

**[REFERENCE TRANSLATION]**

Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

**Consolidated Financial Results for the Three Months Ended June 30, 2020[IFRS]**

**Company name** Japan Airlines Co., Ltd August 3, 2020  
**Stock Listing** Tokyo Stock Exchange  
**Code No.** 9201 **URL:** <http://www.jal.com>  
**Representative** Yuji Akasaka, President  
**Contact** Yuichiro Kito, General Manager, Finance **Phone:** +81-3-5460-3121  
 Scheduled date for filing of Quarterly Report: August 4, 2020  
 Scheduled date for dividend payment: Not Applicable  
 Supplementary explanations of the quarterly financial results: Yes  
 Presentation for the quarterly financial results: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen unless otherwise indicated)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2020(April 1, 2020 to June 30, 2020)**
**(1) Consolidated Operating Results (Cumulative)**

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax (Loss in brackets)		Profit before tax (Loss in brackets)		Profit attributable to owners of parent (Loss in brackets)		Comprehensive income (Loss in brackets)	
	Millions of Yen	% (78.1)	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2020	76,391		(131,010)	—	(134,333)	—	(93,707)	—	(81,159)	—
Three months ended June 30, 2019	348,808	—	19,961	—	20,028	—	12,958	—	9,700	—

	Basic earnings per share (Loss in brackets)	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(278.06)	—
Three months ended June 30, 2019	37.23	—

(Note) Profit before financing and income tax represents as index to monitor, compare and evaluate the JAL Group's performance continuously. Profit before financing and income tax is Profit from which Income tax expense, Interest, and Finance income and expense are deducted.

**(2) Consolidated Financial Position**

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent
	Millions of Yen	Millions of Yen	Millions of Yen		Yen
As of June 30, 2020	2,037,366	968,408	934,488	45.9	2,772.90
As of March 31, 2020	1,982,254	1,049,617	1,014,295	51.2	3,009.71

**2. Dividends**

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2020	—	55.00	—	0.00	55.00
Year Ending March 31, 2021	—	—	—	—	—
Year Ending March 31, 2021 (Forecast)	—	0.00	—	—	—

Note: Revisions to the most recently disclosed dividends forecast: Yes

Note: No interim dividends per share are paid for the fiscal year ending March 2021, considering the spread of COVID-19.

For the forecast of dividends per share for the fiscal year ending March 2021, it remains undetermined at this moment.

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2021

Note: Revisions to the most recently disclosed earnings forecast: No

The consolidated financial earnings results forecast for the fiscal year ending March 31, 2021 cannot be provided due to the difficulty of reasonably & accurately estimating the figures. Please refer to “1. Qualitative Information concerning Financial Results for the First Quarter of FY2020 (3) Explanations of Forecast of Consolidated Financial Results” in the Attachment for the assumptions used and other notes.

The consolidated financial earnings forecast will be disclosed immediately when the business environments becomes foreseeable to a certain extent.

#### Notes

- (1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2020: None
- (2) Changes in accounting policies / changes in accounting estimates
  - 1) Changes in accounting policies due to revisions in accounting standards under IFRS: None
  - 2) Changes in accounting policies other than 1): None
  - 3) Changes in accounting estimates: None
- (3) Number of shares issued (common stock)
  - (a) Total number of shares issued at the end of the period (including treasury shares)  
As of June 30, 2020 : 337,143,500  
As of March 31, 2020 : 337,143,500
  - (b) Number of treasury shares at the end of the period  
As of June 30, 2020 : 136,157  
As of March 31, 2020 : 136,157
  - (c) Average number of shares outstanding  
During the three months ended June 30, 2020 : 337,007,343  
During the three months ended June 30, 2019 : 348,025,693

#### Indication of quarterly review procedure implementation status

This document is unaudited by certificated public accountants or audit firms.

#### Explanation for appropriate use of forecasts and other notes

Remarks on the description on future forecast

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to the Company and certain assumptions which are regarded as legitimate. However it does not mean that we guarantee its achievement. Actual results may differ from such forward-looking statements for a variety of reasons.

(Adoption of International Financial Reporting Standards (IFRS))

IFRS is applied from the fiscal year ending March 31, 2021, instead of the Japanese standard. Accordingly, the figures in the previous cumulative quarterly consolidated fiscal year and the previous consolidated fiscal year are also calculated in IFRS as well for comparison analysis.

\* The Company holds a presentation for institutional investors and analysts on August 3, 2020. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

# Attachment

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# 1. Qualitative Information concerning Financial Results for the First Quarter of FY 2020

## (1) Explanation of Operating Results

The revenue decreased by 78.1% year on year to 76.3 billion yen, the operating expense decreased by 37.8% year on year to 205.8 billion yen, the loss before financing and income tax (hereinafter referred as “EBIT”) was 131 billion yen (EBIT 19.9 billion yen in the same period in the previous year). The loss attributable to owners of the parent for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020 hereinafter referred as the “First Quarter Period”) was 93.7 billion yen (the profit attributable to owners of the parent 12.9 billion yen in the same period in the previous year).

