Overall performance for FY2022
Q1. Please explain how this fiscal year’s performance went above the plan (previous performance forecast).
A1. Revenue was about 15 billion yen above the previous performance forecast. Breaking this down, revenue for international pax was 10 billion yen above the plan, and revenue for domestic pax was 5 billion yen above the plan. Passenger number was above the plan for international pax, and revenue per passenger was above the plan for domestic pax which resulted from effective revenue management.

Annual Performance forecast for FY2023
Q2. Please explain why the forecasted profit levels for FY2023 are yet below FY2019 levels.
A2. For international pax, profit levels are strong as the ASK has recovered close to pre-pandemic levels and the yield levels are high. However, the load factor still remains in the 70% range. For domestic pax, capacity has recovered to pre-pandemic levels, but profit levels are lower due to low load factors likewise as international pax. The increase in passenger number will directly contribute to higher profit levels.
For both int’l and domestic pax, increased load factor from demand recovery will bring additional profits.

Q3. Please explain the premises for international pax’s passenger demand and revenue per passenger for FY2023.
A3. Passenger demand for international pax largely depends on the recovery of Chinese routes, which is forecasted to recover starting from around the summer. Revenue per passenger is forecasted to maintain at 160% of pre-pandemic levels due to tight supply-demand resulting from delayed supply recovery of foreign airline companies into Japanese routes.

Q4. Please explain the premises for domestic pax’s revenue per passenger for FY2023.
A4. Revenue per passenger is expected to increase by +4% of pre-pandemic levels due to the 2% price increase conducted in FY2022 as well as effects from revenue management.

Cargo Freighters
Q5. Please explain the advantages of the new business model of cargo freighters when compared to the traditional business model.
A5. Different from traditional cargo freighter business, we will mainly carry freight such as both international and domestic e-commerce or parcels that are rapidly growing and less affected by economic fluctuations. In addition, a business model with low volatility will be realized through strong partnerships with logistics companies and developing a network strategy based on stable demand.

Expenses
Q6. What are the reasons for the increase in personnel expenses and actual fixed costs? Please also explain the mid and long-term plans for personnel expenses.
A6. We consider increases in personnel expenses including salary raises and bonuses as an investment in advance to improve productivity such as encouraging employees to conduct reskilling and taking on new challenges. Going forward, we aim to reduce actual fixed costs and maintain them at a level of 500 billion yen through improved productivity.