

Financial Results for the third quarter March 2019

Major Questions & Answers

Q1 : Changes in the FY2018 earnings revised-forecast

A1 : We reviewed our earnings forecast for the FY2018, taking into account the third-quarter results and recent exchange rate and fuel price estimates.

Operating revenue remains the same as the previously-disclosed forecast on October 31. However, we raised our estimates for operating profit by 8 billion yen to 175 billion yen, ordinary profit raised by 5 billion yen to 161 billion yen, and net profit raised by 28 billion yen to 138 billion yen, reflecting differed tax effects.

Q2: The breakdown of the change in revenue per passenger in the third quarter year on year.

A2 : Revenue per passenger increased by 8% in total year on year, fuel surcharge increased by 5%, the effect of the change in the settlement adjustment method increased by 1%, net unit price increased approximately by 2%. We are steadily enjoying the benefits of our new passenger service system.

Q3 : The updates of the effect of the new system

A3 : The effect of the incremental revenue through higher unit revenue is estimated to be up to 16 billion yen as maximum in the cumulative third-quarter financial results. The breakdown is 10 billion yen in international passenger and 6 billion yen in domestic passenger. The effect in the cumulative second-quarter financial results was 13 billion yen. Therefore, this shows additional 3 billion revenue was made during the third-quarter itself. Specific examples of the revenue growth by the new system are shown on the right-hand side of the slide. Our internal analysis suggests that functional improvements through the new system contributed significantly to revenue growth.