

**TERMS AND CONDITIONS OF INCENTIVE PROGRAMS OF NARITA  
AIRPORT (from 2024)**

**Section 1. General Provisions**

**[Purpose]**

Article 1.

These Terms and Conditions of Incentive Programs of Narita Airport (the "Terms and Conditions") set forth the necessary matters concerning the offering of incentives ("Incentive Payment") by Narita International Airport Corporation ("NAA") for operators of air transport business ("Air Transport Operators") depending on the status of their flight operations, so as to further develop a diverse airline route network and promote the utilization of off-peak time zones at Narita Airport.

**[Definitions]**

Article 2.

As used in these Terms and Conditions, the following terms have the following meanings:

- (1) Time Zone: A Scheduled Flight Time set by an Air Transport Operator in its flight plan, divided according to the following time zones. If the Scheduled Flight Time is changed due to the amendment of the flight plan after the flight operation, the time zone is determined according to the Scheduled Flight Time before amendment.

[Time zone]	A	6:00 - 8:59	B	9:00 - 10:59	C	11:00 - 14:59
	D	15:00 - 19:59	E	20:00 - 21:59	F	22:00 - 23:59

- (2) Off-peak: Time Zones A, B and E among the Time Zones specified in the preceding Item.
- (3) Air Transport Operator: A business entity operating an air transport business at Narita Airport.
- (4) New Route: A flight route for which an Air Transport Operator has no record of operating any International Scheduled Passenger Flight, International Scheduled Cargo Flight, Domestic Scheduled Passenger Flight or Domestic Scheduled Cargo Flight within one year prior to the day immediately before the date of commencement of the flight operation; provided that a "New Route" excludes a flight route for Scheduled Passenger Flights and Scheduled Cargo Flights with a record of receiving benefits under the New Route Discount or Exception to Morning Departure Bonus as set out in the Annex to the Narita International Airport Administrative Regulations (the "Regulations") revised on or before November 17, 2022, or the Detailed Procedural Regulations on Exceptions to Landing Charges Calculation established or revised on or after March 31, 2023 (the "Narita Hub Promotion Incentive Program"), and also excludes a service route of a Scheduled Passenger Flight suspended on or after January 1, 2020, that had not received the New Route Discount under the Narita

Hub Promotion Incentive Program before the suspension.

- (5) **Scheduled Passenger Flight:** Aircraft flights taking off from or landing at Narita Airport for the purpose of transporting revenue passengers on a scheduled basis, operated by an Air Transport Operator over a service route between Narita Airport and a point inside or outside Japan at the demand of a third party. A "Scheduled Passenger Flight" is limited to aircraft of which the purpose of flight, at the time when the aircraft is under a slot coordination by the Japan Schedule Coordination (JSC) office, is a scheduled air transport service.
- (6) **Scheduled Cargo Flight:** Aircraft flights taking off from or landing at Narita Airport for the purpose of transporting revenue cargo on a scheduled basis, operated by an Air Transport Operator over a service route between Narita Airport and a point inside or outside Japan at the demand of a third party. A "Scheduled Cargo Flight" is limited to aircraft of which the purpose of flight, at the time when the aircraft is under a slot coordination by the Japan Schedule Coordination (JSC) office, is a scheduled air transport service.
- (7) **Landing Charges:** The amount calculated by the formula set forth in Article 14, Clause 6(1)(A) of the Regulations in case of landing charges for international flights, or the amount calculated by the formula set forth in Article 14, Clause 6(1)(B) of the Regulations in case of landing charges for domestic flights. However, notwithstanding the provisions of Article 14, Clause 6(1)(B)(c) of the Regulations, the provisions of Article 14, Clause 6(1)(B)(c)(ii) and Clause 6(1)(B)(c)(iii) do not apply for the period from April 1, 2024, to March 31, 2027.
- (8) **Scheduled Flight Time:** A time of arrival at or departure from Narita Airport as set in a flight plan.
- (9) **Suspension:** A case where there are no records of operation of a Scheduled Passenger Flight or Scheduled Cargo Flight under a flight plan for a certain consecutive period, as determined by NAA.
- (10) **Resumption:** The resumption by the same Air Transport Operator of its flight service of a Scheduled Passenger Flight or Scheduled Cargo Flight on the same service route, which shows no operational records due to reasons such as being suspended or limited to operate for specific dates and periods. Such operation of the resumed flight must be at least once a week for five consecutive weeks. In this case, the day of the first flight operation after the resumption is deemed as the day of resumption.

**[Unit period]**

Article 3.

A unit period for Incentive Payment under Sections 1 through 4 is one year from April 1 to March 31 of the following year.

## Section 2. New Route Incentive Program

### [Eligible flights]

Article 4.

The New Route Incentive Program is available for arrival flights on a New Route with its Scheduled Flight Time set to Time Zones A, B, C, E, and F.

### [Incentive period]

Article 5.

The New Route Incentive Program is applied for three consecutive years after the date of commencement of flight operation of a service route covered by the New Route Incentive Program. Such commencement date must be between April 1, 2024, and March 31, 2027.

### [Incentive rates]

Article 6.

1. The per annum incentive rates for the New Route Incentive Program are as follows:

First year:	Second year:	Third year:
30%	20%	10%

2. For an arrival flight that is on a New Route not eligible for the New Route Incentive Program at the time of the commencement of its flight operation, but subsequently becomes eligible due to the change of its scheduled arrival time, the rate for the year counting from the original date of commencement of the flight operation is applied. The incentive period is three years after the day of commencement of the flight operation.
3. For a flight on a service route eligible for the New Route Incentive which is suspended and resumed during the incentive period, the rate for the year counting from the original date of commencement of the flight operation is applied.

### [Calculation of Incentive Payment Amount]

Article 7.