Consolidated financial results are as follows.

(JPY Bn)	Three months ended June 30, 2019	Three months ended June 30, 2020	% or points compared to prior period
Revenue	348.8	76.3	21.9%
International Passenger	130.6	2.7	2.1%
Domestic Passenger	127.1	18.9	14.9%
Cargo / Mail	22.7	26.5	116.9%
Other	68.3	28.1	41.2%
Operating Expense	330.9	205.8	62.2%
Fuel	63.6	19.4	30.5%
Excluding Fuel	267.2	186.3	69.8%
Profit or loss before financing and income tax (EBIT) (Loss in brackets)	19.9	(131)	—
EBIT Margin (%)	5.7	(171.5)	(177.2)
Profit or loss attributable to owners of the parent (Loss in brackets)	12.9	(93.7)	—

Note: Figures have been truncated and percentages are rounded off to the first decimal place.

※: Profit before financing and income tax is defined as EBIT for the JAL Group. EBIT is calculated as Profit excluding Income tax expense, Interest, and Finance income and expense.

※: EBIT Margin=EBIT/ Revenue.

The world and Japanese economy have rapidly declined since January 2020 with the spread of COVID-19 and have stagnated globally in the First Quarter period of FY2020. The airline industry has been unprecedentedly affected to fall into very difficult circumstances. The worldwide spread of COVID-19 infection has imposed severe restriction on international travel globally, causing the international passenger demand to almost disappear. Upon the declaration of the State of Emergency on April 7 in Japan, the domestic passenger demand also fell rapidly and unprecedentedly as inter-prefecture travel was strongly discouraged by the government.

In some countries and areas, the spread of COVID-19 infection has weakened, however, many countries and areas still show no sign of slowing down of the spread, which makes the recovery of international passenger demand unforeseeable. On the other hand, after inter-prefecture domestic travel was allowed in Japan from June 19, the domestic passenger demand has been gradually recovering. The Japanese society is still struggling to find how to resume economic activities with infection prevention measures, thus it is expected to take more time for the domestic passenger demand to make a full recovery.

Amid this business environment, securing safety for our passengers and employees as the first priority, the JAL group has been seeking to fulfill its responsibilities as public transportation operator by sustaining domestic air transport network for passengers who needs to travel. Also, it operated chartered rescue flights between Thailand, India, Russia, the United States, China and Japan for those who wanted to return to their homelands. To ensure safety and security, the JAL group has implemented hygiene measures such as asking for cooperation from passengers to take temperature check before boarding and to keep social distances, regular and frequent disinfecting of airport facilities and aircrafts, and wearing face masks and face guards to prevent infection.

To this rapidly-decreasing demand, we are making continuous efforts of reducing our capacity to minimize our operating cost, together with fixed cost restructuring by in-sourcing operations instead of outsourcing, reducing IT expenditure and reducing personnel cost including bonus cut. The cost reduction targets that we have disclosed earlier are most likely to be achieved, hence, we will make a further cost reduction to cover the effect on our performance of slow demand recovery. For cargo operation, most of airlines reduced their cargo capacity by cancellation of flights and the demand-supply situation became tightened. In such circumstances, the JAL Group has been striving to support logistics domestically and globally by operating passenger aircraft for cargo flights to carry medical supplies such as medical masks or protective clothing. As the passenger and

flight number decreases, the workload of employees that are closely related to flight operation also decreases. The JAL Group uses this occasion for further growth, once COVID-19 infection ends, by reviewing operation manuals or enhancing training to improve each employee's ability.

In the current unprecedented situation, the Japanese government assists the airline industry with public support including deferral or exemption of landing fees and jet fuel tax. We would like to show our sincere gratitude for the support.

We will ensure flight safety and prevention of further spread of COVID-19. With those supports, we will pursue further cost reduction and then survive this hardship and prepare for recovery.

The JAL group will continue to reduce operating costs and to increase its revenue as much as possible with keeping a close eye on the passenger travel demand, considering the spread of COVID-19 in Japan and the world, and the outlook of the world and Japanese economy.

As a result of the above, the available seat kilometers (ASK) for International Passenger Business in the first quarter decreased by 91.7% year over year, its passenger traffic decreased by 98.6% year over year, its revenue passenger kilometers (RPK) decreased by 98.3% year over year, and the load factor decreased to 17.5%. Likewise, the available seat kilometers (ASK) for Domestic Passenger Business decreased by 64.2% year over year, its passenger traffic decreased by 86.7% year over year, its revenue passenger kilometers (RPK) decreased by 86.9% year over year, and the load factor decreased to 28.3%.

Financial results for each segment are as follows.

### **Air Transportation Segment**

In the first quarter period, Revenue in Air Transportation Segment decreased by 77.9% year on year to 70.2 billion yen and the loss before investing, financing and income tax (hereinafter referred as "Segment profit (or loss)") was 130.7 billion yen (segment profit 16.8 billion yen in the same period in the previous year).

