

30 MAY, 2019
AIRDO Co., Ltd

Announcement of 「AIRDO Medium-term Corporate Strategy FY2019~2023」

~We will try for reforms in order to make impressions exceeding customers' expectations~

We would like to announce here the newly formulated Medium-term Corporate Strategy FY2019-2023 (hereinafter "Medium-term Corporate Strategy") of AIRDO Co., Ltd.

Since foundation, our company has been supported and developed by Hokkaido as "Wings of Hokkaido" and could celebrate 20-year anniversary of its going into service in FY2018. As a Hokkaido-based airline, based on the desire to convey the attractiveness of Hokkaido to as many customers as possible, we have set up 『AIRDO will try for reforms in order to make impressions exceeding customers' expectations as the Wings of Hokkaido.』 as our management vision during the period of the Medium-term Corporate Strategy. In FY2019-2023, under the medium-term management vision, we will aim for sustainable and stable growth by promoting initiatives focused on key strategies.



■ Priority Strategy and Point of Strategy

With the "Human Resources Strategy" and "Aircraft Strategy" set as the top priority tasks to developing infrastructures accommodating a new business structure. In addition, identifying this period as an opportunity to try for reforms with a view to progressive growth, we will enforce a "Functional Strategy" and a "Product Strategy" with a view to the upcoming future, unlocking the new two decades.



- Securing and training, developing human resources.
- Create a corporate culture that promote new challenge.



- Review of business, selection and concentration.
- Collaboration with other companies and local governments.
- Introduce new technology.



- Aircraft fleet plan.
- Product quality improvement.



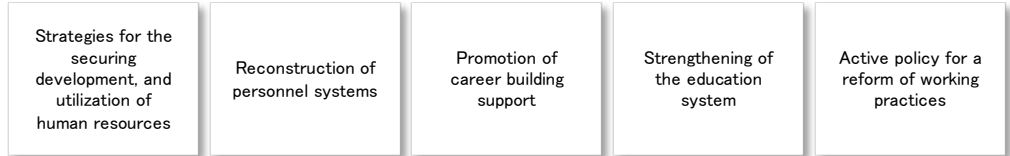
- Securing Competitiveness.
- Provide seamless service.

■ Overview

● Human Resource Strategy (Human Resource)



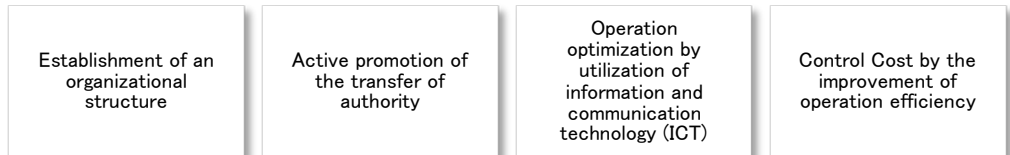
Development and utilization of human resources in a strategic manner, we will strengthen each employee's autonomy and independence, unlock their potential, and aim to improve employees' motivation and develop a feeling of belonging, thereby building a vibrant corporate culture to promote a change to a corporate culture.



● Human Resource Strategy (Organization)



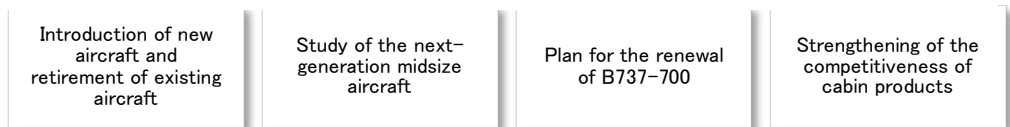
We will optimize operation processes on a company-wide basis to make effective use of human resources, thereby building a robust organization management system.



● Aircraft Strategy (Aircraft)



We will introduce new aircraft in line with the partial retirement of the Boeing 767 aircraft by the end of the final year. In addition, we will conduct a study of the next-generation midsize aircraft and a study on the renewal of B737-700, aim to improve the quality of cabin products of the existing aircraft, and strengthen competitiveness.



● Functional Strategy (Business Reform)



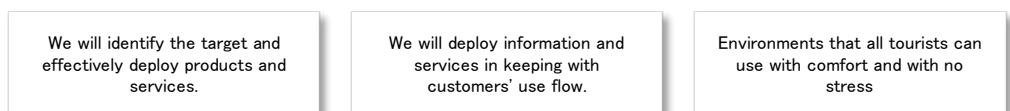
We will review the existing operation processes, etc., select and centralize operations, and increase the ratio of value-added operations. In addition, we will cooperate or collaborate with other companies and actively utilize leading-edge technologies (information technologies), thereby improving operation efficiency.



● Product Strategy (Product・Service)



To increase the number of My AIRDO members (Target 1 million people) for recognition improvement and development of future customers, and effectively deploy products and services. We make environments that all tourists can use with comfort and with no stress and deploy information and services in keeping with customers' use flow.



● Safety



Through the raising of safety consciousness and the invigoration of preventive activities, we will build a corporate culture that allows for an appropriate response to environmental changes and that allows employees or organizations to think by themselves and cooperate with each other while giving first priority to safety.

● Corporate Brand



We will aim of becoming a company that value the satisfaction of both custoers and employees, and establish a “Consistent Corporate Brand”basedon the corporate image we have cultivated to date.

● Corporate Social Responsibility



As the Wings of Hokkaido, we will promote a variety of initiatives in collaboration with local communities in keeping with changes of the times in order to develop human resources who will bear the future of Hokkaido and pass affluent nature down the generations.

● Network



We will effectively utilize production resources to improve profitability, as well as explore the fitness of aircraft for routes、and set extra flights, provide charter flights including international flights, and conduct a study on the reinstatement or new establishment of flights on domestic routes.

● Quality Improvement Targets



Build up cross-sectoral efforts, thereby pursuing customers’ reassurance and convenience from a perspective of operation (on-time operation, customer satisfaction) as well, strengthen the foundation for making impressions exceeding customers’expectations.

● Business Targets



Cost optimization through operation efficiency improvement, and In addition, we will plan to gain such income as to make it possible to realize a cost structure for the preparedness for an unrestrained cost increase due to external factors such as fluctuations in aviation fuel cost, stable income earning, and strategic investments in aircraft, etc., and formulate income and expenditure plans.

Image of Plan (Reference)