1. An Incentive Payment under the New Route Incentive Program is to be calculated for the period, category, and route specified in the following Items, respectively.
  - (1) Unit period
  - (2) Flight category (International Scheduled Passenger Flight, International Scheduled Cargo Flight, Domestic Scheduled Passenger Flight, and Domestic Scheduled Cargo Flight)
  - (3) Route
2. The amount of Incentive Payment under the New Route Incentive Program is an amount obtained by multiplying the total Landing Charges for arrival flights set forth in Article 4 during the incentive period by the applicable rate set forth in Article 6.

**[Offering of Incentive Payment]**

Article 8.

1. After the end of each unit period, NAA shall make an Incentive Payment under the New Route Incentive Program to the eligible Air Transport Operator. In this case, NAA shall notify the Air Transport Operator of the scheduled payment date in advance.
2. In the case referred to in the preceding Clause, if an eligible flight is suspended during the relevant unit period, and the suspension period of one year elapses before the scheduled date of the Incentive Payment, no Incentive Payment will be made with respect to such flight even if it resumes operation before the scheduled payment date, excluding the case where there are other flight(s) operated by the same Air Transport Operator on the same service route that is(are) eligible for the New Route Incentive Program.

**[Withholding of payment]**

Article 9.

1. At the time of scheduled payment date set forth in Article 8, if an Air Transport Operator falls under any of the following Items, NAA shall withhold the Incentive Payment under Article 8, Clause 1.
  - (1) The Air Transport Operator owes any overdue debt to NAA, in which case NAA withholds the Incentive Payment for all incentives; or
  - (2) All flights on the service route covered by the New Route Incentive Program are suspended and the period for suspension is less than one year from the day on which all of these flights were suspended. In this case, the Incentive Payment is withheld for each route in accordance with such flight suspension.
2. In the case referred to in the preceding Clause, even if the Air Transport Operator performs all obligations or resumes flight operation during the withholding period, the withholding period will continue to apply if any of the following Items is applicable on the scheduled payment date after the withholding period.
  - (1) The Air Transport Operator owes any overdue debt to NAA; or
  - (2) All flights on the service route covered by the New Route Incentive Program are suspended. In this case, the Incentive Payment is withheld for each route in accordance with such flight suspension.

**[Forfeiture of entitlement]**

Article 10.

The Air Transport Operator for which NAA withholds the Incentive Payment in accordance with the preceding Article forfeits the entitlement to its Incentive Payment for each unit period set forth in Article 8, Clause 1 at the time specified in the following Items. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance.

- (1) If Article 9, Clause 1(1) is applicable, when the withholding period of one year has elapsed from the scheduled payment date specified in Article 8.
- (2) If Article 9, Clause 1(2) is applicable, when the withholding period of one year has elapsed from the day of suspension of all flights on the respective service route covered by the New Route Incentive Program.
- (3) If both Article 9, Clause 1, (1) and (2) are applicable, whichever comes earlier.
- (4) In the case where the withholding period continues pursuant to Article 9, Clause 2, when the period set forth in any of the preceding three Items elapses, according to the ground for withholding before the continuance of the withholding period.

**[Forfeiture of entitlement before the elapse of a withholding period]**

**Article 11.**

1. Notwithstanding the provisions of the preceding Article, should the Air Transport Operator for which NAA withholds the Incentive Payment under Article 9, be subject to any of the following, such operator forfeits its entitlement to Incentive Payment as prescribed in Article 8 even before the time for forfeiting the entitlement as set forth in the preceding Article. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance. However, this shall not apply in the case where the 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 the Air Transport Operator is subject to a ruling of commencement of guardianship or commencement of curatorship;
  - (4) In the event that a trustee is appointed by a court order or for any other reason; or
  - (5) In the event that the Air Transport Operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.
2. In the event that an Air Transport Operator is in arrears in placement of a security deposit, prepayment of user charges and payment of charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the Air Transport Operator shall, in accordance with Article 7 of the said detailed regulations, forfeit its entitlement to the Incentive Payment under Article 8 of these Terms and Conditions, even before the time of forfeiture of entitlement to Incentive Payment specified in Article 10 of these Terms and Conditions.

### **Section 3. Off-peak Incentive Program (New Routes)**

#### **[Eligible flights]**

Article 12.

The Off-peak Incentive Program (New Routes) is available for an International Scheduled Passenger Flight, International Scheduled Cargo Flight, Domestic Scheduled Passenger Flight and Domestic Scheduled Cargo Flight whose Scheduled Flight Times fall on off-peak Time Zones and which fall under any of the following Items:

- (1) an arrival flight eligible for the New Route Incentive Program under Article 4; or
- (2) a departure flight operated immediately after the arrival flight set forth in the preceding Item, using the same aircraft and bound for the place of departure of the arrival flight.

#### **[Incentive period]**

Article 13.

The Off-peak Incentive Program (New Routes) is applied for three years after the date of commencement of operation of a flight eligible for the Off-peak Incentive Program (New Routes), which starts the service operation within the period from April 1, 2024, to March 31, 2027.

#### **[Incentive rates]**

Article 14.

1. The per annum incentive rates for the Off-peak Incentive Program (New Routes) are as follows:

	First year:	Second year:	Third year:
Time Zones A and E	50%	30%	20%
Time Zone B	30%	20%	10%

2. For a flight on a service route suspended and resumed during the incentive period set forth in the preceding Article, the rate for the year counting from the time of its initial application of the incentive is applied.

#### **[Calculation of Incentive Payment Amount]**

Article 15.

