but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route.

[Withheld Implementation]

Article 9

NAA may withhold implementation of the provisions of the preceding Article if an international air transport operator falls under any of the following as of the scheduled payment date specified in the preceding Article.

- (1) Where there is an overdue debt to NAA. However, even if the debt is discharged in full during the Withholding Period, the Withholding Period will be continued if a new overdue debt is payable to NAA at the time of actual payment of the Rebate Amount.
- (2) Where all Flights are suspended or where there are periods in which services are not operated due to reasons such as seasonal operations, and operations are not resumed on any of those routes within one year from the day following the last day of operation. If, after

the suspended Flight route is resumed but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the Withholding Period shall continue. However, even if the suspended Flight route is resumed, if there is an overdue debt to NAA at the time of actual payment of the Rebate Amount, the Withholding Period shall continue.

[Extinction of Entitlement]

Article 10

Any international air transport operator subject to Withheld Implementation by NAA as prescribed in Article 8 in accordance with the provisions of the preceding Article, shall forfeit the entitlement to receive the Rebate Amount prescribed in Article 8 at the time specified in the following Items. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance.

(1) When Item (1) in the preceding Article is applicable, when one year has elapsed since the commencement of the Withholding Period calculated from the scheduled payment date specified in Article 8.

(2) When Item (2) in the preceding Article is applicable, when one year has elapsed since the day following the last day of operation in the unit period during which the operation specified in the aforementioned item was not resumed. However, should the Withholding Period of one year elapse during the period when a route is operating at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the international air transport operator may receive the Rebate Amount being withheld for the service which has operated.

(3) When both Items (1) and (2) in the preceding Article are applicable, as stipulated in the preceding Item.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 8 even before the deadline for losing the right to receive the discount amount specified in the preceding paragraph has passed.

[Extinction of Entitlement Prior to End of Withholding Period]

Article 11

Notwithstanding the provisions of the preceding Article, should an international air transport operator subject to Withheld Implementation by NAA as prescribed in Article 8 in accordance

with Article 9, be subject to any of the following, that operator shall forfeit the entitlement of the Rebate Amount as prescribed in Article 8 even before the deadline for forfeiting that entitlement. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance. However, this shall not apply in the case where the international air transport operator discharges all of its outstanding debts to NAA by the date specified in the notification by NAA.

- (1) In the event that a petition is filed for provisional seizure, provisional disposition, compulsory execution, auction of properties or other protective foreclosing action;
- (2) In the event that an application is filed for bankruptcy, corporate rehabilitation, civil reorganization or corporate arrangement, or in the event that liquidation action is initiated or bank transactions are suspended;
- (3) In the event that a representative of an international air transport operator is placed under protection from creditors or under receivership
- (4) In the event that a trustee is appointed by a court order or for any other reason;
- (5) In the event that an air transport operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 8 even before the deadline for losing the right to receive the discount amount specified in the Article 10 has passed.

[Implementation Period]

Article 12

The implementation period of the International Additional Tonnage Discount will be eleven (11) years from 1 April 2013 to 31 March 2024.

[Suspending or Cancelling Implementation]

Article 13

In the event of natural disasters (including but not limited to fires, earthquakes, storms and floods, lightning strikes, etc.), wars, riots, civil wars, terrorist acts, strikes, infectious diseases and other situations when deemed necessary by NAA, NAA reserves the right to suspend or cancel the implementation of discounts related in this section in part or in whole.

Section 3 Domestic Additional Tonnage Discount

[Eligibility]

Article 14

The Domestic Additional Tonnage Discount is applicable to Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights. However, Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights operating on a route that is eligible for the Domestic New Route Discount (except Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights operating on the Exception to Domestic Morning Departure Bonus Applicable Routes) shall not be eligible for the Domestic Additional Tonnage Discount.

[Unit Period]

Article 15

A unit period applicable to the Domestic Additional Tonnage Discount will be one (1) year from 1 April to 31 March of the following year.

