



Peach Aviation Limited Business Summary

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✈ Competition Environment in North-East Asia

➤ Competition already exist in the Japanese market between foreign LCC.



Foreign Carrier	Country	Destination in Japan
1. Jeju Air	Korea	Kansai, Chubu, Fukuoka, Kitakyushu
2. Air Busan		Narita, Kansai, Fukuoka
3. Jin Air		Chitose
4. Easter Jet		Narita, Chitose
5. Spring Airlines	China	Ibaraki, Takamatsu, Saga
6. Cebu Pacific	Philippines	Kansai
7. AirAsia X	Malaysia	Haneda, Kansai
8. Jetstar Asia	Singapore	Kansai
9. Jetstar Airways	Australia	Narita, Kansai

✈️ Competition Environment in North-East Asia

- Year 2012 was the “Frist Year for True LCC Establishment” in Japan
- As the first mover in Japan, Peach try to take every advantage to be successful.

- ↔ Peach
- ↔ Air Asia Japan
- ↔ Jet Star Japan



*Flight schedule as of August 17, 2012.

From/To	To/From	Frequency
Kansai	Sapporo (Chitose)	4 round trip/daily
	Fukuoka	3 round trip/daily
	Nagasaki	2 round trip/daily
	Kagoshima	2 round trip/daily
	Seoul (Incheon)	3 round trip/daily
	Hong Kong	1 round trip/daily

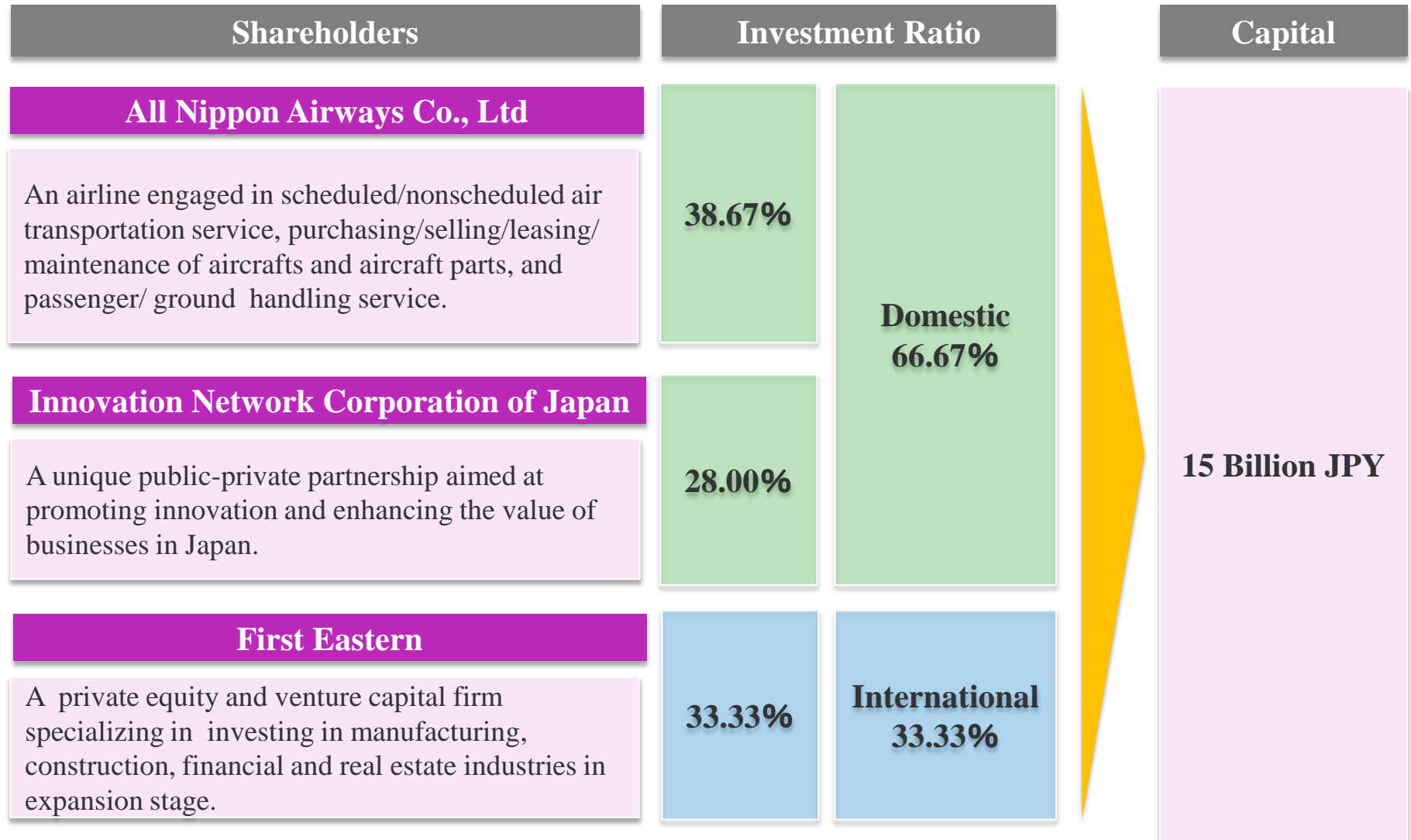
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Narita	Sapporo (Chitose)	3 round trip/daily
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	Kansai	1 round trip/daily

