

■ Overall performance

Q1. In terms of revenue/cost, please explain this quarter's performance in comparison to the plan.

A1. EBIT was 20 billion yen above our plan. This was mostly achieved in terms of revenue, in specific

International Pax was +20 billion above plan, Domestic Pax was  $\nabla$ 10 billion below plan, Cargo/Mail was +10 billion above plan. For costs, although fuel costs were several billion yen above planned, this was offset through the reduction of other costs, and overall costs were as planned.

■ Passenger demand

Q2. How was demand recovery for both international and domestic pax, in terms of passenger types?

A2. For international, although far from full recovery overall, strong recovery was evident for business travelers from Japan. Transit demand for Asia to/from North America was strong. Recovery was also seen for VFR, returnees, and technical intern trainees.

For domestic, although on a steady recovery trend overall, recovery for group travelers was slow compared to individual demand. Also, recovery for demand from regional areas to Tokyo/Osaka was slow.

■ Yield / unit revenue

Q3. How was the yield/unit revenue for domestic and international pax compared to last year?

A3. For domestic, while yield/unit revenue would normally decrease due to recovery of leisure demand and the consequent change in demand structure, we were able to increase these figures through price increases, increased competitiveness through the introduction of A350s in the main routes, and appropriate revenue management.

For international, while yield/unit revenue increased significantly compared to last year due to the weakening of the yen and increases in fuel surcharge, the net unit revenue, after excluding these factors, decreased from last year due to factors such as demand structure.

■ Effects of the recent increase in Covid-19 infections

Q4. Demand for domestic passenger seems to be lower than planned. Are there any large decreases due to the recent surge of domestic infections?

A4. While there are no significant cancellations seen, the increase in reservations is slowing. Thus, we must keep a close eye on the number of infections. When the infection slows down, we are expecting a rapid recovery in demand.

Q5. Are there any supply-side effects in this demand recovery phase due to shortage of workers, as seen in European/American airline companies? Also, are operations being affected by the recent increase in infections?

A5. Contrary to European/American airline companies, we have committed to maintaining our employment during the pandemic, which has enabled us to appropriately increase supply according to the level of demand. Operations are not being affected by the recent increase in infections.

■ Costs

Q6. How were actual fixed costs compared to the plan?

A6. This quarter's actual fixed costs were 120.7 billion yen, which was  $\nabla 2$  billion yen below planned. We have committed to cost efficiency in this supply-increasing phase, and we are steadily controlling our costs toward keeping actual fixed costs within 500 billion yen this fiscal year.