[Rebate Amount]

Article 16

When the total landing charges per unit period ("Cumulative Landing Charges") as specified in Article 14 exceeds that of the corresponding period of the previous year, the domestic air transport operator will be entitled to a Rebate Amount equivalent to one half (1/2) of the Landing Charge Increment for the said period (in terms of JPY, with part thereof rounded down to the nearest JPY, and the same shall apply hereafter). However, when calculating said Cumulative Landing Charges, the landing charge on an aircraft operating on a route that is eligible for the Domestic New Route Discount (except those operating on the Exception to Domestic Morning Departure Bonus Applicable Routes) shall not be included in the Cumulative Landing Charges for the unit periods of that year and the year before.

[Adjustment in Number of Days]

Article 17

In comparing the Cumulative Landing Charges as specified in the preceding Article, if there is a difference in the number of days in the two (2) periods, an adjustment will be made as necessary.

[Assessment of Cumulative Landing Charges]

Article 18

NAA may conduct an assessment of Cumulative Landing Charges in the event that the domestic air transport operator is operating a code-share service, has undergone a corporate merger, or business integration by means of establishing a holding company, or in any other instances when deemed necessary.

[Implementation]

Article 19

The Domestic Additional Tonnage Discount will be implemented by payment of the Rebate Amount by NAA to the domestic air transport operator(s) concerned after each unit period is completed. NAA will notify those operators in writing of the scheduled payment date in advance. However, the Rebate Amount will not be paid where any of the following applies to the operator.

- (1) Where all Flights are withdrawn within the Unit Period.
- (2) Where all Flights are suspended within the Unit Period or where there are periods in which services are not operated due to reasons such as seasonal operations within the unit period, and operations are not resumed on any of those routes for a period of more than one year from the day following the last day of service operation.
- (3) Where the suspended Flight route as per the preceding Item is resumed within one year from the day following the last day of operation but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route.

[Withheld Implementation]

Article 20

NAA may withhold implementation of the provisions of the preceding Article if a domestic air transport operator. any of the following applies as of the scheduled payment date specified in the preceding Article.

- (1) Where there is an overdue debt to NAA. However, even if the debt is discharged in full during the Withholding Period, the Withholding Period will be continued if a new overdue debt is payable to NAA at the time of actual payment of the Rebate Amount.
- (2) Where all Flights are suspended or where there are periods in which services are not operated due to reasons such as seasonal operations, and operations are not resumed on any of those routes within one year from the day following the last day of operation. If, after the suspended Flight route is resumed but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the Withholding Period shall continue. However, even if the suspended Flight route is resumed, if there is an overdue debt to NAA at the time of actual payment of the Rebate Amount, the Withholding Period

shall continue.

[Extinction of Entitlement]

Article 21

Any domestic air transport operator subject to Withheld Implementation by NAA as prescribed in Article 19 in accordance with the provisions of the preceding Article, shall forfeit the entitlement to receive the Rebate Amount prescribed in Article 19 at the time specified in the following Items. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance.

(1) When Item (1) in the preceding Article is applicable, when one year has elapsed since the commencement of the Withholding Period calculated from the scheduled payment date specified in Article 19.

(2) When Item (2) in the preceding Article is applicable, when one year has elapsed since the day following the last day of operation in the unit period during which the operation specified in the aforementioned item was not resumed. However, should the Withholding Period of one year elapse during the period when a route is operating at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the domestic air transport operator may receive the Rebate Amount being withheld for the service which has operated.

(3) When both Items (1) and (2) in the preceding Article are applicable, as stipulated in the preceding Item.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 19 even before the deadline for losing the right to receive the discount amount specified in the preceding paragraph has passed.

[Extinction of Entitlement Prior to End of Withholding Period]

Article 22

Notwithstanding the provisions of the preceding Article, should a domestic air transport operator subject to Withheld Implementation by NAA as prescribed in Article 19 in accordance with Article 20, be subject to any of the following, that operator shall forfeit the entitlement of the Rebate Amount as prescribed in Article 19 even before the deadline for forfeiting that entitlement. In such case, NAA shall notify the operator in writing of the loss of entitlement

in advance. However, this shall not apply in the case where the domestic air transport operator discharges all of its outstanding debts to NAA by the date specified in the notification by NAA.