1. An Incentive Payment under the Off-peak Incentive Program (New Routes) is to be calculated according to the period, category, route and time zone set forth in the following Items.
  - (1) Unit period
  - (2) Flight category (International Scheduled Passenger Flight, International Scheduled

Cargo Flight, Domestic Scheduled Passenger Flight, and Domestic Scheduled Cargo Flight)

- (3) Route
- (4) Time Zone
2. The amount of Incentive Payment under the Off-peak Incentive Program (New Routes) is an amount obtained by multiplying the total Landing Charges for arrival flights or departure flights set forth in Article 12 during the incentive period by the applicable rate set forth in the preceding Article.
3. The amount of Incentive Payment for departure flights is calculated with reference to Landing Charges for a flight landing at Narita Airport immediately before the flight operation of the departure flight using the same aircraft.
4. If the Landing Charges are exempted (including the case of exemption of the Landing Charges for an arrival flight to be used for calculating the Incentive Payment for a departure flight set forth in the preceding Clause), or if no Landing Charges are collected from the same Air Transport Operator, the Incentive Payment for the eligible departure flight or arrival flight is treated as if it were not incurred.
5. For the purpose of calculating the amount of Incentive Payment under this Article, if aircraft exempted from consumption tax pursuant to Article 7 of the Consumption Tax Act (Act No. 108 of 1988) lands at Narita Airport, the amount of Incentive Payment for arrival flights and departure flights calculated with reference to the applicable Landing Charges for that aircraft will be tax-exempt, while the relevant calculation for other nonexempt aircraft flights will be subject to national and local consumption taxes.

#### **[Offering of Incentive Payment]**

Article 16.

1. After the end of each unit period, NAA shall make an Incentive Payment under the Off-peak Incentive Program (New Routes) to the eligible Air Transport Operator. In this case, NAA shall notify the Air Transport Operator of the scheduled payment date in advance.
2. In the case referred to in the preceding Clause, if an eligible flight is suspended during the relevant unit period for Incentive Payment, and the suspension period of one year elapses before the scheduled date of the Incentive Payment, no Incentive Payment will be made with respect to such flight even if it resumes operation before the scheduled payment date, excluding the case where there are other flight(s) operated by the same Air Transport Operator on the same service route and same Time Zone that is(are) eligible for the Off-peak Incentive Program (New Routes).

#### **[Withholding of payment]**

Article 17.

1. At the time of scheduled payment date set forth in Article 16, if the respective Air

Transport Operator falls under any of the following Items, NAA shall withhold the Incentive Payment under Article 16, Clause 1.

- (1) The Air Transport Operator owes any overdue debt to NAA, in which case NAA withholds the Incentive Payment for all incentives; or
  - (2) All flights on the service route and Time Zone covered by the Off-peak Incentive Program (New Routes) are suspended and the period for suspension is less than one year from the day on which all of these flights were suspended. In this case, the Incentive Payment is withheld for each route and Time Zone in accordance with such flight suspension.
2. In the case referred to in the preceding Clause, even if the Air Transport Operator performs all obligations or resumes flight operation during the withholding period, the withholding period will continue to apply if any of the following Items is applicable on the payment date after the withholding period.
- (1) The Air Transport Operator owes any overdue debt to NAA; or
  - (2) All flights on the service route and Time Zone covered by the Off-peak Incentive Program (New Routes) are suspended. In this case, the Incentive Payment is withheld for each route and Time Zone in accordance with such flight suspension.

**[Forfeiture of entitlement]**

Article 18.

The Air Transport Operator for which NAA withholds the Incentive Payment in accordance with the preceding Article forfeits its entitlement to the Incentive Payment set forth in Article 16 at the time specified in the following Items. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance.

- (1) If Article 17, Clause 1(1) is applicable, when the withholding period of one year has elapsed from the scheduled payment date specified in Article 16.
- (2) If Article 17, Clause 1(2) is applicable, when the withholding period of one year has elapsed from the day of suspension of all flights on the respective service route and Time Zone covered by the Off-Peak Incentive Program (New Routes).
- (3) If both Article 17, Clause 1, (1) and (2) are applicable, whichever comes earlier.
- (4) In the case where the withholding period continues pursuant to Article 17, Clause 2, when the period set forth in any of the preceding three Items elapses, according to the ground for withholding before the continuance of the withholding period.

**[Forfeiture of entitlement before the elapse of a withholding period]**

Article 19.

1. Notwithstanding the provisions of the preceding Article, should an Air Transport Operator for which NAA withholds the Incentive Payment under Article 17, be subject to any of the following, such operator forfeits its entitlement to Incentive Payment as prescribed in Article 16 even before the time for forfeiting the entitlement as set forth in



the preceding Article. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance. However, this shall not apply in the case where the 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 the Air Transport Operator is subject to a ruling of commencement of guardianship or commencement of curatorship;
  - (4) In the event that a trustee is appointed by a court order or for any other reason; or
  - (5) In the event that the Air Transport Operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.
2. In the event that an Air Transport Operator is in arrears in placement of a security deposit, prepayment of user charges and payment of charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the Air Transport Operator shall, in accordance with Article 7 of the said detailed regulations, forfeit its entitlement to the Incentive Payment under Article 16 of these Terms and Conditions, even before the time of forfeiture of entitlement to Incentive Payment specified in Article 18 of these Terms and Conditions.

#### **Section 4. Off-peak Incentive Program (Additional Flights)**

##### **[Eligible flights]**

##### **Article 20.**

1. The Off-peak Incentive Program (Additional Flights) is available for arriving and departing International Scheduled Passenger Flights, International Scheduled Cargo Flights, Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights, whose Scheduled Flight Times fall on off-peak time zones ("off-peak arrival/departure flights"). Flights that fall under any of the following Items will be excluded to avoid duplicate application with other incentive programs:
  - (1) Arrival/departure flights covered by the Off-peak Incentive Program (New Routes) under Article 12;
  - (2) Arrival/departure flights covered by the International New Route Discount, International Morning Departure Bonus, Exception to International Morning Departure Bonus and Long Haul International Passenger Flight Bonus under the Narita Hub Promotion Incentive Program; or
  - (3) Arrival/departure flights covered by the Domestic New Route Discount, Domestic

Morning Departure Bonus, and Exception to Domestic Morning Departure Bonus under the Narita Hub Promotion Incentive Program.

