

■ Liquidity at hand and financing

Q1 : Is the current liquidity at hand sufficient?

A1 : We have raised 104.3 billion yen during the period of February to April 2020, which includes 57.7 billion yen in March and 46.5 billion yen in April. Furthermore, we are undertaking additional financing in this first quarter to secure more liquidity at hand.

Q2 : Is financing going smoothly?

A2 : At this point there is no concern over financing. We are currently negotiating with financial institution with various scenarios.

■ Hedging

Q3 : Does JAL have a plan to change its hedging policy upon the current low level of fuel price?

A3 : JAL's hedging policy is aimed for medium-to-long term stabilization of fuel cost, so temporary ups and downs do not affect our policy.

Q4 : How much is the hedge losses? Is there a possibility of ending up over-hedge?

A4 : As of 31st March, 23.1 billion yen has been recorded as deferred hedge losses. We have responded to the rapid demand fall, caused by the coronavirus spread, through cutting down our capacity drastically. Then, the fuel consumption becomes substantially low, compared with what we have planned in the beginning. Therefore, there is a possibility of over-hedge but its monetary impact will be very limited.

■ Fixed cost

Q5 : What is included in the reduction of fixed cost?

A5 : The fixed cost reduction of 60 billion yen includes personnel (bonus is linked to company performance and flight allowance is linked to flight hours), outsourcing, IT expenditure and advertisement.

■ JAL's post-corona strategy

Q6 : Once the spread of the coronavirus has stopped, will the changes in demands in mid- and long-term and social structure affect JAL's further strategy?

A6 : Considering the fact that more companies are encouraging to work from home and opting to hold video conferences, we need to keep a cautious and close watch on how much changes this will bring in especially to a business demand. However, on the other hand, people are starting to recognize the importance of face-to-face interaction, therefore, creating additional values in our service as full-service carrier will be our challenge. In addition, we will consider further strategies including ZIPAIR to capture a leisure demand.