(1) In the event that a petition is filed for provisional seizure, provisional disposition, compulsory execution, auction of properties or other protective foreclosing action;

(2) In the event that an application is filed for bankruptcy, corporate rehabilitation, civil reorganization or corporate arrangement, or in the event that liquidation action is initiated or bank transactions are suspended;

(3) In the event that a representative of a domestic air transport operator is placed under protection from creditors or under receivership

(4) In the event that a trustee is appointed by a court order or for any other reason;

(5) In the event that an air transport operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 19 even before the deadline for losing the right to receive the discount amount specified in the Article 21 has passed.

[Implementation Period]

Article 23

The implementation period of the Domestic Additional Tonnage Discount will be nine (9) years from 1 April 2015 to 31 March 2024.

[Suspending or Cancelling Implementation]

Article 24

In the event of natural disasters (including but not limited to fires, earthquakes, storms and floods, lightning strikes, etc.), wars, riots, civil wars, terrorist acts, strikes, infectious diseases and other situations when deemed necessary by NAA, NAA reserves the right to suspend or cancel the implementation of discounts related in this section in part or in whole.

Section 4 International New Route Discount, International Morning Departure Bonus, Exception to International Morning Departure Bonus and Long Haul International Passenger Flight Bonus

[Eligibility]

Article 25

The International New Route Discount, International Morning Departure Bonus, Exception to International Morning Departure Bonus and Long Haul International Passenger Flight Bonus are applicable to International Scheduled Passenger Flights and International Scheduled Cargo Flights. (International Scheduled Passenger Flights only are eligible for the Long Haul International Passenger Flight Bonus)

[Applicable Route]

Article 26

Routes applicable for the International New Route Discount ("International New Route Discount Applicable Routes"), routes applicable for the International Morning Departure Bonus ("International Morning Departure Bonus Applicable Routes"), routes applicable for the Exception to International Morning Departure Bonus ("Exception to International Morning Departure Bonus Applicable Routes") and routes applicable for the Long Haul International Passenger Flight Bonus ("Long Haul International Passenger Flight Bonus Applicable Routes") are specified as follows: (however, where (2) and (4) are both applicable, (4) only will be applied)

- (1) International New Route Discount Applicable Routes: New Routes operated by International Scheduled Passenger Flights and International Scheduled Cargo Flights as specified in the preceding Article. However, routes of International Scheduled Passenger Flights which were suspended on and after January 1, 2020, and had not been applicable for the International New Route Discount specified in this section prior to the suspension shall not be deemed as the International New Route Discount Applicable Routes provided in this item, even if the same international air transport operator resumes the routes more than one year from the day following the last day of service operation.
- (2) International Morning Departure Bonus Applicable Routes: New Routes as specified in the preceding Item which are scheduled to depart in the Morning Hours from Narita International Airport in their flight schedule(s)
- (3) Exception to International Morning Departure Bonus Applicable Routes: Routes not included in the provisions of Item (1) of this Article operated by International Scheduled Passenger Flights and International Scheduled Cargo Flights as specified in the preceding Article which are scheduled to depart in the Morning Hours from Narita International Airport in their flight schedule(s) from 31 March 2019 to 6 April 2019
- (4) Long Haul International Passenger Flight Bonus Applicable Routes: New Routes as

specified in Item (1) above which are long-haul routes and new routes for Narita Airport

[Rebate Amount]

Article 27

The Rebate Amount of the International New Route Discount, International Morning Departure Bonus, the Exception to International Morning Departure Bonus and Long Haul International Passenger Flight Bonus shall be one of the following.

However, should a service be suspended by an international air transport operator on a route as specified in Item (1)-(A) or (2)-(A) and (4) below in this Article and another service as specified by Article 25 be commenced on the route by another international air transport operator within one year, a rebate rate as specified in Item (1)-(A) or (2)-(A) and (4) below in this Article will apply to the international landing charge for that aircraft.