2. A flight for which the incentives specified in the Items of the preceding Clause have ceased to apply is to become eligible for the Off-peak Incentive Program (Additional Flights) with respect to the flight operation from the day immediately after the day when the respective incentive ceased to apply.

**[Conditions for incentive application]**

Article 21.

1. For applying the Off-peak Incentive Program (Additional Flights), as a general rule, the eligibility is judged after the completion of the respective unit period for each of the applicable International Scheduled Passenger Flights, International Scheduled Cargo Flights, Domestic Scheduled Passenger Flights and Domestic Scheduled Cargo Flights ("flight categories" in this Section).
2. For applying the Off-peak Incentive Program (Additional Flights), in addition to the condition under Item (1) below, the conditions under Items (2) and/or (3) of this Clause must also be met. For the purpose of this Section, the term "total number of flights" in Item (1) includes the flights set forth in the Items of Clause 1 of the preceding Article, and the other "total number of flights" exclude the flights set forth in the Items of Clause 1 of the preceding Article.
  - (1) The total number of flights for each flight category operated by an Air Transport Operator at Narita Airport during a unit period increases by 50 or more compared with the total number of flights in the previous unit period, in addition to the satisfaction of any of the following conditions:
  - (2) The total number of arrival/departure flights for each flight category operated by an Air Transport Operator during a unit period, with the Scheduled Flight Time set to Time Zones A and E in the flight plan, increases by 50 or more compared with the total number of flights operated in the previous unit period with the Scheduled Flight Time set to the same Time Zone; or
  - (3) The total number of arrival/departure flights for each flight category operated by an Air Transport Operator during a unit period, with the Scheduled Flight Time set to Time Zone B in the flight plan, increases by 50 or more compared with the total number of flights operated in the previous unit period with the Scheduled Flight Time set to the same Time Zone.
3. If only either of the conditions under Item (2) or (3) of the preceding Clause is met, a flight falling on a Time Zone not satisfying the required conditions is excluded from the calculation of Incentive Payment.

**[Incentive period]**

Article 22.

1. With respect to the incentive period of the Off-peak Incentive Program (Additional Flights), the first year is the initial unit period during which the conditions under Article 21, Clause 2 are met. This incentive continues to apply for three consecutive unit periods from the initial year of application. In this case, with respect to a Time Zone not satisfying the conditions under Article 21, Clause 2, Item (2) or (3), the same unit period is counted as the initial year of application.
2. Notwithstanding the preceding Clause, in or after the unit period following the initial year of application, if the total number of arrival/departure flights for each flight category operated by an Air Transport Operator in a unit period, with their Scheduled Flight Time set to meet the respective Time Zones in their flight plan, decreases by six or more compared with the total number of arrival/departure flights for each flight category operated by the Air Transport Operator in the previous unit period, even with their Scheduled Flight Time maintained to meet the same Time Zones, the applicable incentive period for the relevant Time Zone terminates.

**[Calculation of amount of Incentive Payment Amount]**

Article 23.

1. The amount of Incentive Payment for the Off-peak Incentive Program (Additional Flights) is calculated for each flight category, using the average Landing Charges calculated for each Time Zone in accordance with the following formula. For the purpose of this calculation, the provisions of Article 15, Clauses 3 and 4 apply, mutatis mutandis.

Average Landing Charges = the total Landing Charges for arrival/departure flights operated in each unit period, with a flight time set to Time Zones A and E (or B) ÷ the total number of arrival/departure flights operated in each unit period, with a flight time set to Time Zones A and E (or B)

2. The amount of Incentive Payment for the Off-peak Incentive Program (Additional Flights) related to Time Zones A and E is to be calculated in accordance with the following Items, applying the per annum incentive rates set forth in the following table:

	First unit period:	Second unit period:	Third unit period:
Time Zones A and E	50%	30%	20%

- (1) Calculation of the Off-peak Incentive Program (Additional Flights) for the first unit period:

Number of flights increased in the first unit period (\*) × average Landing Charges for the first unit period × 50%

\* Among the total number of arrival/departure flights operated during the first year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zones A and E flights operated during the first unit period

increased from the total number of Time Zones A and E flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zones A and E in their flight plan.

- (2) Calculation of the Off-peak Incentive Program (Additional Flights) for the second unit period:

(Number of flights increased in the second unit period (\*) + Number of flights increased in the first unit period)  $\times$  average Landing Charges for the second unit period  $\times$  30%

\*Among the total number of arrival/departure flights operated during the second year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zones A and E flights operated during the second year increased from the total number of Time Zones A and E flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zones A and E in their flight plan.

- (3) Calculation of the Off-peak Incentive Program (Additional Flights) for the third unit period:

(Number of flights increased in the third unit period (\*) + Number of flights increased in the second unit period + Number of flights increased in the first unit period)  $\times$  average Landing Charges for the third unit period  $\times$  20%

\*Among the total number of arrival/departure flights operated during the third year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zones A and E flights operated during the third unit period increased from the total number of Time Zones A and E flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zones A and E in their flight plan.

3. The amount of Incentive Payment for the Off-peak Incentive Program (Additional Flights) related to Time Zone B is to be calculated in accordance with the following Items, applying the per annum incentive rates set forth in the following table:

	First unit period:	Second unit period:	Third unit period:
Time Zone B	30%	20%	10%

- (1) Calculation of the Off-peak Incentive Program (Additional Flights) for the first unit period:

Number of flights increased in the first unit period (\*)  $\times$  average Landing Charges for the first unit period  $\times$  30%

\* Among the total number of arrival/departure flights operated during the first year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zone B flights operated during the first unit period increased from the total number of Time Zone B flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zone B in their

flight plan.