(Revenue and Segment profit (or loss) are before elimination of transactions between segments.)

The international passenger revenue was 2.7 billion yen, or down 97.9 % year over year.

The domestic passenger revenue was 18.9 billion yen, or down 85.1 % year over year.

The cargo and mail revenue was 26.5 billion yen, or up 16.9 % year over year.

## Consolidated Traffic Results

	Three months ended June 30, 2019	Three months ended June 30, 2020	% or points compared to prior period
<b>INTERNATIONAL</b>			
Revenue passengers carried (number of passengers)	2,429,153	33,875	1.4%
Revenue passenger km (1,000 passenger-km)	12,016,489	198,894	1.7%
Available seat km (thousands)	13,767,453	1,138,551	8.3%
Revenue passenger-load factor (%)	87.3	17.5	(69.8)
Revenue cargo ton-km (thousands)	589,970	350,745	59.5%
Mail ton-km (thousands)	40,033	30,823	77.0%
<b>DOMESTIC</b>			
Revenue passengers carried (number of passengers)	9,272,838	1,231,323	13.3%
Revenue passenger-km (1,000 passenger-km)	6,973,321	911,954	13.1%
Available seat km (thousands)	9,022,198	3,227,571	35.8%
Revenue passenger-load factor (%)	77.3	28.3	(49.0)
Revenue cargo ton-km (thousands)	80,716	54,026	66.9%
Mail ton-km (thousands)	6,300	4,612	73.2%
<b>TOTAL</b>			
Revenue passengers carried (number of passengers)	11,701,991	1,265,198	10.8%
Revenue passenger-km (1,000 passenger-km)	18,989,811	1,110,849	5.8%
Available seat km (thousands)	22,789,651	4,366,123	19.2%
Revenue passenger-load factor (%)	83.3	25.4	(57.9)
Revenue cargo ton-km (thousands)	670,687	404,772	60.4%
Mail ton km (thousands)	46,333	35,436	76.5%

- Revenue Passenger Kilometers (RPK) is the number of fare-paying passengers multiplied by the distance flown (km).  
Available Seat Kilometers (ASK) is the number of available seats multiplied by the distance flown (km).  
Revenue Cargo Ton Kilometers (RCTK) is the amount of cargo (ton) transported multiplied by the distance flown (km).
- The distance flown between two points, used for calculations of RPK, ASK and RCTK above is based on the great-circle distance and according to statistical data from IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization).
- International operations: Japan Airlines Co., Ltd.,  
Domestic operations: Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., J-Air Co., Ltd.,  
Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd.,
- Figures have been truncated and percentages are rounded off to the first decimal place.
- From FY2020, upon the application of IFRS, passengers flying with mileage award tickets are included as fare-paying passengers, and those passengers are included in Revenue passenger carried, Revenue passenger km and Revenue passenger-load factor. These changes are reflected in the corresponding figures in FY2019.
- For International Revenue passenger carried and International Revenue passenger km, Japan Airline's sales with codeshare flights operated by oneworld alliance member carriers except joint venture partners is excluded from FY2020. This change is also reflected in the corresponding figures in FY2019.

## **(2) Explanation of Financial Position (Assets, liabilities and net asset)**

The assets in first quarter period increased by 55.1 billion yen from the end of the previous consolidated fiscal year to 2 trillion and 37.3 billion yen. Out of the current assets, Cash and Cash equivalents increased by 65.1 billion yen due to swift capital-raising to the total of 394.3 billion yen. Trade and other receivables decreased by 19.5 billion yen due to the decrease of International Passenger Revenue. Then, Current assets increased by 41.8 billion yen from the end of the previous consolidated fiscal year to 550.2 billion yen. Non-current assets increased by 13.2 billion yen through the increase of Deferred tax assets to 1 trillion and 487.1 billion yen.

The liabilities increased by 136.3 billion yen from the end of the previous consolidated fiscal year to 1 trillion and 68.9 billion yen due to the capital raising of approximately 230 billion yen to ensure enough liquidity at hand.

The equity decreased by 81.2 billion yen from the end of the previous consolidated fiscal year to 968.4 billion yen, as a result of loss attributable to owner of the parent of 93.7 billion yen.

The JAL Group has taken steps to raise capital backed by its strong financial position, and has borrowed, as of date, an additional approximately 300 billion yen from financial institutions since February 2020 when the spread of COVID-19 became apparent, in several countries. We have also secured a 200 billion yen credit line that remains unused as of today. As result, we have flexibly raised capital totaling approximately 500 billion yen since February 2020 and will have necessary liquidity at hand for the time being.

We will continue to make every effort to secure liquidity at hand and promptly implement financial policies that contribute to the stabilization of management.

### **(Outline of Cash Flows)**

Cash and cash equivalents at end of first quarter period increased by 65.1 billion yen from the end of the previous consolidated fiscal year to 394.3 billion yen.