(1) The Rebate Amount of the International New Route Discount will be an amount calculated by multiplying the international landing charge for an eligible aircraft within the unit period by the rebate rate specified in Item (A) or (B) below.

International New Route Discount Rebate Rate

| | First Year of Operation | Second Year of Operation | Third Year of Operation |
|--|-------------------------|--------------------------|-------------------------|
| (A) Operating a New Route for Narita International Airport | 100% | 70% | 40% |
| (B) Operating a New Route as an international air transport operator | 50% | 30% | 10% |

(2) The Rebate Amount of the International Morning Departure Bonus will be an amount calculated in accordance with the aircraft type based on the calculation method specified below.

However, should the number of departing flights on routes eligible for the International Morning Departure Bonus exceed the number of arrivals, the calculated Rebate Amount shall be limited to the international landing charges for that number of arrivals.

Method of calculating Rebate Amount of International Morning Departure Bonus

International Morning Departure Bonus Rebate Amount = A x B x C
 A: Average international landing charge on routes eligible for the International Morning Departure Bonus within the unit period
 B: Number of departures eligible for the International Morning Departure Bonus within the unit period
 C: International Morning Departure Bonus rebate rate

International Morning Departure Bonus Rebate Rate

| | First Year of Operation | Second Year of Operation | Third Year of Operation |
|--|-------------------------|--------------------------|-------------------------|
| (A) Operating a New Route for Narita International Airport | 100% | 100% | 100% |
| (B) Operating a New Route as an international air transport operator | 50% | 50% | 50% |

(3)The Rebate Amount of the Exception to International Morning Departure Bonus will be an amount calculated in accordance with the aircraft type based on the calculation method specified below

However, should the number of departing flights on routes eligible for the Exception to International Morning Departure Bonus exceed the number of arrivals, the calculated Rebate Amount shall be limited to the international landing charges for that number of arrivals.

Method of calculating Rebate Amount of Exception to International Morning Departure Bonus

Exception to International Morning Departure Bonus Rebate Amount = A x B x C
 A: Average international landing charge on routes eligible for the Exception to International Morning Departure Bonus within the unit period
 B: Number of departures eligible for the Exception to International Morning Departure Bonus within the unit period
 C: Special International Morning Departure Bonus rebate rate

Exception to International Morning Departure Bonus Rebate Rate

| | First Applicable Year | Second Applicable Year | Third Applicable Year |
|--|-----------------------|------------------------|-----------------------|
| | | | |

| | | | |
|--|-----|-----|-----|
| Operating a route which is eligible for the Exception to Morning Departure Bonus | 50% | 50% | 50% |
|--|-----|-----|-----|

(4) The Long Haul International Passenger Flight Bonus Discount will be an amount calculated by multiplying the international landing charge for eligible International Scheduled Passenger Flights within the unit period by the rebate rate specified below

Long Haul International Passenger Flight Bonus Rebate Rates

| | First Applicable Year | Second Applicable Year | Third Applicable Year |
|--|-----------------------|------------------------|-----------------------|
| Operating a New Route for Narita International Airport | 100% | 100% | 100% |

[Segregated Calculation of Rebate Amount]

Article 28

Calculation of the Rebate Amount shall be made separately with regard to International Scheduled Passenger Flights and International Scheduled Cargo Flights.

[Assessment of Applicable Routes]

Article 29

NAA may conduct an assessment of an applicable route in the event that the international air transport operator is operating a code-share service, has undergone a corporate merger, or business integration by means of establishing a holding company, has operated seasonal services during the unit period, has not operated scheduled services or in any other instances when deemed necessary.

[Implementation]

Article 30

A unit period will be from 1 April to 31 March of the following year and payment of the Rebate Amount to the international air transport operator(s) concerned will be implemented after each unit period is completed. NAA will notify those operators in writing of the scheduled payment date in advance. However, the Rebate Amount will not be paid where any of the following applies to the operator.

