

Q&A on the Consolidated Financial Results for FY2025

Date & Time Friday, May 15, 2026, 16:30-17:10

Speakers Taiju Hisai (CEO)
 Haruhiko Sato (CFO)

(Q) Regarding the revision of reporting segments on page 24 of the [FY2025 Consolidated Financial Results Presentation](#), what management challenges led to the organizational changes on April 1?

(A) (CFO Sato)

We implemented three changes, and there was a different reason behind each one.

We renamed “ASEAN” to “Asia & Oceania” to reflect our intention to pursue growth across a broader region, including Australia, where we already have operations, as part of our efforts under the 2028 MTMP.

Regarding China, we have been downscaling the business. From an efficiency perspective, we decided to manage it in an integrated manner with head office accounts.

Lastly, regarding Mobility, while it is still relatively small, its importance has not diminished and is expected to grow. Given the similarities with the Logistics business, we decided to pursue a unified strategy by integrating them into a single segment.

(A) (CEO Hisai)

Under the 2025 MTMP, we advanced our efforts to focus on selected businesses in ASEAN and China to prepare for the next step. As these efforts have largely achieved their intended outcomes, under the 2028 MTMP we have clarified the areas where we will actively pursue growth and others where we will scale back. As a result, while we have primarily operated in four ASEAN countries—Thailand, Indonesia, Malaysia, and Singapore—we have renamed the business to “Asia & Oceania” to reflect our intention to expand our growth focus to include Australia and New Zealand.

As for China, this is as explained earlier by Mr. Sato.

(Q) Given rising fuel costs amid ongoing instability in the Middle East, aviation demand is expected to decline. How do you assess the potential impact of this on the performance of your Aviation segment?

(A) (CFO Sato)

One of the risks to the Aviation segment is a potential decline in demand due to higher fuel costs stemming from recent tensions in the Middle East. That said, looking at the current supply-demand balance, demand continues to be strong, mainly in Asia. Over the long term, passenger demand is expected to double over the next 20 years. Meanwhile, aircraft supply has not yet fully recovered from logistics disruptions following the COVID-19 pandemic, which has kept the market tight. As a result, we expect to continue growing our earnings, supported by higher leasing rates and aircraft selling prices. Under the 2028 MTMP, we believe the Aviation segment will continue to deliver solid growth on an underlying basis, excluding the positive impact of fiscal period changes.

(A) (CEO Hisai)

As many have noted with concern, jet fuel prices have almost doubled, and we anticipate that financially weaker LCCs may face increasingly difficult conditions over time. While the Aviation business is inherently volatile, we believe it will continue to grow in the medium to long term, as mentioned by Mr. Sato. We recognize this high volatility, but we remain committed to the Aviation business over the long term, including investments in aircraft and aircraft engines.

(Q) There was an announcement regarding the issuance of new subordinated (hybrid) bonds to refinance outstanding hybrid bonds. According to the announcement, you plan to use hybrid capital to refinance ¥80 billion out of the ¥110 billion to be redeemed. What is the rationale for not refinancing the remaining ¥30 billion?

(A) (CFO Sato)

We have used hybrid bonds to strengthen our capital base to support our growth strategies, and these hybrid bonds are now approaching their first call date, five years after their issuance. Given their higher financing costs compared with senior bonds, we have carefully considered the refinancing options, taking into account our capital needs under the 2028 MTMP, potential to reduce financing costs, and whether the reissued bonds will be recognized as equity. We have also discussed these points with rating agencies and concluded that reducing the refinancing amount to ¥80 billion would allow the reissued bonds to be recognized as equity while also lowering financing costs. I'm confident that we can readily refinance ¥80 billion under the current market conditions.