#### **① Cash Flows from Operating Activities**

As a total of quarterly loss before tax of 134.3 billion yen, non-cash expenses like depreciation, retirement benefit liability, and Trade and other payables and receivables, cash flow from operating activities (outflow) was 130.2 billion yen (cash inflow of 56.6 billion yen in the same period of the previous year).

#### **② Cash Flows from Investing Activities**

Cash flow from investing activities (outflow) was 25.1 billion yen mainly due to acquisition of Fixed assets (cash outflow of 49.4 billion yen in the same period of the previous year).

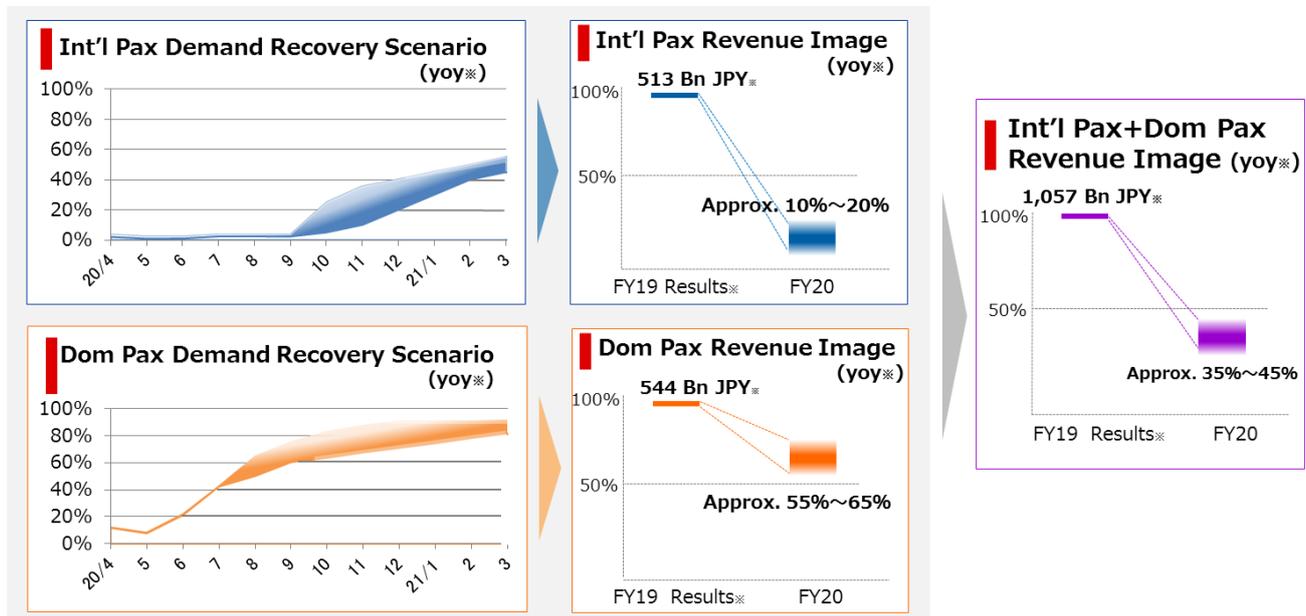
#### **③ Cash Flows from Financing Activities**

Cash flow from financing activities (inflow) was 220.4 billion yen mainly due to long term debts (cash outflow of 37.1 billion yen in the same period of the previous year).

### (3) Explanations of Forecast of Consolidated Financial Results

At present, it is difficult to disclose a forecast of consolidated earnings for the fiscal year ending March 2021, because these figures may significantly fluctuate depending on circumstances when the negative impacts of COVID-19 are settled and international and domestic passenger demand recover.

However, we would like to show the following simulation to present what extent International Passenger Revenue and Domestic Passenger Revenue would change in certain scenarios of different passenger demand recovery trends as a year-on-year analysis. We applied certain assumptions in calculating the values, using the percentage figures of FY2019 financial results (※).



The demand recover trend is not clear enough for us to express our estimate yet, but based on the above assumptions, the total revenue of both International Passenger and Domestic Passenger might decline to an around 35%~45% level year on year in FY2020 (※). Taking into account the other revenue and further cost reduction including fixed costs, profit, as EBIT basis, might also decline by approximately 50% of the revenue decline.

Note: Even if the assumptions do not change, passenger revenues may not end at figures indicated in the above table.

※: FY2019 Results is the revised forecast that was disclosed at FY2019Q3 Financial Results disclosed on Jan. 31, 2020

The consolidated financial earnings forecast will be disclosed immediately when the business environments becomes foreseeable to a certain extent.

### (4) Dividends

Due to the spread of COVID-19 since February 2020, the airline industry including the JAL Group has been severely affected. As a result, EBIT decreased to loss of 131 billion yen. Yet, it is unclear when the COVID-19 spread would abate and diminish.