- (1) Where a flight route specified in Article 26 is withdrawn within the Unit Period.
- (2) Where a flight route specified in Article 26 is suspended within the Unit Period or where there are periods in which services are not operated due to reasons such as seasonal operations within the unit period, and operations are not resumed on the route for a period of more than one year from the day following the last day of service operation.
- (3) Where the suspended Flight route as per the preceding Item is resumed within one year from the day following the last day of operation but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route.

[Withheld Implementation]

Article 31

NAA may withhold implementation of the provisions of the preceding Article if an international air transport operator falls under any of the following applies as of the scheduled payment date specified in the preceding Article.

- (1) Where there is an overdue debt to NAA. However, even if the debt is discharged in full during the Withholding Period, the Withholding Period will be continued if a new overdue debt is payable to NAA at the time of actual payment of the Rebate Amount.
- (2) Where a flight route specified in Article 26 is suspended or where there are periods in which service are not operated due to reasons such as seasonal operations, and operations are resumed on the route within one year from the day following the last day of operation. If, after the suspended Flight route is resumed but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the Withholding Period shall continue. However, even if the suspended Flight route is resumed, if there is an overdue debt to NAA at the time of actual payment of the Rebate Amount, the Withholding Period shall continue.

[Extinction of Entitlement]

Article 32

Any international air transport operator subject to Withheld Implementation by NAA as prescribed in Article 30 in accordance with the provisions of the preceding Article, shall forfeit the entitlement to receive the Rebate Amount prescribed in Article 30 at the time specified in the following Items. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance.

- (1) When Item (1) in the preceding Article is applicable, when one year has elapsed since the commencement of the Withholding Period calculated from the scheduled payment date specified in Article 30.

(2) When Item (2) in the preceding Article is applicable, when one year has elapsed since the day following the last day of operation in the unit period during which the operation specified in the aforementioned item was not resumed. However, should the Withholding Period of one year elapse during the period when a route is operating at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the international air transport operator may receive the Rebate Amount being withheld for the service which has operated.

(3) When both Items (1) and (2) in the preceding Article are applicable, as stipulated in the preceding Item.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 30 even before the deadline for losing the right to receive the discount amount specified in the preceding paragraph has passed.

[Extinction of Entitlement Prior to End of Withholding Period]

Article 33

Notwithstanding the provisions of the preceding Article, should an international air transport operator subject to Withheld Implementation by NAA as prescribed in Article 30 in accordance with Article 31, be subject to any of the following, that operator shall forfeit the entitlement of the Rebate Amount as prescribed in Article 30 even before the deadline for forfeiting that entitlement. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance. However, this shall not apply in the case where the international air transport operator discharges all of its outstanding debts to NAA by the date specified in the notification by NAA.

(1) In the event that a petition is filed for provisional seizure, provisional disposition, compulsory execution, auction of properties or other protective foreclosing action;

(2) In the event that an application is filed for bankruptcy, corporate rehabilitation, civil reorganization or corporate arrangement, or in the event that liquidation action is initiated or bank transactions are suspended;

(3) In the event that a representative of an international air transport operator is placed under protection from creditors or under receivership

(4) In the event that a trustee is appointed by a court order or for any other reason;

(5) In the event that an air transport operator is ordered to suspend its operation or has its

air operator's certificate (AOC) revoked.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 30 even before the deadline for losing the right to receive the discount amount specified in the Article 32 has passed.

[Implementation Period]

Article 34

The International New Route Discount and International Morning Departure Bonus shall be applicable to eligible International Scheduled Passenger Flights and International Scheduled Cargo Flights, commencing operation between 1 April 2019 and 31 March 2024, for a period of three (3) years from the launch date of operation. The Exception to International Morning Departure Bonus shall be applicable to the eligible International Scheduled Passenger Flights and International Scheduled Cargo Flights for a period of three (3) years from 1 April 2019 to 31 March 2022. The Long Haul International Passenger Flight Bonus shall be applicable to eligible International Scheduled Passenger Flights commencing operation between 1 January 2020 and 31 March 2024, for a period of three (3) years from the launch date of operation.

