Financial Report for the Second Quarter ending March 2020, Major Q and As

■ FY2019 Forecast
Q1: Forecast of revenue and expense
A1: Due to the world economy slowdown and rising global uncertainties, International Passenger and Cargo Businesses are becoming more unforeseeable. We have revised our revenue forecast of International Passenger, Domestic Passenger and Cargo, in accordance with the actual results, recent demand trends and market conditions. Thus full-year consolidated revenue is expected to decrease by 47.0 billion yen from the previously announced forecast (originally disclosed on April 26, 2019). On the other hand, full-year consolidated expense is expected to decrease by 47.0 billion yen, in which fuel is by 33.0 billion yen, and excluding fuel is by 14.0 billion yen, reflecting changes in fuel/FX market preconditions for the second-half. In excluding fuel, we assume it will be attainable due to the decrease of about 7.0 billion yen through the change in FX rate assumption, and the reduction of sales promotion expense related to mileage revenue and revenue-linked costs, etc. Though the negative impacts of Typhoon Hagibis in October are not included in this forecast, we are not in a position to give up Operating Profit 170 billion yen as of now, and we will strive to maximize revenue and minimize expense to achieve the forecast profit. In fuel/FX market preconditions, we have revised Singapore Kerosene 90USD/bbl to 75USD/bbl and FX rate 115JPY/USD to 110JPY/USD.

■ International Passenger Business
Q2: How about the future outlook of Revenue per Passenger?
A2: It decreased by 0.7% yoy due to a slowdown of Japan-outbound business demand. Net unit price is decreasing because of revenue management to maximize revenue for Japan-inbound business demand. This trend is expected to continue in the second-half.

■ Medium- and long-haul international LCC, ZIPAIR Tokyo
Q3: Have the slots for flights been decided?
A3: We will announce them as they are decided. ZIPAIR will fly to Bangkok, from May 14, 2020 and Seoul from July 1, 2020. Furthermore, it also aims to open a route for the West Coast of North America.