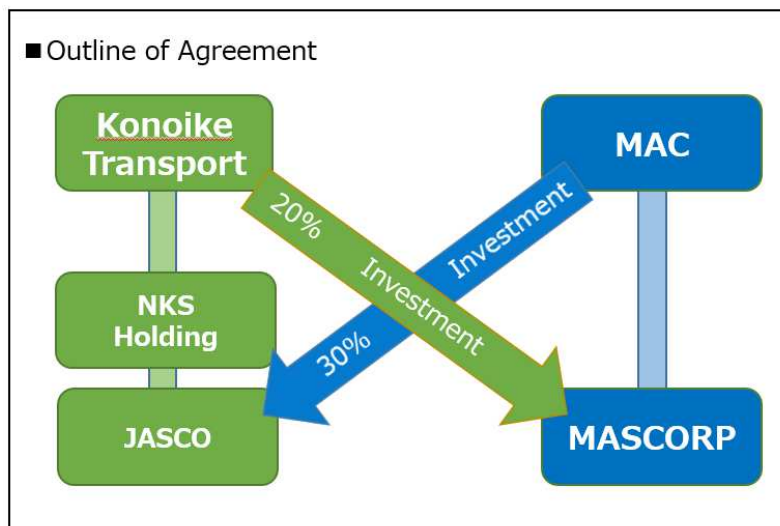


Konoike Transport Co., Ltd. (Headquarters: Osaka, Japan; Representative Director & President and Chief Executive Officer: Tadahiko Konoike; hereinafter “Konoike Transport”) and MacroAsia Corporation (MAC; Headquarters: Manila, the Philippines; Chief Executive Officer: Dr. Lucio C. Tan) have agreed on the following: Konoike Transport will receive 20% of shares of MacroAsia Airport Services Corporation (MASCORP; Headquarters: Manila, the Philippines; President: Joseph T. Chua), a Philippine airport ground handling company, from MAC, the parent company of MASCORP; and 30% of shares of Japan Airport Service Co., Ltd. (JASCO; Headquarters: Chiba, Japan; Chief Executive Officer: Kazunori Aoto), a consolidated subsidiary of Konoike Transport that operates ground handling business at Narita Airport, will be transferred to MAC from NKS Holding Co., Ltd. (Headquarters: Tokyo, Japan; Chief Executive Officer: Kazunori Aoto), the holding company of JASCO. On November 5, a share transfer agreement was concluded between the two companies (Konoike Transport and MAC) and a signing ceremony was held in Manila.

\*1: The term “ground handling” refers to various goods/cargo handling services conducted while aircrafts are on the ground (such as the loading/unloading and delivery of checked baggage, cargo or postal freight, and checked baggage sorting).



Through this capital alliance, the Airport Division of Konoike Transport and KONOIKE Group companies engaged in airport businesses will aim to secure frontline human resources in our continuously growing Japanese airport businesses by the following: accepting and training more trainees in ground handling from the Technical Intern Training Program of Japan; and transitioning those who have completed Technical Intern Training (ii) to Specified Skilled Workers\*<sup>2</sup>. Moreover, they will aim to learn from the extensive skills and expertise of MASCORP for future overseas expansion of our ground handling business and develop global ground handling human resources through collaborative efforts as well.

\*2: Refer to the section *Background of the Leveraging of the Technical Intern Training Program of Japan and Future Outlooks* on the next page.

Meanwhile, the ground handling business of MASCORP is one of the largest in the Philippines. Its business performance is rapidly growing recently and has high reputation. With a view to its first ever business operation at an airport outside of the Philippines, MASCORP anticipates synergetic outcomes through the alliance with Konoike Transport, including enhanced human resource development and expertise sharing.

**- Comments from Yoshikazu Tabo, Managing Executive Officer and Executive General Manager of the Airport Division, Konoike Transport**

With this partnership, we can receive more trainees from the Technical Intern Training Program of Japan and allow them to transition into Specified Skilled Workers, thereby developing human resources seasoned with work experience for a maximum of eight years. This will enable us to secure human resources for ground handling operations, which are seeing a rapid increase in work amount at airports in Japan. We will also be able to work on human resource development essential for future business expansion overseas. I am looking forward to the business development of both the KONOIKE Group and MASCORP by sharing and refining the extensive experience and expertise on airport ground handling operations the two companies own. Furthermore, we would like to explore the possibility of a business alliance with MAC for a wider range of business areas.

**- Comments from Emerson S. Bonoan Jr., General Manager MASCORP**

The substantial growth of MASCORP in the second quarter of 2019 is part of MacroAsia's plan of expanding MASCORP's operations, and part of that expansion is to go beyond the Philippines. Japan is the best place for MacroAsia, where rapid expansion in local and foreign travelers have been noted. In fact, Japan expects to receive 40 Million foreign tourists by 2020 and 60 Million by 2030. This will translate to substantial increase in demand for ground handling services from airlines operating to and from Japan airports. Aside from the benefits to be derived by MacroAsia from the investment in JASCO, MASCORP will benefit from the executive exchange program where we will get to use the best practices in Japan and the Philippines, including sharing and collaboration in utilizing the latest in technology in ground handling.