[Transitional Measures]

Article 35

Routes which were eligible for the International Network Expansion Incentive under the provisions of the previous Annex to the Administrative Regulations from 1 April 2015 to 31 March 2019 and for which the rebate implementation period did not terminate on 1 April 2019, will be subject to the provisions of this Section from 1 April 2019 for a period of three (3) years from the commencement of service on that route. However, the Long Haul International Passenger Flight Bonus will not be applicable.

[Suspending or Cancelling Implementation]

Article 36

In the event of natural disasters (including but not limited to fires, earthquakes, storms and floods, lightning strikes, etc.), wars, riots, civil wars, terrorist acts, strikes, infectious diseases and other situations when deemed necessary by NAA, NAA reserves the right to suspend or cancel the implementation of discounts related in this section in part or in whole.

Section 5 Domestic New Route Discount, Domestic Morning Departure Bonus and Exception to Domestic Morning Departure Bonus

[Eligibility]

Article 37

Domestic New Route Discount, Domestic Morning Departure Bonus and Exception to Domestic Morning Departure Bonus are applicable to Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights.

[Applicable Route]

Article 38

Routes applicable for the Domestic New Route Discount ("Domestic New Route Discount Applicable Routes"), routes applicable for the Domestic Morning Departure Bonus ("Domestic Morning Departure Bonus Applicable Routes") and Exception to Domestic Morning Departure Bonus ("Exception to Domestic Morning Departure Bonus Applicable Routes") are specified as follows:

- (1) Domestic New Route Discount Applicable Routes: New routes operated by Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights as specified in Article 37. However, routes of Domestic Scheduled Passenger Flights which were suspended on and after January 1, 2020, and had not been applicable for the Domestic New Route Discount specified in this section prior to the suspension shall not be deemed as the Domestic New Route Discount Applicable Routes provided in this item, even if the same domestic air transport operator resumes the routes more than one year from the day following the last day of service operation.
- (2) Domestic Morning Departure Bonus Applicable Routes: New Routes as specified in the preceding Item which are scheduled to depart in the Morning Hours from Narita International Airport in their flight schedule(s)
- (3) Exception to Domestic Morning Departure Bonus Applicable Routes: Routes not included in the provisions of Item (1) of this Article operated by aircraft as specified in Article 37 which are scheduled to depart in the Morning Hours from Narita Airport in their flight schedule(s) from 31 March 2019 to 6 April 2019

[Rebate Amount]

Article 39

The Rebate Amount of the Domestic New Route Discount, Domestic Morning Departure Bonus and the Exception to Domestic Morning Departure Bonus shall be one of the following. However, should a service be suspended by a domestic air transport operator on a route as specified in Item (1)-(A) or (2)-(A) below in this Article and another service as specified by Article 37 be commenced on the route by another domestic air transport operator within one (1) year, a rebate rate as specified in Item (1)-(A) or (2)-(A) below in this Article will apply to the domestic landing charge for that aircraft.

(1) The Rebate Amount of the Domestic New Route Discount will be an amount calculated by multiplying the domestic landing charge for eligible Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights within the unit period by the rebate rate specified in Item (A) or (B) below.

Domestic New Route Discount

| | First Year of Operation | Second Year of Operation | Third Year of Operation |
|--|-------------------------|--------------------------|-------------------------|
| (A) Operating a New Route for Narita International Airport | 100% | 70% | 40% |
| (B) Operating a New Route as a domestic air transport operator | 50% | 30% | 10% |

(2) The Rebate Amount of the Domestic Morning Departure Bonus will be an amount calculated in accordance with the aircraft type based on the calculation method specified below.

However, should the number of departing flights on routes eligible for the Domestic Morning Departure Bonus exceed the number of arrivals, the calculated Rebate Amount shall be limited to the domestic landing charges for that number of arrivals.

