Financial Results for the second quarter March 2018
Principal Q&A

■Revised Consolidated Financial Forecast for March 2018

Q1 : JAL has revised upward operating profit forecast by 13 billion yen. Would you specify its breakdown?

A1 : Revenues are expected to increase 18 billion yen. This is because international passenger revenue declines 3 billion yen in total, including the effects of fuel surcharge and exchange rates. Domestic passenger revenue is increased 10 billion yen because an increase in number of passengers is expected. Expenses are expected to be up 5 billion yen from the previous forecast. While we expect an 8 billion yen decline in fuel costs, reflecting the impact of revisions of fuel price assumptions, a 13 billion yen increase in costs linked to revenue and demand is expected. On reflecting these projections, we expect operating profit to end 13 billion yen higher than the previous forecast.

■International passenger

Q2 : What was the revenue per passenger?

A2 : Revenue per passenger rose by 7.7% year on year for our revenue management initiatives and such.

■Domestic passenger

Q3 : What was the passenger demand like?

A3 : Number of passenger increased 6.4% as a result of increased group passengers due to the recovery from a plunge in demand by the 2016 Kumamoto Earthquakes, new demand creation through increased use of promotional fares, and positive results achieved by providing inflight Wi-Fi service free of charge.

■Financial strategy

Q4 : Why have you showed your financial strategy?

A4 : We are explaining our way of thinking so that we may hold constructive and interactive dialogues with our shareholders and investors concerning our financial strategy. Our equity ratio has already reached approximately 60%. We are aware that we have built a strong financial structure.

Q5 : What do you think of availability for share repurchase?

A5 : We will consider share repurchase based on appropriate levels of cash and deposits, the future growth investment, free cash flow outlook, stock price, etc.