- (2) Calculation of the Off-peak Incentive Program (Additional Flights) for the second unit period:  
(Number of flights increased in the second year (\*) + Number of flights increased in the first unit period)  $\times$  average Landing Charges for the second unit period  $\times$  20%  
\* Among the total number of arrival/departure flights operated during the second year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zone B flights operated during the second unit period increased from the total number of Time Zone B flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zone B in their flight plan.
- (3) Calculation of the Off-peak Incentive Program (Additional Flights) for the third unit period:  
(Number of flights increased in the third unit period (\*) + Number of flights increased in the second unit period + Number of flights increased in the first unit period)  $\times$  average Landing Charges for the third unit period  $\times$  10%  
\* Among the total number of arrival/departure flights operated during the third year of application of the Off-peak Incentive Program (Additional Flights), this is the number of Time Zone B flights operated during the third unit period increased from the total number of Time Zone B flights operated in the previous unit period; i.e. Increased flights with their Scheduled Flight Time set to Time Zone B in their flight plan.
4. With respect to the calculation referred to in Clause 2, Items (2) and (3) and Clause 3, Items (2) and (3), if, during the period from April 1, 2024, to March 31, 2027, the number of flights is increased by 50 or more from the previous unit period, the Incentive Payment is to be calculated in accordance with the preceding three Clauses by applying the conditions for the first year of application relating to the relevant Time Zone to the increased portion. In this case, the provisions of Article 22, Clause 2 apply, *mutatis mutandis*.
5. Arrival/departure flights for which the other incentive programs as referred to in Article 20, Clause 1, terminate to apply become eligible for the Off-peak Incentive Program (Additional Flights) on or after the following day of such termination. In this case, an Incentive Payment is to be calculated for each service route of an eligible flight by applying, *mutatis mutandis*, the provisions of Articles 21 through 23. If the application of the Off-peak Incentive Program (Additional Flights) to these flights commenced in the middle of a unit period, arrival/departure flights operated from the following day of such termination until the last day of the same unit period (March 31) are to be used for the calculation of NAA's payable amount of Off-peak Incentive (Additional Flights) to the respective Air Transport Operators. In this case, the phrase "the previous unit period"

is replaced with "the corresponding period in the previous unit period."

6. For the application of the preceding Article and this Article, if the unit period includes a leap day, the number of flights in the unit period is to be calculated by converting the number of flights on the basis of 365 days.
7. For the purpose of calculating the amount of Incentive Payment under this Article, if aircraft exempted from consumption tax pursuant to Article 7 of the Consumption Tax Act (Act No. 108 of 1988) lands at Narita Airport, the amount of Incentive Payment for arrival/departure flights calculated with reference to the applicable Landing Charges for that aircraft will be tax-exempt, while the relevant calculation for other nonexempt aircraft flights will be subject to national and local consumption taxes.

**[Offering of Incentive Payment]**

Article 24.

1. After the end of each unit period, NAA shall make an Incentive Payment under the Off-peak Incentive Program (Additional Flights) to the eligible Air Transport Operator. In this case, NAA shall notify the Air Transport Operator of the scheduled payment date in advance.
2. In the case referred to in the preceding Clause, if an eligible flight is suspended during the relevant unit period for Incentive Payment, and the suspension period of one year elapses before the scheduled date of the Incentive Payment, no Incentive Payment will be made even if it resumes operation before the scheduled payment date, excluding the case where there are any other flight(s) operated by the same Air Transport Operator in the same Time Zone that is(are) eligible for the Off-peak Incentive Program (Additional Flights).

**[Withholding of payment]**

Article 25.

1. At the time of scheduled payment date set forth in Article 24, if an Air Transport Operator falls under any of the following Items, NAA shall withhold the Incentive Payment under Article 24, Clause 1.
  - (1) The Air Transport Operator owes any overdue debt to NAA, in which case NAA withholds the Incentive Payment for all incentives; or
  - (2) All flights in the Time Zones covered by the Off-peak Incentive Program (Additional Flights) are suspended and the period for suspension is less than one year from the day on which all of these flights were suspended. In this case, the Incentive Payment is withheld for each Time Zone in accordance with such flight suspension.
2. In the case referred to in the preceding Clause, even if the Air Transport Operator performs all obligations or resumes flight operation during the withholding period, the

withholding period will continue to apply if any of the following Items is applicable on the payment date after the withholding period.

- (1) The Air Transport Operator owes any overdue debt to NAA; or
- (2) All flights in the Time Zones covered by the Off-peak Incentive Program (Additional Flights) are suspended. In this case, the Incentive Payment is withheld for each Time Zone in accordance with such flight suspension.

**[Forfeiture of entitlement]**

Article 26.

The Air Transport Operator for which NAA withholds the payment in accordance with the preceding Article forfeits its entitlement to the Incentive Payment set forth in Article 24 at the time specified in the following Items. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance.

- (1) If Article 25, Clause 1(1) is applicable, when the withholding period of one year has elapsed from the scheduled payment date specified in Article 24.
- (2) If Article 25, Clause 1(2) is applicable, when the withholding period of one year has elapsed from the day of suspension of all flights in the Time Zone covered by the Off-Peak Incentive Program (Additional Flights).
- (3) If both Article 25, Clause 1, (1) and (2) are applicable, whichever comes earlier.
- (4) In the case where the withholding period continues pursuant to Article 25, Clause 2, when the period set forth in any of the preceding three Items elapses, according to the ground for withholding before the continuance of the withholding period.

**[Forfeiture of entitlement before the elapse of a withholding period]**

Article 27.

