

Financial Results for the second quarter March 2019

Principal Q&A

■ International Passenger

Q1: What is your analysis about international passenger, which is in good performance?

A1: European route and China route were very strong.

■ Domestic Passenger

Q2: What was the reason of the average price per passenger increase year on year in the first half result, compared with the Q1 result that was a slight decrease year on year?

A2: It was due to the new passenger service system. The revenue management function works better when demand is strong. Prices increased in business fares.

■ Business Environments

Q3: What will be the impact of natural disasters on the second half performance?

A3: For the entire domestic passenger routes, there will be no impact any more. For Hokkaido routes, there will be some impacts in October or later but it is recovering and other routes are very strong. For international inbound demand, there is no longer any impact.

Q4: Is there any risk of revenue decrease in the second half?

A4: When looking at the current situation, there is no impact on both passenger and cargo demand. There will be some additional expenses for cargo facility repair but it is very limited.

■ New Passenger Service System

Q5: What is your expectation about further effects of the new system?

A5: There will be some more rooms to sharpen the accuracy of reservation control. Pricing can be done more closely. Further effects are expected.

■ Financial and Capital Policy

Q6: What is the development of the Strategic Growth Investment Line?

A6: 10 to 20 billion yen goes to the new low-cost carrier. Other investments are being considered now.

End