"Financial Results for the 1st quarter of FY2016"
Principal Q&A

◆ International Passenger
Q1: What is the reason why FX / Net Unit Price contributed to a 3% increase in Revenue per Passenger? Is this as projected?
A1: Revenue per Passenger declined by 7% from the previous year. Considering Fuel Surcharge revenue contributed to a 10% decrease in Revenue per Passenger, Revenue per Passenger excluding Fuel Surcharge was estimated to rise by 3%, which was as projected.

Q2: Why did the factor of “Number of Passengers” decrease International Passenger Revenue by 2.0 JPY billion?
A2: Because the outbound passenger demand from Japan stood below the previous year level while the inbound passenger demand continued to be strong mainly on the Southeast Asian routes.

◆ Changes in Operating Profit
Q3: What was the effect by FX out of 14.8 JPY billion decrease y/y in Operating Revenue?
A3: It was 3.7 JPY billion decrease owing to the stronger JPY.

Q4: What is the reason why the Maintenance & Personnel Costs increased?
A4: Maintenance costs increased by 2.6 JPY billion because the engine maintenance increased. Personnel costs increased by 6.3 JPY billion due to the focused expenditures to strengthen our basis of growth.

◆ Future measures to improve our profitability
Q5: What will be further actions to take to accomplish the financial target?
A5: We will aim to reach our target of Operating Profit with the following measures:
   a. Increase non-scheduled additional flights for International Passenger
   b. Allocate larger aircraft on higher demand domestic routes to increase revenue
   c. Review expenses for outsourced services, etc.
   d. Cost reductions through pursuing Divisional Profitability Management System