1. Notwithstanding the provisions of the preceding Article, should an Air Transport Operator for which NAA withholds the Incentive Payment under Article 25, be subject to any of the following, that operator forfeits the entitlement to Incentive Payment as prescribed in Article 24 even before the time for forfeiting the entitlement as set forth in the preceding Article. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance. However, this shall not apply in the case where the 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 the Air Transport Operator is subject to a ruling of commencement of guardianship or commencement of curatorship;

- (4) In the event that a trustee is appointed by a court order or for any other reason; or
  - (5) In the event that the Air Transport Operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.
2. In the event that an Air Transport Operator is in arrears in placement of a security deposit, prepayment of user charges and payment of charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the Air Transport Operator shall, in accordance with Article 7 of the said detailed regulations, forfeit its entitlement to the Incentive Payment under Article 24 of these Terms and Conditions, even before the time of forfeiture of entitlement to Incentive Payment specified in Article 26 of these Terms and Conditions.

## **Section 5. Promotional Support Program**

### **[Definition]**

#### Article 28.

1. The Promotional Support Program collectively means the following incentives, whereby NAA pays actual costs to an Air Transport Operator operating flights covered by the Off-peak Incentive Program (New Routes) or Off-peak Incentive Program (Additional Flights) for implementing a promotional activity relating to the service route of the eligible flights.
- (1) Promotional Support Program (New Routes): an Incentive Payment for a promotional activity conducted in relation to a service route of a flight operated as an International Scheduled Passenger Flight or Domestic Scheduled Passenger Flight, amongst flights covered by the Off-peak Incentive Program (New Routes) set forth in Article 12.
  - (2) Promotional Support Program (Additional Flights): an Incentive Payment for a promotional activity conducted in relation to a service route of a flight operated as an International Scheduled Passenger Flight or Domestic Scheduled Passenger Flight, amongst flights satisfying the conditions of the Off-peak Incentive Program (Additional Flights) set forth in Article 21.
2. In this Section, a service route to which the promotional support set forth in the Items of the preceding Clause applies is called a "covered route."

### **[Eligible activities]**

#### Article 29.

1. Activities covered by the promotional support ("eligible activities") are general promotional activities, such as advertisement, media events, distributing novelty goods for a new route or coupons, which satisfy any of the following conditions:
- (1) an activity which contributes to generating or stimulating demands for or promoting the use of the covered route or off-peak Time Zones;



- (2) an activity which contributes to the improvement of user-friendliness of a covered route; or
  - (3) any other activity as may be considered appropriate by NAA.
2. As a general rule, eligible activities are limited to those starting in a period six months before or within three months after the day of the commencement of the operation of the covered route or the increase of flight. The maximum period covered by the promotional support is one year from the date of commencement of the relevant activity.
  3. With respect to the Promotional Support Program (Additional Flights), in addition to the conditions set forth in the preceding Clause, the eligible activity is limited to a promotional activity for a covered route relating to the increase of flights implemented in the unit period to which the Off-peak Incentive Program (Additional Flights) applied to an Air Transport Operator for the first time. However, if the Air Transport Operator does not submit an application for promotional support for the increased flight, a promotional support is available for a promotional activity relating to a covered route for the flight increased in the unit period, only if the Air Transport Operator becomes eligible for the first-year incentive under the Off-peak Incentive Program (Additional Flights) again in the subsequent unit period in accordance with Article 23, Clause 4.

**[Calculation unit]**

Article 30.

The units for calculation of the amount of Incentive Payment for promotional support are as follows:

- (1) for each covered route, in case of the Promotional Support Program (New Routes);  
or
- (2) for each Air Transport Operator, and for each flight category (International Scheduled Passenger Flight and Domestic Scheduled Passenger Flight), in case of the Promotional Support Program (Additional Flights).

**[Calculation of Incentive Payment Amount]**

Article 31.

1. The amount of Incentive Payment for promotional support is the same amount as the expenses paid by an Air Transport Operator for the promotional activity. If the amount exceeds 10 million yen for each calculation unit, the maximum limit is 10 million yen.
2. The amount paid by an Air Transport Operator includes taxes on promotional activity expenses, such as the consumption tax and value-added tax.
3. The amount of Incentive Payment is to be calculated in Japanese yen. If the amount paid by an Air Transport Operator is denominated in foreign currency, NAA calculates the amount of Incentive Payment using a foreign exchange rate as provided in Article 36, Clause 2.

**[Application for promotional support]**

Article 32.

1. An Air Transport Operator that applies for promotional support shall file an application by submitting basic information concerning a covered route (flight number/code, port of departure and arrival, Scheduled Flight Time, number of flights to be operated or increased, and the scheduled date of launching or increasing the flight) and an implementation plan concerning the promotional activity (e.g., purpose, time of implementation, media, place, details and cost estimate) to an email address designated by NAA.
2. In addition to the information specified in the preceding Clause, an Air Transport Operator shall submit additional information to supplement the information contained in the implementation plan as requested by NAA.
3. The information and documents to be submitted to NAA pursuant to the preceding two Clauses are referred to as "application documents."
4. Application documents are to be prepared in Japanese or English. An Air Transport Operator is required to attach a Japanese or English translation of documents provided by a third party, such as a quotation sheet, if such documents are written in a language other than Japanese or English.
5. Application documents shall be submitted at least one month prior to the scheduled date for starting the promotional activity for which the incentive is requested, unless otherwise permitted by NAA.
6. Even in the case where a single covered route can be eligible for both Promotional Support Program (New Routes) and Promotional Support Program (Additional Flights), only one of either category of application is accepted and an Air Transport Operator shall make a choice at the time of application.
7. An application for Promotional Support Program (Additional Flights) is permitted only once for each of the categories of International Scheduled Passenger Flight and Domestic Scheduled Passenger Flight, except for the case where the Incentive Payment was not granted as a result of examination for payment under Article 36 for an application already submitted.
8. When NAA accepts application documents, it shall notify an Air Transport Operator of the acceptance of documents by email.