Milestone of Peach Aviation Limited

- 13 months from establishment to inaugural flight.
- Challenge of starting our operation with 2 destinations. (7 round trips/day)
- Rapid expansion in short period. (6 destinations/15 round trips/day in 4 months)

Month/Date/Year	Content
January 16, 2008	Established Corporate Affairs-Asia in ANA
December 1, 2010	Established LCC Joint Venture Project Team in ANA
February 10, 2011	Established A&F Aviation Co., Ltd.
May 24, 2011	Registered new company name “Peach Aviation Ltd.” and Head Office Address.
July 7, 2011	Received Air Operator Certificate (AOC).
March 1, 2012	Launched Osaka (Kansai) - Fukuoka service. <4 round trips/day> Launched Osaka (Kansai) - Sapporo (Chitose) service. <3 round trips/day>
March 25, 2012	Launched Osaka (Kansai) - Nagasaki service. <2 round trips/day>
April 1, 2012	Launched Osaka (Kansai) - Kagoshima service. <2 round trips/day>
May 8, 2012	Launched Osaka (Kansai) - Seoul (Incheon) service. <1 round trips/day>
June 23, 2012	Increased operation frequency of Seoul (Incheon) service. <3 round trips/day>
July 1, 2012	Launched Osaka (Kansai) - Hong Kong service. <1 round trips/day>
October 16, 2012	Planned to launch Osaka (Kansai) - Taipei (Taoyuan) service. <1 round trips/day> *Planned to increase operation frequency to 2 round trips/day from December, 2012.
October 18, 2012	Planned to launch Osaka (Kansai) - Okinawa (Naha) service. <2 round trips/day>



1. The first full LCC in Japan

- Introduce new airline business model based on classic LCC business model.
- Aimed at further expansion of “Total Air Travel Demand” by stimulating new/potential demand by providing overwhelming “Low Price”.
- Achieve “Safe” and “Low Cost” operation by adopting advanced technologies.

2. The first airline to have base in Kansai region

- Dedicated to boost Kansai regional economy by attracting visitors from all over Japan and overseas.

3. Focus on own (Peach style) Business Model

- Create innovative corporate culture by recruiting resources from different backgrounds. (Different business fields / nationalities)
- Independent management from main shareholder ANA (= full service carrier)

✈ Our Base

- Based in Kansai International Airport, located 38 km southeast of center of Osaka.
- Two runways (4,000m/3,500m), 24-hour airport, with 13,500,000 domestic international passengers in 2010.



✈️ Uniqueness of Kansai Region

➤ Kansai is very unique and very different from Tokyo.

Location

1 hour closer to Asia compared with Tokyo.

Kansai Region

Osaka/Kyoto/Nara
Hyogo/Wakayama
/Shiga prefecture

Market/People

- Second largest economic market in Japan with 20 million people.
- GDP in Kansai is approx. 80 trillion JPY, which is close to Korea.
- Different culture (People are very friendly).

Gourmet

Enjoy **“Cheap/Delicious/Big”** typical Osaka food to very fancy cuisine.

