April 30, 2020

Dear Shareholders,

I would like to express my sincere gratitude for your continued support of the JAL Group.

Today, we regretfully announce the board’s decision in which year-end dividends will not be paid to our shareholders for fiscal year 2019. (Ending March 31, 2020) In addition, due to unforeseeable circumstances, it is quite difficult to present the financial and dividend forecast for fiscal year 2020. (Ending March 31, 2021) As a result, forecasts will remain as undetermined for the immediate future. On behalf of the board, I take this announcement very seriously and would like to express my sincere apologies to each one of you.

In the airline industry, there are many risks involved, including terrorism, regional conflicts or pandemics, that significantly impact our business performance. In order to become risk-resistant, we strived to build a firm financial structure, while increasing capital efficiency to enhance shareholder return.

However, the coronavirus pandemic has severely restricted international travel on a global scale and has subsequently impacted the Japan domestic market as well. The impact of the coronavirus is much more than we have ever experienced and the estimated financial impact is severe, to say the least.

Under these circumstances, in order to maintain a safe and secure environment for our customers and employees, we have adopted a wide range of actions to prevent the spread of the virus. Key initiatives include; mandating cabin crew to wear face masks and gloves during service and disinfecting the aircraft to maintain the cabin’s air purity levels. Also, in order to fulfill our responsibilities as a public transportation operator, we will continue to provide services for those in need of travel, as well as providing logistics to transport medical supplies where support is needed the most. This is our social mission.

If the coronavirus continues to prevail, our business would be severely affected. Therefore, we will prioritize securing liquidity at hand, assuming this fight would not end soon. However, when the fight ends, our business structure will not fundamentally change. We will become a profitable company again, thus our shareholder return policy will remain unchanged. At the time when our performance is determined to go back on its track, we will realize stable and continuous shareholder return again.

This coronavirus may change the perception of what society used to call the norm, however, I strongly believe that the importance of face to face interactions in business and the need for
logistics will continue to stay intact. We will endure this extraordinary circumstance together and once the fight with this pandemic ends; we will connect Japan and the world together once again.

Yuji Akasaka
Representative Director, President