

Q&A of Q1 Financial Results for the Fiscal Year Ending March 31, 2015 (summary)

◆International passenger operations

Q : Business performance in the first quarter has been favorable. Can we expect it to continue into the second quarter onwards?

A : Bookings from July to September are up 2~3% on the previous year.

Q : What are the trends of international routes?

A : By class, we have seen strong passenger growth in Business Class, robust corporate demand from Japan and inbound demand from overseas, and an increase in yield. On routes with additional flights, demand for the second daily service to New York has been strong and passenger traffic to South America has increased. From the second-half of FY2014, we will change the flight schedules of flights to/from Boston, San Francisco and Ho Chi Minh City in an effort to capture travelers between North America and Asia and improve connectivity to major cities in Japan for them.

Q : What are the effects of deploying SKY SUITE ?

A : Both the load factor and yield have increased on the previous year and have remained high, principally in Business Class. Revenue per aircraft has increased from levels before revamping aircraft, and has contributed to maximizing revenue.

◆Domestic passenger operations

Q : Will trends of passenger traffic and unit price in domestic passenger operations continue into the second quarter of the fiscal year?

A : Of business-related fares, we have seen strong sales of discount fares such as Tokubin 21, and an increase in passenger traffic. Therefore, we expect to achieve revenue as forecast. Bookings from July to September are up 2~3% on the previous year, and we will flexibly control seats according to competition with other airlines.

◆Earnings

Q : Are lower earnings caused by factors other than the weaker yen?

A : Operating expenses increased by 1.6 billion yen on the previous year due to an increase in engine maintenance costs, etc. In addition to the impact of exchange rates, fuel costs increased by 5.3 billion yen on the previous year due to rising jet fuel prices.

◆ Costs

Q : How much has the amoeba management system contributed to reducing costs?

A : The amoeba management system has been introduced to 22 JAL Group companies including JAL, and through this system and independent efforts, we were able to reduce administrative costs by approximately 1 billion yen in the first quarter.