

FOR IMMEDIATE RELEASE

Announcement
Execution of Memorandum of Understanding Regarding Joint Sponsorship of
Skymark Inc.

Skymark Inc. (“Skymark”), Integral Corporation (“Integral”) and ANA HOLDINGS INC. (“ANAHD”) have today agreed upon and executed a memorandum of understanding (the “Memorandum”) stating that Integral and ANAHD will jointly support Skymark which is currently undergoing civil rehabilitation proceedings.

1. Background for the Execution of the Memorandum

Since the commencement order of the civil rehabilitation proceedings was announced on February 4, 2015, Skymark has signed a basic rehabilitation support agreement with Integral on February 5, 2015 and is working to quickly revitalize its business with Integral’s support.

On February 12, 2015, Skymark appointed GCA Savvian Corporation as its financial adviser to broadly solicit and select sponsors who would be willing to support Skymark in its attempt to maintain and develop the value of Skymark’s business. Following this selection process, Skymark has decided to appoint ANAHD to be the joint sponsor with Integral and has executed the Memorandum with Integral and ANAHD. ANAHD has experience with the rehabilitation of other Japanese airlines and has offered a wide range of support in sales, supplies and maintenance services to improve the value of Skymark’s business.

ANAHD is the holding company of ALL NIPPON AIRWAYS CO., LTD. , ANA WINGS CO., LTD., Air Japan Co., Ltd (full service carrier) Vanilla Air Inc. (a provider of low-cost carrier operations), ANA Sales Co., Ltd. (a travel business provider), ALL NIPPON AIRWAYS TRADING CO., LTD. (a trading business provider) and several other companies. ANAHD, whose mission statement is “Built on a foundation of security and trust, the ‘wings within ourselves’ help to fulfill the hopes and dreams of an interconnected world,” is Japan’s largest airline group, and has played a major role in Japan’s air transportation services for over 60 years.

Beginning today, Skymark, Integral and ANAHD will, under the supervision of the Tokyo District Court and court appointed supervisor, hold detailed negotiations on the basis of the Memorandum and will execute sponsorship agreements and formulate a proposed rehabilitation plan (the “Proposed Rehabilitation Plan”) as part of the civil rehabilitation proceeding.

2. Main Points of the Memorandum

The Memorandum stipulates the basic conditions of the joint sponsorship by Integral and ANAHD of Skymark in order to achieve the revitalization of its business as an independent corporation, with shares



issued by Skymark to be re-listed on the stock market as soon as possible.

The overview of the Memorandum is as follows;

(1) Capital Contribution and Payment of Debts

It will be stipulated in the Proposed Rehabilitation Plan that Skymark will perform a 100% capital reduction. After a confirmation order for the Proposed Rehabilitation Plan becomes final and binding, Skymark will perform a capital increase through the allocation of new shares. Integral, ANAHD and other entities will subscribe to these shares and become new shareholders.

The total amount of planned investment is 18 billion JPY, which will be used for the payment of debts (comprising common benefit claims, preferred claims and rehabilitation claims) outstanding at the time the confirmation order of the Proposed Rehabilitation Plan becomes final and binding.

The ratio of capital contributions and voting rights shall be apportioned such that Integral will hold 50.1%, ANAHD will hold a maximum of 19.9%, with other entities holding the remainder. Integral and ANAHD will mutually discuss the capital contribution by other entities and decide on such capital contribution by the time of submission of the Proposed Rehabilitation Plan.

In addition, Skymark is planning to execute commitment lines with financial institutions with the support of Integral and ANAHD to ensure that Skymark has the necessary working capital for its business operations.

(2) Board of Directors

After the confirmation order of the Proposed Rehabilitation Plan becomes final and binding, the number of directors to the Board of Skymark will be 6. Of these, 3 will be appointed by Integral, 1 will be appointed by ANAHD and the remaining 2 will be decided after discussions between Integral, ANAHD and other contributors. It is contemplated that one of the directors appointed by Integral will be the Chairman and one of the directors appointed by ANAHD or other shareholders will be the President.

(3) Employment of Employees

The employment of Skymark's employees will, as a general principle, be maintained.

(4) Re-Listing on the Stock Exchange

Integral and ANAHD have agreed to make their best efforts and mutually cooperate to work to the common goal of improving the value of Skymark's business and to re-list the shares issued by Skymark on the stock market within 5 years of their investment.

3. Overview of Integral

(1)	Name	Integral Corporation
(2)	Main Office	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
(3)	Representatives	Representative Director: Nobuo Sayama

	Representative Director: Reijiro Yamamoto
(4) Business Operations	As an independent private equity fund company targeting both listed companies and unlisted companies in Japan, it makes equity investments from a long-range perspective through its unique “hybrid investment” approach, utilizing both principal and fund money for investment.
(5) Share Capital	1,059,000,000 JPY
(6) Founded	January 12, 2006

4. Overview of ANAHD

(1) Name	ANA HOLDINGS INC.		
(2) Main Office	1-5-2 Higashi-Shinbashi, Minato-ku, Tokyo		
(3) Representatives	President and Chief Executive Officer: Shinya Katanozaka		
(4) Business Operations	Group corporate strategy development, business management and related duties		
(5) Share Capital	318,789million JPY (As of September 30, 2014)		
(6) Founded	December 27, 1952		
(7) Consolidated Operational Results and Financial Position in the Most Recent 3 Years			
Fiscal Term	March 2012 (JPY)	March 2013 (JPY)	March 2014 (JPY)
Consolidated Net Assets	554,859 million	773,100 million	751,291 million
Consolidated Total Assets	2,002,570 million	2,137,242 million	2,173,607 million
Consolidated Turnover	1,411,504 million	1,483,581 million	1,601,013 million
Consolidated Operating Profit	97,022 million	103,827 million	65,986 million
Consolidated Net Income	28,178 million	43,140 million	18,886 million

5. Future Schedule

May 29, 2015 Submission of the Proposed Rehabilitation Plan (Scheduled)

-End-

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About Integral

Integral (Representative Directors: Nobuo Sayama, Reijiro Yamamoto) was founded in September 2007 as an independent Japanese private equity company investing in listed and unlisted companies in Japan. “Integral” stands for “integral calculus—accumulation over time” meaning that the company will strive to establish a relationship of highest trust with the management of invested companies, and will aim to accumulate the highest wisdom over time. Integral makes equity investments from a long-range perspective through its unique “hybrid investment” approach, utilizing both principal and fund money for investment. Subsequent to investment, the company will provide optimal support in terms of management and finance through the “i-Engine” corporate value enhancement team, and will collaborate with the invested company sharing the same objectives and time horizon and seeing eye-to-eye with its management. Integral aspires to be a trusted investment fund, contributing to society through the success of the invested companies.