Method of calculating Rebate Amount of Domestic Morning Departure Bonus

$$\text{Domestic Morning Departure Bonus Rebate Amount} = A \times B \times C$$

A: Average domestic landing charge on routes eligible for the Domestic Morning Departure Bonus within the unit period

B: Number of departures eligible for the Domestic Morning Departure Bonus

within the unit period
 C: Domestic Morning Departure Bonus rebate rate

Domestic Morning Departure Bonus Rebate Rate

| | First Year of Operation | Second Year of Operation | Third Year of Operation |
|--|-------------------------|--------------------------|-------------------------|
| (A) Operating a New Route for Narita International Airport | 100% | 100% | 100% |
| (B) Operating a New Route as a domestic air transport operator | 50% | 50% | 50% |

(3) The Rebate Amount of the Exception to Domestic Morning Departure Bonus will be an amount calculated in accordance with the aircraft type based on the calculation method specified below.

However, should the number of departing flights on routes eligible for the Exception to Domestic Morning Departure Bonus exceed the number of arrivals, the calculated Rebate Amount shall be limited to the domestic landing charges for that number of arrivals.

Method of calculating Rebate Amount of Exception to Domestic Morning Departure Bonus

Exception to Domestic Morning Departure Bonus Rebate Amount = A x B x C
 A: Average domestic landing charge on routes eligible for the Special Domestic Morning Departure Bonus within the unit period
 B: Number of departures eligible for the Exception to Domestic Morning Departure Bonus within the unit period
 C: Exception to Domestic Morning Departure Bonus rebate rate

Exception to Domestic Morning Departure Bonus Rebate Rate

| | First Applicable Year | Second Applicable Year | Third Applicable Year |
|--|-----------------------|------------------------|-----------------------|
| Operating a route which is eligible for the Exception to | 50% | 50% | 50% |

| | | | |
|----------------------------|--|--|--|
| Morning Departure Bonus | | | |
|----------------------------|--|--|--|

[Segregated Calculation of Rebate Amount]

Article 40

Calculation of the Rebate Amount shall be made separately with regard to Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights.

[Assessment of Applicable Routes]

Article 41

NAA may conduct an assessment of an applicable route in the event that the domestic air transport operator is operating a code-share service, has undergone a corporate merger, or business integration by means of establishing a holding company, has operated seasonal services during the unit period, has not operated scheduled services or in any other instances when deemed necessary.

[Implementation]

Article 42

A unit period will be from 1 April to 31 March of the following year and payment of the Rebate Amount to the domestic air transport operator(s) concerned will be implemented after each unit period is completed. NAA will notify those operators in writing of the scheduled payment date in advance. However, the Rebate Amount will not be paid where any of the following applies to the operator.

- (1) Where a flight route specified in Article 38 is withdrawn within the Unit Period.
- (2) Where a flight route specified in Article 38 is suspended within the Unit Period or where there are periods in which services are not operated due to reasons such as seasonal operations within the unit period, and operations are not resumed on the route for a period of more than one year from the day following the last day of service operation.
- (3) Where the suspended Flight route as per the preceding Item is resumed within one year from the day following the last day of operation but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route.

[Withheld Implementation]

Article 43

NAA may withhold implementation of the provisions of the preceding Article if a domestic air transport operator any of the following applies as of the scheduled payment date specified in the preceding Article.

(1) Where there is an overdue debt to NAA. However, even if the debt is discharged in full during the Withholding Period, the Withholding Period will be continued if a new overdue debt is payable to NAA at the time of actual payment of the Rebate Amount.

(2) Where a flight route specified in Article 38 is suspended or where there are periods in which services are not operated due to reasons such as seasonal operations, and operations are resumed on the route within one year from the day following the last day of operation. If, after the suspended Flight route is resumed but is not operated at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the Withholding Period shall continue. However, even if the suspended Flight route is resumed, if there is an overdue debt to NAA at the time of actual payment of the Rebate Amount, the Withholding Period shall continue.