Considering the above, we determined to pursue liquidity at hand as our first priority. Therefore, we regret that we have determined not to pay interim dividends. We sincerely apologize to our shareholders and investors and would like to ask for their understanding amid the very difficult situation that we are currently in.

For the forecast of the year-end dividends per share and the total dividends per share for the fiscal year ending March 2021, it will be undetermined because the impact of the new coronavirus on JAL's performance is not foreseeable at this moment.

## 2. Condensed quarterly consolidated financial statement and primary notes

### (1) Condensed quarterly consolidated statement of financial position

	The date of transition to IFRS (April 1,2019)	As of March 31, 2020	As of June 30, 2020
	Millions of yen	Millions of yen	Millions of yen
Assets			
Current assets			
Cash and cash equivalents	522,064	329,149	394,315
Trade and other receivables	144,053	94,071	74,559
Other financial assets	5,067	1,305	1,720
Inventories	23,682	28,409	27,889
Other current assets	46,442	55,500	51,773
Total current assets	<u>741,309</u>	<u>508,435</u>	<u>550,258</u>
Non-current assets			
Tangible fixed assets			
Flight equipment	795,439	894,835	880,893
Advances on flight equipment	138,569	102,519	95,392
Other tangible fixed assets	77,495	86,462	84,752
Total tangible fixed assets	<u>1,011,504</u>	<u>1,083,817</u>	<u>1,061,038</u>
Intangible assets	92,255	95,777	94,582
Investments accounted for using equity method	31,697	31,105	27,151
Other financial assets	119,515	120,218	126,810
Deferred tax assets	143,422	122,323	157,362
Retirement benefit asset	1,178	938	984
Other non-current assets	12,765	19,638	19,178
Total non-current assets	<u>1,412,338</u>	<u>1,473,819</u>	<u>1,487,107</u>
Total assets	<u><u>2,153,648</u></u>	<u><u>1,982,254</u></u>	<u><u>2,037,366</u></u>

	The date of transition to IFRS (April 1,2019)	As of March 31, 2020	As of June 30, 2020
	Millions of yen	Millions of yen	Millions of yen
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	137,684	125,208	73,644
Interest-bearing liabilities	38,408	38,618	50,742
Other financial liabilities	39,108	51,065	30,218
Income taxes payable	19,192	2,824	3,083
Contract liabilities	294,663	251,809	228,167
Provisions	-	1,220	299
Other current liabilities	49,916	30,903	40,253
Total current liabilities	578,972	501,651	426,409
Non-current liabilities			
Interest-bearing liabilities	185,920	238,811	453,932
Other financial liabilities	8,771	13,913	11,863
Deferred tax liabilities	163	222	114
Provisions	14,594	14,645	14,666
Retirement benefit liability	256,305	151,330	149,391
Other non-current liabilities	13,243	12,062	12,579
Total non-current liabilities	478,999	430,985	642,547
Total liabilities	1,057,972	932,637	1,068,957
Equity			
Share capital	181,352	181,352	181,352
Capital surplus	182,437	182,437	182,437
Retained earnings	666,030	645,408	551,426
Treasury shares	(408)	(408)	(408)
Accumulated other comprehensive income			
Financial assets measured at fair value through other comprehensive income	31,097	28,793	32,092
Effective portion of cash flow hedges	1,837	(23,146)	(12,324)
Exchange differences on translation of foreign operations	-	(141)	(88)
Total accumulated other comprehensive income	32,934	5,506	19,680
Total equity attributable to owners of parent	1,062,345	1,014,295	934,488
Non-controlling interests	33,330	35,321	33,920
Total equity	1,095,675	1,049,617	968,408
Total liabilities and equity	2,153,648	1,982,254	2,037,366

## (2) Condensed quarterly consolidated statement of profit or loss and other comprehensive income

	Three months ended June 30, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Revenue		
International passenger revenue	130,610	2,711
Domestic passenger revenue	127,103	18,950
Other revenue	91,094	54,729
Total revenue	348,808	76,391
Other income	1,489	1,255
Operating expenses		
Personnel expenses	(76,085)	(64,792)
Aircraft fuel	(63,677)	(19,436)
Depreciation, amortization and impairment losses	(40,297)	(44,600)
Other operating expenses	(150,841)	(76,997)
Total operating expenses	(330,900)	(205,827)
Operating profit (Loss in brackets)	19,396	(128,179)
Share of profit of investments accounted for using equity method	383	(3,857)
Profit before investing, financing and income tax (Loss in brackets)	19,780	(132,037)
Income/expenses from investments		
Investing income	1,243	1,074
Investing expenses	(1,062)	(46)
Profit before financing and income tax (Loss in brackets)	19,961	(131,010)
Finance income/expenses		
Finance income	526	549
Finance expenses	(459)	(3,872)
Profit before tax (Loss in brackets)	20,028	(134,333)
Income tax expense	(6,148)	39,204
Profit (Loss in brackets)	13,879	(95,128)
Profit attributable to		
owners of parent	12,958	(93,707)
Non-controlling interests	920	(1,421)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	177	3,059
Share of other comprehensive income of investments accounted for using equity method	(52)	(2)
Total of items that will not be reclassified to profit or loss	125	3,056
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	(3,851)	10,321
Exchange differences on translation of foreign operations	(139)	(44)
Share of other comprehensive income of investments accounted for using equity method	(313)	635
Total of items that may be reclassified to profit or loss	(4,304)	10,912
Other comprehensive income	(4,178)	13,969
Comprehensive income	9,700	(81,159)