Kushikatsu (1USD)



Takoyaki (4USD)



Okonomiyaki (5 USD)



Tourist Attractions

Experience “Historical” and “Modern” Japan in different sites situated very closely.

Universal Studio



City of Kobe



Himeji Castle



Five-story Pagoda



Kinkakuji



➤ Destinations within 4-hour radius from Kansai, considering customer comfort.



Domestic

Route	Inaugural Flight	No. of Flight
Kansai - Fukuoka	Mar. 1, 2012	3 RT /day
Kansai - Sapporo (Chitose)	Mar. 1, 2012	5 RT /day
Kansai - Nagasaki	Mar. 25, 2012	2 RT /day
Kansai - Kagoshima	Apr. 1, 2012	3 RT /day
Kansai - Okinawa (Naha)	Oct 18, 2012	2 RT /day

International

Route	Inaugural Flight	No. of Flight
Kansai - Seoul (Incheon)	May 8, 2012	3 RT /day
Kansai - Hong Kong	Jul. 1, 2012	1 RT /day
Kansai - Taipei (Taoyuan)	Oct. 16, 2012	2 RT /day

New destinations as well as increase in operation frequencies are under consideration.

- Peach cannot compete and succeed only with “Low Price” because of the existence of many legacy carriers (high quality) and LCC.
- Considering “Safe Flight” and “Low Price” are the fundamentals of an airline and LCC, Peach distinguish itself by adding “Japanese Standard of Service” as its value.

Our Value 1

“Safe Flight”

- Establish company culture that is committed to safe operation
- Establish structure/mechanism that will guarantee operation safety

Our Value 2

“Low Price”

- Introducing paid service
- Simplifying sales channel
- Introducing simple turn-around operation
- Manualize handling procedure
- Increasing operation frequency

Our Vision

“Become a Bridge between Japan and Asia as Japanese Brand LCC”

Our Value 3

“Japanese Standard Quality of Service”

- Establish LCC Service that will be accepted in Japanese market by using ANA know-how

1. Developing Safety Promotion Structure

- Established “Safety Promotion Structure” right after receiving Air Operator Certificate (AOC) on July 7, 2011. First “Safety Education” conducted on July 11, 2011*

2. Implementing Brand-New Aircraft

- A320 family aircraft is the best seller with comfort, economic efficiency, and reliability.
- Over 8,000 A320 family were ordered worldwide and operated by both legacy and LCC.
- Lease A320 “brand-new” aircraft and renew contract every certain years to maintain “Aircraft Average Age” low.

3. Receiving ANA’s Support for Safe Operation

- Supported by ANA’s technical skills, experience and know-how that ANA has accumulated for decades, while maintaining managerial independence.

✈ Value 2: Low Price

- Peach try our best to save cost in many ways while maintaining high level of safety.
- Peach provide 2 different fare types called “Happy Peach” and “Happy Peach Plus”.

Our basic fare for the best value

Happy Peach

What do you get?

- 10kg Carry-on Baggage
- Optional services such as heavy baggage and seat selection available for a fee

Recommended for

- ✓ Budget travelers who want to keep their air fares as low as possible
- ✓ Those who can not change travel dates
- ✓ Those who want to customize optional services by themselves

The bundle, flexible fare

Happy Peach Plus

What do you get?

- 10kg Carry-on Baggage
- One Free Checked Bag!*¹
- FREE Seat Selection*²
- Unlimited Changes via our website*³

Recommended for

- ✓ Those who want to enjoy flexible travel with no time restrictions
- ✓ Family and groups traveling with checked baggages and need seat selection to sit together
- ✓ Business travelers with highly changeable schedule

*1 Excess baggage fee for sports equipment and heavy baggage apply

*2 Only standard seat

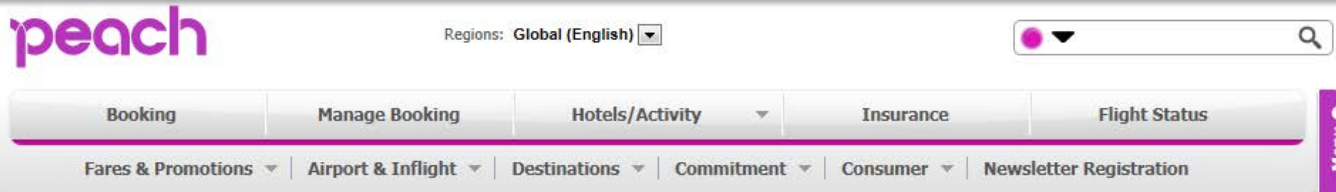
*3 Extra charge for making change via Contact Center or at Airport Counter