**[Examination of eligibility]**

Article 33.

1. NAA shall examine the content of application documents to determine the eligibility for the promotional support, and notify an Air Transport Operator of the examination result by email within 30 days from the notice of acceptance.
2. NAA may attach conditions for providing Incentive Payments in addition to those specified in this Section, at the time of giving notice under the preceding Clause.

**[Exemption]**

**Article 34.**

If a promotional activity for which incentive is requested falls under any of the following Items, NAA does not grant a promotional support.

- (1) the cost burden is considered as excessive in light of the content of the promotional activity, as determined by NAA;
- (2) the Air Transport Operator has suspended or ceased to operate the covered route before the notice of result of examination of eligibility, as determined by NAA; or
- (3) in other cases where NAA determines it inappropriate to make an Incentive Payment.

**[Claim for payment]**

**Article 35.**

1. If an Air Transport Operator received a notice of grant of promotional support under Article 33, Clause 1, it shall submit a claim for payment by sending an activity report (e.g., basic information concerning the covered route, the purpose, timing, media, places, details, the amount of expenses paid, and the amount to be claimed) and evidence (e.g., images of activity details and an invoice from an advertisement agency) to an email address designated by NAA, after the implementation of the activity.
2. Unless otherwise permitted by NAA in advance, the application for payment under the preceding Clause is to be submitted within one month from the implementation of the respective promotional activity.
3. In addition to the information specified in Clause 1, an Air Transport Operator shall submit additional information to supplement the details of the respective promotional activity as requested by NAA.
4. The information and documents to be submitted to NAA pursuant to the preceding three Clauses are referred to as "claim documents."
5. Claim documents are to be prepared in Japanese or English. An Air Transport Operator is required to attach a Japanese or English translation of documents provided by a third party, such as an invoice, if these documents are written in a language other than Japanese or English.
6. For a single notice of grant, a payment claim may not be made in installments. A payment claim for the Promotional Support Program (Additional Flights) is permitted only once for each flight category, namely International Scheduled Passenger Flight and Domestic Scheduled Passenger Flight, except for the case where an Incentive Payment was rejected in response to a payment claim already submitted.
7. When NAA accepts the claim documents, it shall notify the respective Air Transport Operator of the acceptance of the claim documents by email.

**[Examination for payment]**

Article 36.

1. NAA examines whether to make an Incentive Payment in light of the claim documents, and calculates the amount if it decides to make the Incentive Payment.
2. If an invoice submitted as the evidence of payment by an Air Transport Operator is denominated in a foreign currency, NAA calculates the amount of Incentive Payment by converting the amount to Japanese yen using an exchange rate (TTS) of MUFG Bank, Ltd. on the day when the claim documents arrived at NAA. If the date of arrival falls on a holiday of the bank, the rate on the immediately prior business day is to be applied. For a foreign currency for which service is not available at the bank, an exchange rate published by another bank or exchange service provider is applied.
3. An Incentive Payment under the Promotional Support Program (Additional Flights) is made only once for each calculation unit, and NAA determines whether to make the payment after the end of the unit period for the Off-peak Incentive Program (Additional Flights) as a general rule. However, based on the actual operational records of the applicable flights at the time of submitting the payment claim, if it is certain that the Air Transport Operator will satisfy the eligibility for the Off-peak Incentive Program (Additional Flights) set forth in Article 21 in a specific unit period, NAA may make a final determination for payment even in the middle of the respective unit period.
4. NAA shall notify an Air Transport Operator of the result of claim examination and the amount of Incentive Payment by email, in accordance with the following timeframes:
  - (1) Promotional Support Program (New Routes): within two months from the acceptance of claim documents, or, in the case where the claim documents were accepted before the launch of operation of the covered route, within two months from the day of confirmation of the operation of at least one flight a week for five consecutive weeks from launching the service route; or
  - (2) Promotional Support Program (Additional Flights): within two months from the day when NAA determines whether to make an Incentive Payment in accordance with the preceding Clause.
5. NAA may attach conditions for Incentive Payment in addition to those specified in this Section, at the time of giving notice under the preceding Clause.

**[Exemption]**

Article 37.

If a promotional activity for which an incentive is requested falls under any of the following Items, NAA does not grant promotional support unless otherwise agreed by NAA.

- (1) the cost burden is considered as excessive in light of the content of the promotional activity, as determined by NAA;
- (2) the Air Transport Operator has ceased to operate the covered route before the notice of result of examination for payment, as determined by NAA;

- (3) the Air Transport Operator fails to submit claim documents complying with Article 35 within the timeframe specified in Article 35, Clause 2; or
- (4) in other cases where NAA determines it inappropriate to make an Incentive Payment.

**[Offering of Incentive Payment]**

Article 38.

1. An Air Transport Operator that received a notice of incentive payment in accordance with Article 36, Clause 4 shall send an original invoice for the amount of incentive stated in the notice, so that the invoice will be received by NAA within 30 days from the date of notice, and NAA shall make an Incentive Payment within 30 days from the receipt of the invoice as a general rule. In this case, NAA shall notify the Air Transport Operator of the scheduled payment date in advance.
2. The invoiced amount set forth in the preceding Clause is to be denominated in Japanese yen.
3. If an Air Transport Operator falls under any of the following Items at the time of scheduled payment date set forth in Clause 1, NAA does not make an Incentive Payment.
  - (1) the Air Transport Operator owes any overdue debt to NAA; or
  - (2) all flights on the covered route are suspended for one year or more from the day on which all of these flights were suspended.

**[Withholding of payment]**

Article 39.

If all flights on the covered route are suspended as of the scheduled payment date set forth in the preceding Article, and if the period for suspension is less than one year from the day on which all of these flights were suspended, NAA shall withhold the Incentive Payment under Clause 1 of the preceding Article.