	Three months ended June 30, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Comprehensive income attributable to		
Owners of parent	8,782	(79,758)
Non-controlling interests	918	(1,401)
Earnings per share		
Basic earnings per share	37.23	(278.06)
Diluted earnings per share	—	—

**(3) Condensed quarterly consolidated statement of changes in equity**

**Consolidated financial results for the first quarter of FY2019 (April 1, 2019 to June 30, 2019)**

Equity attributable to owners of parent

	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2019	181,352	182,437	666,030	(408)	31,097	1,837
Profit	—	—	12,958	—	—	—
Other comprehensive income	—	—	—	—	117	(4,134)
Comprehensive income	—	—	12,958	—	117	(4,134)
Dividends	—	—	(19,189)	—	—	—
Transfer to non-financial assets	—	—	—	—	—	(78)
Purchase of treasury shares	—	—	—	(7,676)	—	—
Transfer to retained earnings	—	—	(617)	—	617	—
Total transactions with owners	—	—	(19,806)	(7,676)	617	(78)
Balance as of June 30, 2019	181,352	182,437	659,181	(8,084)	31,832	(2,375)

Equity attributable to owners of parent

	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2019	—	32,934	1,062,345	33,330	1,095,675
Profit	—	—	12,958	920	13,879
Other comprehensive income	(158)	(4,176)	(4,176)	(2)	(4,178)
Comprehensive income	(158)	(4,176)	8,782	918	9,700
Dividends	—	—	(19,189)	(2,376)	(21,566)
Transfer to non-financial assets	—	(78)	(78)	—	(78)
Purchase of treasury shares	—	—	(7,676)	—	(7,676)
Transfer to retained earnings	—	617	—	—	—
Total transactions with owners	—	539	(26,944)	(2,376)	(29,320)
Balance as of June 30, 2019	(158)	29,297	1,044,184	31,871	1,076,055

## Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)

### Equity attributable to owners of parent

	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	181,352	182,437	645,408	(408)	28,793	(23,146)
Profit	—	—	(93,707)	—	—	—
Other comprehensive income	—	—	—	—	3,025	10,870
Comprehensive income	—	—	(93,707)	—	3,025	10,870
Dividends	—	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	(48)
Purchase of treasury shares	—	—	—	—	—	—
Transfer to retained earnings	—	—	(273)	—	273	—
Total transactions with owners	—	—	(273)	—	273	(48)
Balance as of June 30, 2020	181,352	182,437	551,426	(408)	32,092	(12,324)

### Equity attributable to owners of parent

	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	(141)	5,506	1,014,295	35,321	1,049,617
Profit	—	—	(93,707)	(1,421)	(95,128)
Other comprehensive income	52	13,949	13,949	20	13,969
Comprehensive income	52	13,949	(79,758)	(1,401)	(81,159)
Dividends	—	—	—	—	—
Transfer to non-financial assets	—	(48)	(48)	—	(48)
Purchase of treasury shares	—	—	—	—	—
Transfer to retained earnings	—	273	—	—	—
Total transactions with owners	—	225	(48)	—	(48)
Balance as of June 30, 2020	Δ88	19,680	934,488	33,920	968,408

#### (4) Condensed quarterly consolidated statement of cash flows

	Three months ended June 30, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	20,028	(134,333)
Depreciation, amortization and impairment losses	40,297	44,600
Loss (gain) on sale and retirement of fixed assets	781	257
Increase (decrease) in retirement benefit liability	(1,670)	(1,937)
Interest and dividend income	(1,357)	(1,096)
Interest expenses	341	477
Foreign exchange loss (gain)	(297)	(199)
Share of loss (profit) of investments accounted for using equity method	(383)	3,857
Decrease (increase) in trade and other receivables	(207)	19,841
Decrease (increase) in inventories	(1,410)	(767)
Increase (decrease) in trade and other payables	(16,614)	(44,435)
Increase (decrease) in contract liabilities	21,351	(23,641)
Other, net	18,237	8,831
Subtotal	79,094	(128,545)
Income taxes paid	(22,445)	(1,666)
Net cash provided by (used in) operating activities	56,648	(130,211)
Cash flows from investing activities		
Purchase of non-current assets	(53,843)	(25,789)
Proceeds from sales of non-current assets	925	224
Purchase of other financial assets	(170)	(3,137)
Proceeds from sale of other financial assets	325	468
Payments for loans receivable	(73)	(58)
Collection of loans receivable	108	167
Interest received	163	71
Dividends received	1,570	1,343
Other, net	1,502	1,587
Net cash provided by (used in) investing activities	(49,491)	(25,122)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(0)	(37)
Proceeds from long-term borrowings	—	230,323
Repayments of long-term borrowings	—	(40)
Purchase of treasury shares	(10,005)	—
Interest paid	(110)	(89)
Dividends paid	(18,713)	(12)
Dividends paid to non-controlling interests	(2,175)	—
Repayments of lease liabilities	(6,221)	(6,377)
Other, net	106	(3,311)
Net cash provided by (used in) financing activities	(37,121)	220,455
Effect of exchange rate changes on cash and cash equivalents	(398)	45
Net increase (decrease) in cash and cash equivalents	(30,361)	65,166
Cash and cash equivalents at beginning of period	522,064	329,149
Cash and cash equivalents at end of period	491,702	394,315