✈ Value 2: Low Price

	Happy Peach	Happy Peach Plus
Baggage		
Carry-on Baggage	Free	Free
Checked-in Baggage	Charged	One Free Checked Bag* ¹
Seat Selection		
Standard Seat	Charged	Free
Stretch Seat	Charged	Charged
Change, Cancel and Refund		
Time/Date Change	Charged	Free* ²
Cancel	Charged 100% of total payment	Charged the value of the fare minus the cancellation fee will be refunded as Peach Points* ³
Refundable	×	×
Sales Period		
Ticket sold by* ⁴	9:00 AM (JST) at least 2 days before boarding date	1 hour before departure

✈ Value 2: Low Price

➤ Peach also provide unique promotional fares to create new demand.



Book

Round trip
 One way

From:

To:

Departing on:

Returning on:

Adult 1
 Child
 Infant



Sales Aug 7, 14:00 (JST) - Aug 31, 13:59 (JST)

Travel Aug 20, 2012- Mar 13, 2013

(Blackout: Sep 15-17, Sep 29 - Oct 03, Oct 6-8, Nov 23-25, Dec 15 - Jan 6, Jan 12-14, Feb 8-12)

[Example] If the fare is 5,280JPY/one-way for Osaka (Kansai) to Seoul (Incheon). (The lowest fare from July)

Traveler	Regular fare (total)	Happy party fare (total)
1 Traveler	5,280JPY	5,280JPY
2 Traveler	10,560JPY	10,560JPY
3 Traveler	15,840JPY	30% off 11,100 JPY (2,520JPY/per person) Save 4,740 JPY
4 Traveler	21,120JPY	30% off 14,800 JPY (2,520JPY/per person) Save 6,320 JPY
5 Traveler	25,400JPY	30% off 18,500 JPY (2,520JPY/per person) Save 7,900 JPY

✈ Value 2: Low Price



Fall & Winter Peachy Sale

Osaka(Kansai)=Seoul(Incheon) **4,480JPY** (one-way)

Osaka(Kansai)=Hong Kong **7,480JPY** (one-way)

Osaka(Kansai)=Taipei(Taoyuan) **6,480JPY** (one-way)
Flights start from Oct 16

No Fuel Surcharge

Sales: Aug 24, 14:00-Sep 4, 13:59

Travel: Sep 10-Dec 20, Jan 7-Jan 31, 2013

[Click here](#)

Fares quoted are one-way "Happy Peach Promo" fare. A fuel surcharge will not be charged. Payment fee of 210 yen and passenger service facility charges will apply per person, per one-way trip. Checked baggage and seat selection charges apply. Booking fee applies when making a



One day trip

Why don't you take a day trip to Osaka=Nagasaki? (plus limited Fukuoka flights) New promotion has been started!



Osaka(Kansai)=Seoul(Incheon)
Happy Peach
5,280JPY~



Osaka(Kansai)=Hong Kong
Happy Peach
8,880JPY~



Osaka(Kansai)=Taipei (Taoyuan)
Happy Peach
7,080JPY~

Peach defines “Japan Quality” as:

1. Japan’s leading sense of beauty “Cute &Cool”

Expressed it through aircraft design/CA Uniform design.

2. Reliability as Japanese Airline

Expressed it through our continuous effort for “Safety”.

3. Japanese Hospitality

Expressed it through our service provided on ground and in a cabin.

4. Bright and Clean

Expressed it through our ground/cabin staff by keeping places clean.

5. Kansai’s Sense of Humor

Expressed it through our commercial and cabin announcement.

✈ Aircrafts

- Aircrafts are all “Brand New” and “Leased” A320-200 with 180 seats.
- We will have 10 aircrafts by the end of 2nd quarter of 2013.
- Further fleet expansion is under consideration.

