Financial Results for the year Ended March 31, 2015, Q & A

1. Outlook for FY2015

Q1. What are your grounds for lower earnings, even taking into account current fuel prices?

A1. Even if fuel prices fall, earnings would decline due to lower fuel surcharges and hedging effects. As for foreign exchange rates, the weakening of the Japanese yen will be a major cause of lower earnings; therefore, we estimate operating profit to decline about 7 billion yen to 172 billion yen, even if we implement revenue-generating measures and cost-reduction measures to a certain extent.

Q2. Your FY15 plan foresees lower earnings on lower revenues. What is the outlook based on recent bookings and such?

A2. Due to greater-than-expected demand on both international and domestic flights, we would like to aim for higher earnings on higher revenues in FY15 by all means.

2. Route and Flight Frequency Plan

Q. What are the changes from the Rolling Plan 2015, if any?

A. The conditions, on which the plan announced in February was created, have not changed. Overall conditions have been progressing steadily according to our plan recently.

3. Returns to shareholders

Q. You raised the payout ratio to 25%. Do you plan to raise even more?

A. Taking into account our business performance and financial conditions in FY2014 and the future business environment, we changed our dividend policy to allocate about 25% of full-year consolidated net profit after excluding income tax-deferred effect to pay dividends to our shareholders. Our financial foundation is steadily improving, and as an objective indicator, we received “ A – (minus)” rating from a Japanese credit rating company. Given the improvement of our financial foundation and free cash flow, we will continue to consider improving returns to our shareholders, while aiming to acquire and maintain “ A (flat)” rating.