## **(5) Notes for Condensed quarterly consolidated financial statements**

### **(Reporting company)**

Japan Airlines Co., Ltd. (hereinafter the “Company”) is a stock company located in Japan. The registered address of its Head Office is 4-11, 2-chome Higashi-shinagawa, Shinagawa-ku, Tokyo. The Company’s condensed quarterly consolidated financial statements for the three months ended June 30, 2020 consists of the Company and its subsidiaries (the “JAL Group”) and interests in affiliates and jointly controlled entities.

The Company’s main business is the air transportation business. Details of each business are described in Note “5. Segment Information.”

### **(Basis of preparation)**

#### 1) Matters concerning compliance with IFRS and first-time adoption

As the condensed quarterly consolidated financial statements of the JAL Group fulfills requirements of Specified Companies Complying with Designated International Accounting Standards set forth in Article 1-2 of Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, it was prepared in compliance with IAS No. 34 Interim Financial Reporting in accordance with Article 93 of the Regulations.

This condensed quarterly consolidated financial statements were approved by the Board of Directors on August 3, 2020.

The JAL Group adopted International Financial Reporting Standards (hereinafter “IFRS”) from this consolidated fiscal year (April 1, 2020 to March 31, 2021). The consolidated financial statements for this consolidated fiscal year will be the first consolidated financial statements prepared in accordance with IFRS. The date of transition to IFRS is April 1, 2019.

On shifting to IFRS, the JAL Group applied IFRS No. 1 “First-time Adoption of International Financial Reporting Standards” (hereinafter “IFRS No. 1”).

JAL Group’s accounting policy complies with IFRS effective as of June 30, 2020, excluding IFRS not adopted earlier and exemption rules recognized in IFRS No. 1.

#### 2) Functional currency and presentation currency

The JAL Group’s condensed quarterly consolidated financial statements are expressed in Japanese yen, our functional currency, as the presentation currency, and are rounded off to the nearest million yen.

### **(Going Concern Assumptions)**

None

**(Revenue)****(1) Breakdown of revenue****Revenue and Segment Revenue****Consolidated financial results for the first quarter of FY2019 (April 1, 2019 to June 30, 2019)**

	Segment				Total
	Air Transportation	Other	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
International					
Passenger operations	130,610	—	130,610	—	—
Cargo and mail-service operation	16,773	—	16,773	—	—
Luggage operations	213	—	213	—	—
Sub-total	147,597	—	147,597	—	—
Domestic					
Passenger operations	127,103	—	127,103	—	—
Cargo and mail-service operation	5,956	—	5,956	—	—
Luggage operations	75	—	75	—	—
Sub-total	133,135	—	133,135	—	—
Total revenues from international and domestic operations	280,732	—	280,732	—	—
Other revenues					
Travel agency Revenue	—	44,863	44,863	—	—
Other	37,737	15,348	53,086	—	—
Total revenues	318,469	60,211	378,681	(29,873)	348,808

(Note) Figures of Segment revenue are before elimination of intra-segment transactions.

**Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)**

	Segment				Total
	Air Transportation	Other	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
International					
Passenger operations	2,711	—	2,711	—	—
Cargo and mail-service operation	20,564	—	20,564	—	—
Luggage operations	29	—	29	—	—
Sub-total	23,305	—	23,305	—	—
Domestic					
Passenger operations	18,950	—	18,950	—	—
Cargo and mail-service operation	6,016	—	6,016	—	—
Luggage operations	31	—	31	—	—
Sub-total	24,999	—	24,999	—	—
Total revenues from international and domestic operations	48,304	—	48,304	—	—
Other revenues					
Travel agency revenue	—	2,554	2,544	—	—
Other	21,972	11,871	33,844	—	—
Total revenues	70,277	14,415	84,693	(8,301)	76,391

(Note) Figures of Segment revenue are before elimination of intra-segment transactions.

The JAL Group operates “Air Transportation”, mainly in passenger and baggage carriage or mail and cargo handling in both international and domestic routes, and “Other” business.