Aircraft

Type of Aircraft	Number of Seats	Number of Aircraft
A320-200	180 Seats	10 Aircrafts



Cabin Interior

peach



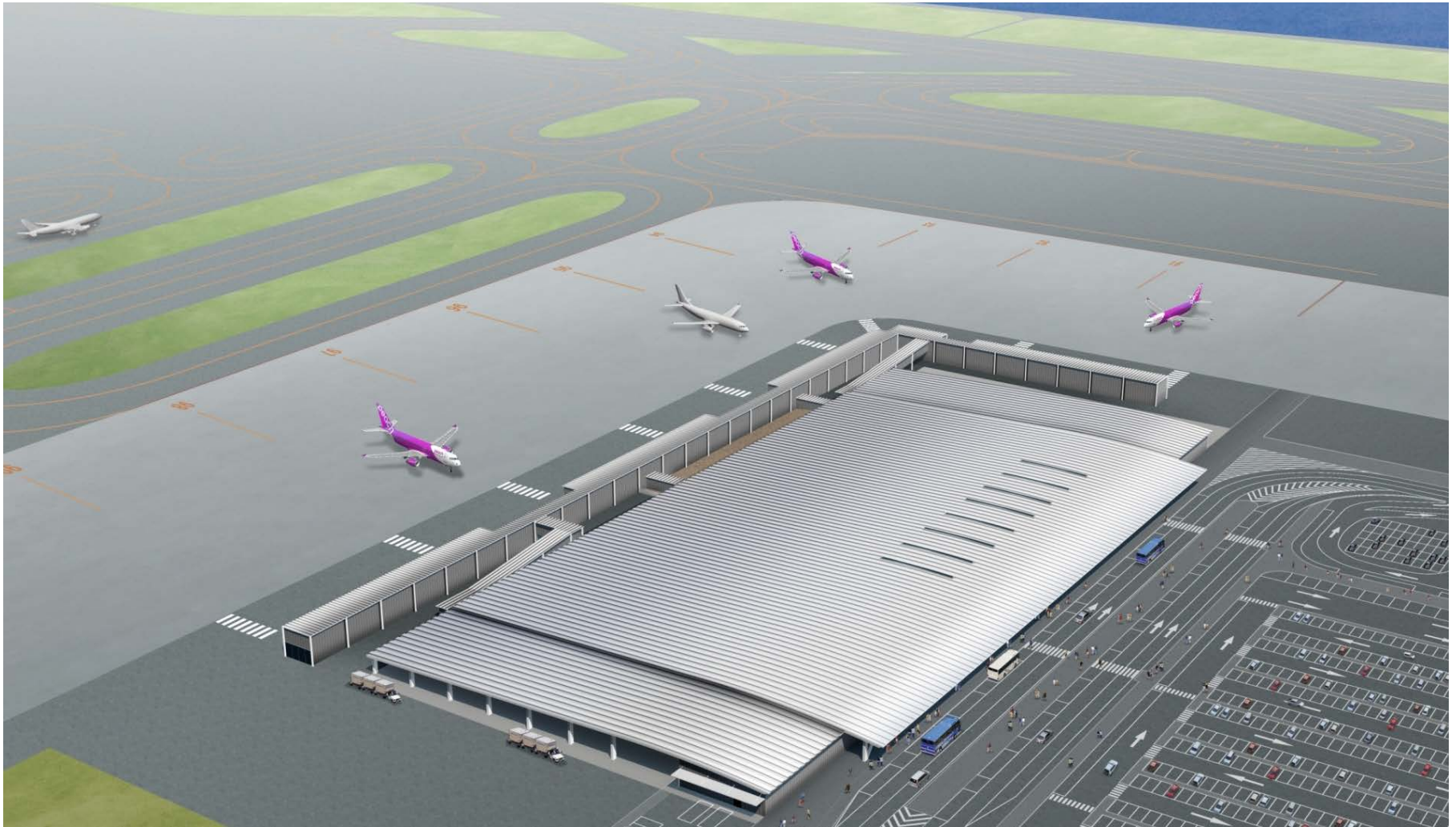
✈ Cabin Attendant Uniform

- Uniform reflects Japan's leading sense of beauty "Cute & Cool".
- Receiving high compliment from media as well as passengers.