**- Background of the Alliance**

Ten companies belonging to the KONOIKE Group are currently commissioned by airlines and airport companies to operate passenger-handling business (customer service at check-in desks and lounges, and guiding passengers) and ground handling business (including loading/unloading checked baggage and cargo, and aircraft marshalling) at six airports in Japan including Kansai, Narita and Haneda.

If we look at the business conditions around our domestic airport business, further market expansion is forecasted because of positive factors such as the growth of inbound tourism, construction of additional runways and the increase in the number of flights operated by major domestic airlines and LCCs. For the inbound tourism market in particular, with the government aiming to attract 60 million visitors to Japan in 2030, we can expect infrastructure development and demand stimulation at the national level.

Based on such business conditions, the KONOIKE Group is focusing more on its airport business with an aim to boost the current airport business sales of 23 billion yen (as of March 2019) to 50 billion yen (+145%) by 2030. As the key strategy to achieve this business expansion, the KONOIKE Group has been considering ways to secure human resources and develop them, establish alliances with business partners and/or M&A for overseas business operation.

**- Background of the Leveraging of the Technical Intern Training Program of Japan and Future Outlooks**

Konoike Transport has been using the individual enterprise type of the program, and as a Group, it currently receives about 300 trainees annually. As part of this, group companies operating airport businesses have been receiving trainees for airport logistics work since 2014.

Meanwhile, the revision of the Immigration Control Laws that took place in April 2019 designated airport ground handling in the Specified Skills (i) category. With this revision, trainees who pass Technical Trainings (i) and (ii) of the Airport Ground Handling Skills Training Evaluation Test, for which we are certified as a testing agency, can now be eligible to become a Specified Skilled Worker (i). (Application to the Immigration Services Agency required.) Non-Japanese trainees will be able to live and work in Japan for another five years if they are certified as Specified Skilled Workers (i) after a three-year-long training (i.e., they will be able to work for a total of eight years). It is expected that this will enable us to develop competent human resources.

The KONOIKE Group will actively accept trainees from MASCORP and promote full-scale leveraging of non-Japanese human resources.

- Overview of MacroAsia Corporation

(<http://www.macroasiacorp.com/index.html>)

Business Name	MacroAsia Corporation	Representative	Dr. Lucio C. Tan, Chairman and CEO
Headquarters	12 <sup>th</sup> Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City, 1226 Philippines	Incorporated	February 12, 1970
Capital Stock	Php 1,618,146,293 (As of December 31, 2018)	Number of Employees	Approx. 13,000 in total as a Group (As of October 2019) <i>*Outsourced staff included</i>
Sales	Php 3,600,601,455 (Consolidated for the year ended December 31, 2018)	Operating Profit	Php 1,162,409,415 (Consolidated for the year ended December 31, 2018)
Business	Holding Company		

- Overview of MacroAsia Airport Services Corporation

(<http://www.mascorp.ph/>)

Business Name	MacroAsia Airport Services Corporation	Representative	Joseph T. Chua, President and COO
Headquarters	3 <sup>rd</sup> Floor, Building A, Skyfreight Center, Ninoy Aquino Avenue, Brgy. Sto. Niño, Parañaque City, 1704 Philippines	Incorporated	September 12, 1997
Capital Stock	Php 125,000,000	Number of Employees	7,403 (As of October 2019) <i>*Outsourced staff included</i>
Sales	Php 1,449,750,641 (For the year ended December 31, 2018)	Operating Profit	Php 123,476,008 (For the year ended December 31, 2018)
Business	Ground Handling Company		

- Overview of KONOIKE Transport Co., Ltd. (<https://www.konoike.net/en/>)

The KONOIKE Group is a professional organization that continually challenges itself to solve society's problems and innovate, going beyond the boundaries of logistics and expanding into manufacturing, medical, airport operations, and more.

Business Name	Konoike Transport Co., Ltd. <i>*First section of Tokyo Stock Exchange</i>	Representative	Tadahiko Konoike, Representative Director & President and Chief Executive Officer
Osaka Head Office	4-3-9 Fushimimachi, Chuo-ku, Osaka	Tokyo Head Office	6-10-1 Ginza, Chuo-ku, Tokyo
Founded	May 1880	Incorporated	May 30, 1945
Capital Stock	1.7 billion yen (As of March 31, 2019)	Number of Employees	Approx. 25,000 (total number as a group) (As of March 31, 2019) <i>*Temporary staff included</i>
Sales	294 billion yen (Consolidated, as of March 2019)	Operating Profit	11 billion yen (Consolidated, as of March 2019)
Business	Contracting services (for manufacturing and service industries) and logistics services (domestic and international)		

- Overview of Japan Airport Service Co., Ltd. (<http://www.jasco-ghs.co.jp/>)

Business Name	Japan Airport Service Co., Ltd.	Representative	Kazunori Aoto, Chief Executive Officer
Headquarters	154-4 Komae, Furugome, Narita, Chiba	Incorporated	March 25, 1960
Capital Stock	98 million yen	Number of Employees	Approx. 1,000
Business	Ground handling service		