[Extinction of Entitlement]

Article 44

Any domestic air transport operator subject to Withheld Implementation by NAA as prescribed in Article 42 in accordance with the provisions of the preceding Article, shall forfeit the entitlement to receive the Rebate Amount prescribed in Article 42 at the time specified in the following Items. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance.

(1) When Item (1) in the preceding Article is applicable, when one year has elapsed since the commencement of the Withholding Period calculated from the scheduled payment date specified in Article 42.

(2) When Item (2) in the preceding Article is applicable, when one year has elapsed since the day following the last day of operation in the unit period during which the operation specified in the aforementioned item was not resumed. However, should the Withholding Period of one year elapse during the period when a route is operating at least once a week for five (5) consecutive weeks after resuming operations on the subject route, the domestic air transport operator may receive the Rebate Amount being withheld for the service which has operated.

(3) When both Items (1) and (2) in the preceding Article are applicable, as stipulated in the preceding Item.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in

Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 42 even before the deadline for losing the right to receive the discount amount specified in the preceding paragraph has passed.

[Extinction of Entitlement Prior to End of Withholding Period]

Article 45

Notwithstanding the provisions of the preceding Article, should an domestic air transport operator subject to Withheld Implementation by NAA as prescribed in Article 42 in accordance with Article 43, be subject to any of the following, that operator shall forfeit the entitlement of the Rebate Amount as prescribed in Article 42 even before the deadline for forfeiting that entitlement. In such case, NAA shall notify the operator in writing of the loss of entitlement in advance. However, this shall not apply in the case where the domestic air transport operator discharges all of its outstanding debts to NAA by the date specified in the notification by NAA.

- (1) In the event that a petition is filed for provisional seizure, provisional disposition, compulsory execution, auction of properties or other protective foreclosing action;
- (2) In the event that an application is filed for bankruptcy, corporate rehabilitation, civil reorganization or corporate arrangement, or in the event that liquidation action is initiated or bank transactions are suspended;
- (3) In the event that a representative of an domestic air transport operator is placed under protection from creditors or under receivership
- (4) In the event that a trustee is appointed by a court order or for any other reason;
- (5) In the event that an air transport operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.

2 In the event that an international air transport operator is in arrears in placement of a Security Deposit, prepayment of user charges and payment of user Charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the international air transport operator shall, in accordance with Article 7 of the said detailed regulations, lose its entitlement to receive the discount amount stipulated in Article 42 even before the deadline for losing the right to receive the discount amount specified in the Article 44 has passed.

[Implementation Period]

Article 46

The Domestic New Route Discount and Domestic Morning Departure Bonus shall be applicable to eligible Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights, commencing operation between 1 April 2019 and 31 March 2024, for a period of three (3) years from the launch date of operation. The Exception to Domestic Morning Departure Bonus shall be applicable to the eligible Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights for a period of three (3) years from 1 April 2019 to 31 March 2022.

[Transitional Measures]

Article 47

Routes which were eligible for the Domestic Network Expansion Incentive under the provisions of the previous Annex to the Administrative Regulations from 1 April 2015 to 31 March 2019 and for which the rebate implementation period did not terminate on 1 April 2019, will be subject to the provisions of this Section from 1 April 2019 for a period of three (3) years from the commencement of service on that route.

[Exception]

Article 48

Notwithstanding the provisions in the Administrative Regulations Article 14 Clause 6-(1)-(B)-(c), the provisions in the Administrative Regulations Article 14 Clause 6-(1)-(B)-(c)-(ii) shall not be applicable during the period between 1 April 2019 and 31 March 2027.

[Suspending or Cancelling Implementation]

Article 49

In the event of natural disasters (including but not limited to fires, earthquakes, storms and floods, lightning strikes, etc.), wars, riots, civil wars, terrorist acts, strikes, infectious diseases and other situations when deemed necessary by NAA, NAA reserves the right to suspend or cancel the implementation of discounts related in this section in part or in whole.

Supplementary Provisions (Ei E Ki No. 1107 of 29 March 2024)

1. These Supplementary Provisions shall take effect on 1 April 2024.