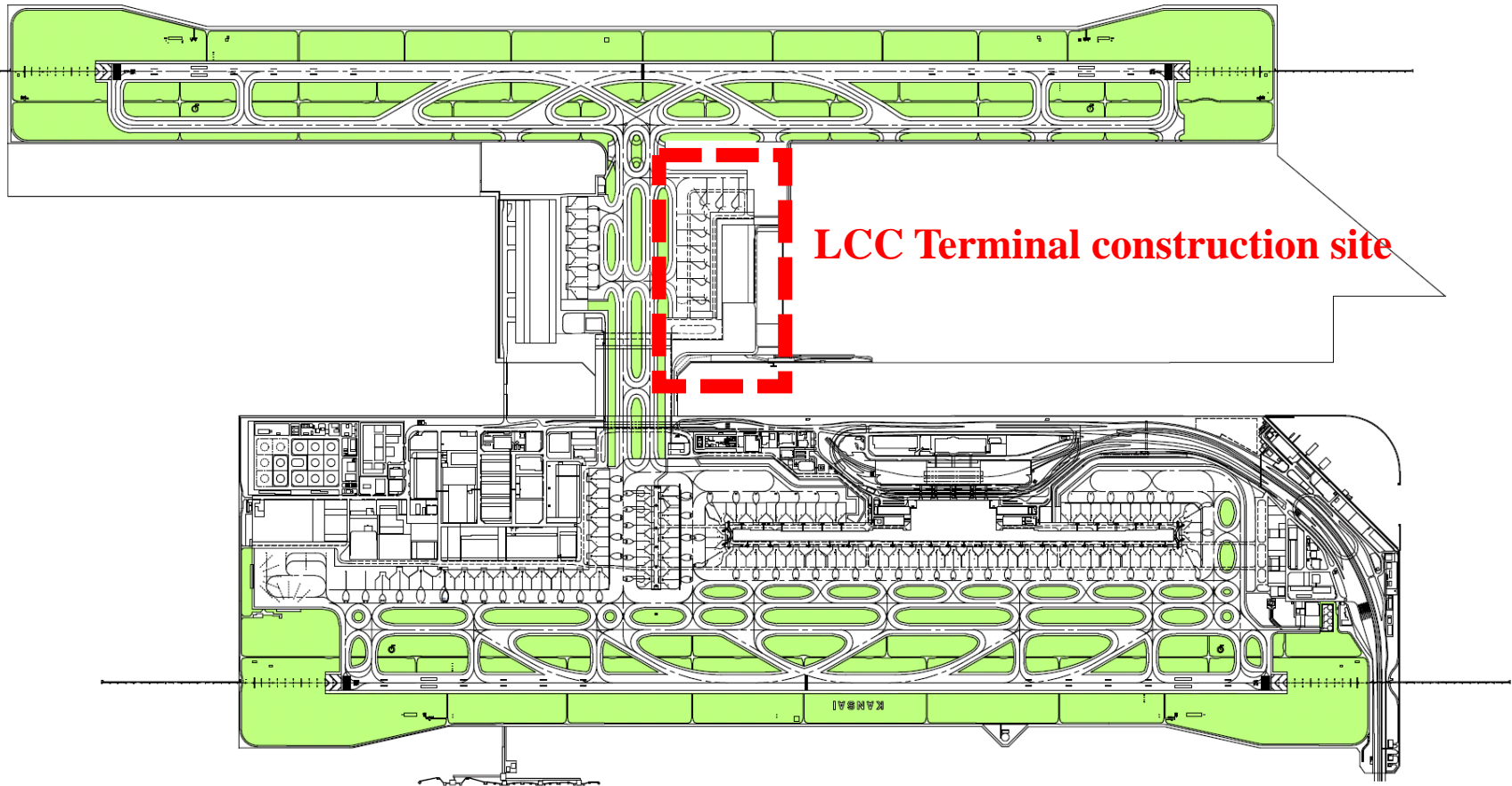
✈ LCC Terminal in Kansai Int'l Airport

- Peach started both domestic and international services from new Terminal 2.



✈ LCC Terminal in Kansai Int'l Airport

- LCC Terminal (Terminal 2) is located between the 2 islands.
- Opened on October 28, 2012.