**[Forfeiture of entitlement]**

Article 40.

If an Air Transport Operator falls under any of the following Items, the entitlement to Incentive Payment set forth in Article 38 is forfeited at the time when any of the following events occurs. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance.

- (1) in the case where an invoice is not received by NAA before the time set forth in Article 38: upon the time specified in Article 38
- (2) in the case where NAA withholds the payment under the preceding Article: upon the elapse of one year of the withholding period from the day on which all flights on the covered route were suspended

**[Forfeiture of entitlement before the elapse of a withholding period]**

**Article 41.**

1. Notwithstanding the provisions of the preceding Article, should an Air Transport Operator for which NAA withholds the Incentive Payment under Article 39, be subject to any of the following, that operator forfeits the entitlement to Incentive Payment as prescribed in Article 38 even before the time for forfeiting the entitlement as set forth in the Items of the preceding Article. In this case, NAA shall notify the operator in writing or by email of the forfeiture of entitlement in advance. However, this shall not apply in the case where the 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 the Air Transport Operator is subject to a ruling of commencement of guardianship or commencement of curatorship;
  - (4) In the event that a trustee is appointed by a court order or for any other reason; or
  - (5) In the event that the Air Transport Operator is ordered to suspend its operation or has its air operator's certificate (AOC) revoked.
2. In the event that an Air Transport Operator is in arrears in placement of a security deposit, prepayment of user charges and payment of charges specified in Article 8 of the Detailed Regulations on Security Deposit and Payment of Charges, the Air Transport Operator shall, in accordance with Article 7 of the said detailed regulations, forfeit its entitlement to the Incentive Payment under Article 38 of these Terms and Conditions, even before the time of forfeiture of entitlement to Incentive Payment specified in Article 40 of these Terms and Conditions.

**[Confidentiality obligation]**

**Article 42.**

Neither NAA nor an Air Transport Operator may disclose to a third party or make public the details of application documents, claim documents, or examination results, without prior written consent from the other party, except for the following information:

- (i) information that has entered the public domain at the time of disclosure by the disclosing party;
- (ii) information that entered the public domain due to no fault on the part of the receiving party after the disclosure;
- (iii) information that can be proved by the receiving party to have been in its possession prior to the acquisition from the disclosing party; or
- (iv) information disclosed by a duly authorized third party without being bound by any

confidentiality obligation.

## **Section 6. Miscellaneous provisions**

### **[Treatment of fractions]**

Article 43.

When calculating the amount of Incentive Payment under these Terms and Conditions, a fraction less than one yen is to be truncated.

### **[Exclusion of Crime Syndicate or Other Antisocial Force]**

Article 44.

1. An Air Transport Operator is not entitled to receive Incentive Payments under these Terms and Conditions if it (including the company itself, its officers, persons substantially involved in its management, and its parent company, etc.; the same applies in this Article) falls under any of the following Items:
  - (1) it is a crime syndicate (meaning a crime syndicate as provided for in Article 2(ii) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991)), is a member of a crime syndicate (meaning a member of a crime syndicate as provided for in Article 2(vi) of the same Act), is a corporation or an organization associated with a crime syndicate or anyone associated with such a corporation or organization, or is any other antisocial force ("Crime Syndicate or Other Antisocial Force"); it has been a Crime Syndicate or Other Antisocial Force in the past five years; or a Crime Syndicate or Other Antisocial Force is substantially involved in its management or has been substantially involved in its management in the past five years;
  - (2) it uses, or has used in the past five years, the influence or the like of a Crime Syndicate or Other Antisocial Force for the purpose of attaining unfair profits for itself or a third party or causing damage to a third party;
  - (3) it proactively cooperates or is involved in, or in the past five years has proactively been involved in, the maintenance and operation of a Crime Syndicate or Other Antisocial Force through the provision of funds, favors, etc. to that Crime Syndicate or Other Antisocial Force;
  - (4) it has, or has had in the past five years, a socially reprehensible relationship with a Crime Syndicate or Other Antisocial Force; or
  - (5) in performing these Terms and Conditions, it uses a corporation, etc. in whose management or operation a Crime Syndicate or Other Antisocial Force is considered to be substantially involved.
2. NAA is not liable to compensate an Air Transport Operator for any losses suffered by being unable to receive Incentive Payments due to the preceding Clause.

**[Amendment of Terms and Conditions]**

Article 45.

1. NAA may amend these Terms and Conditions as necessary.
2. If NAA intends to amend these Terms and Conditions, it shall give notice to an Air Transport Operator by email or other means as deemed appropriate, expressly indicating the details of the amendment and the time when the amendment takes effect, allowing reasonable time before the day when the amendment takes effect.

**[Suspension or cancellation of incentive payments]**

Article 46.

1. 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 Incentive Payments in part or in whole.
2. Even if an Air Transport Operator is eligible for the incentives under Sections 2 through 5, NAA reserves the right to suspend or cancel the payment of incentives, in whole or part, if, in the opinion of NAA, the Air Transport Operator has run counter to the purpose of the incentive set out in Article 1, or the Air Transport Operator is otherwise unfit for granting an incentive. In the case of any disagreement concerning the interpretation, NAA makes the final decision.

**[Governing laws]**

Article 47.

These Terms and Conditions shall be governed by and interpreted in accordance with the laws of Japan.

**[Court of jurisdiction]**

Article 48.

For any dispute relating to these Terms and Conditions, the Chiba District Court shall have the exclusive jurisdiction as the court of first instance.

**[Language]**

Article 49.

The governing language of these Terms and Conditions is Japanese.

Supplementary Provisions (July 19, 2024, Nari Ei E Ki No. 2009)

These Detailed Regulations come into force from July 19, 2024, and become applicable from April 1, 2024.