✈️ New Facility in Kansai Int'l Airport

International Departure Waiting Area



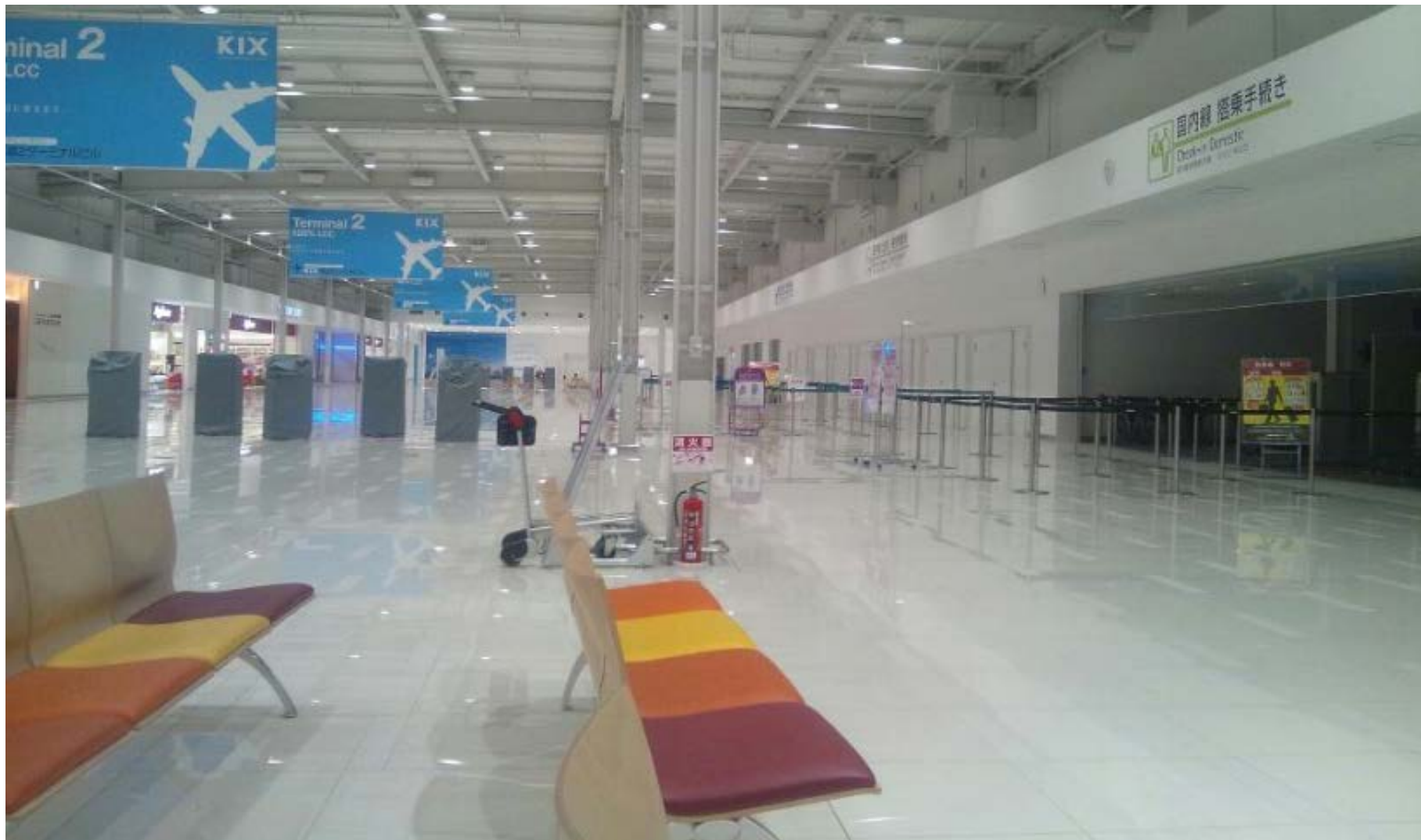
✈️ New Facility in Kansai Int'l Airport

Departure Swing Waiting Area



✈️ New Facility in Kansai Int'l Airport

Domestic Departure/Arrival Lobby





Thank you for your attention