Revenues arising out of these businesses are recognized in accordance with contracts with customers, and there is no significant financing component in the contracts.. None of consideration in contracts with customers is not reflected in transaction prices. The JAL Group operates a customer loyalty program called “JAL Mileage Bank”. Members in the JAL Mileage Bank can collect miles through flights with the airlines in JAL Group or other services, and can redeem them for flights with JAL group or other partners' services. Miles that are expected to be redeemed are identified as performance obligations, and deferred on the statement of financial position as a contract liability. When miles are redeemed for services, revenue is recognized in the statement of profit or loss and other comprehensive income. A transaction price allocated as performance obligations of miles is determined on the basis of a ratio of the stand-alone selling price of each service. .

#### Air Transportation

In the air transportation business segment, the JAL Group provides services related to the international and domestic transportation of passengers, cargo & mail and baggage on aircraft. The main revenues are recognized as follows.

##### Passenger operations

Passenger revenue is mainly revenue earned from passenger transportation services using aircraft. The JAL Group has the obligation to provide customers with international and domestic air transportation services according to the Conditions of Carriage. The performance obligation is satisfied upon completion of the passenger's air transportation service. The transaction price may fluctuate because we may offer discounts when selling tickets or pay incentives based on the amount of sales. In addition, consideration for a transaction is generally received in advance at a point in time before the performance obligation is satisfied.

##### Cargo and mail-service operations

Cargo and mail revenues are mainly revenues earned from air cargo and air mail handling operations. The JAL Group has the obligation to provide international and domestic cargo and mail transportation services. The performance obligation is satisfied upon completion of cargo and mail air transportation. The amount of variable consideration including revenue is not significant.. Consideration for a transaction is generally received after the completion of cargo and mail air transportation.

##### Luggage operations

Baggage revenue is mainly revenue earned from baggage transportation services that accompany passenger transportation on aircraft. The JAL Group has the obligation to provide customers with international and domestic air transportation services. The performance obligation is satisfied upon completion of baggage air transportation. Sales including variable consideration is the amount of variable consideration including revenue is not significant. Consideration for a transaction is generally received on the day of baggage transportation.

#### Other

In “Other” businesses, we are mainly engaged in planning and sales of air travel package tour and a credit card business.

## (Segment Information)

### (1) Overview of segment reporting

The reportable segments of the JAL Group are components of the Company about which separate financial information is available and evaluated regularly by the Board of Directors in deciding how to allocate resources and evaluating business performance.

The main business operations of the JAL Group are scheduled and nonscheduled international and domestic air transportation services. Therefore, the JAL Group recognizes the “air transportation business” as the reportable segment.

### (2) Information on reportable segment

Revenue and business performance by JAL Group’s reportable segment are as follows.

Intersegment sales is based on the current market price.

#### Consolidated financial results for the first quarter of FY2019 (April 1, 2019 to June 30, 2019)

	Reportable segment	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement
	Air Transportation				
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue					
Sales to external	294,803	54,004	348,808	—	348,808
Intersegment	23,666	6,207	29,873	(29,873)	—
Total	318,469	60,211	378,681	(29,873)	348,808
Profit or loss before investing, financing and income tax	16,884	2,915	19,800	(19)	19,780
Investing income	—	—	—	—	1,243
Investing expenses	—	—	—	—	1,062
Finance income	—	—	—	—	526
Finance expenses	—	—	—	—	459
Profit before tax	—	—	—	—	20,028

(Note) 1. “Others” refer to business segments that are not included in the reportable segment, such as travel services, etc.

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with profit before investing, financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.

#### Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)

	Reportable segment	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement
	Air Transportation				
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue					
Sales to external	67,535	8,856	76,391	—	76,391
Intersegment	2,742	5,559	8,301	(8,301)	—
Total	70,277	14,415	84,693	(8,301)	76,391
Profit or loss before investing, financing and income tax	(130,768)	(1,275)	(132,043)	6	(132,037)
Investing income	—	—	—	—	1,074
Investing expenses	—	—	—	—	46
Finance income	—	—	—	—	549
Finance expenses	—	—	—	—	3,872
Profit before tax	—	—	—	—	(134,333)

(Note) 1. “Others” refer to business segments that are not included in the reportable segment, such as travel services, etc.

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with profit before investing, financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.

(Supplementary Information)

**Consolidated Financial Results for the year Ended March 31, 2020[IFRS]**

August 3, 2020

Company name **Japan Airlines Co., Ltd**  
Stock Listing **Tokyo Stock Exchange**  
Code No. **9201** URL: <http://www.jal.com>  
Representative **Yuji Akasaka, President**  
Contact **Yuichiro Kito, General Manager, Finance** Phone: **+81-3-5460-3121**

(Amounts are rounded down to the nearest million yen unless otherwise indicated)

**1. Consolidated Financial Results for the year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)**

**(1) Consolidated Operating Results**

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
<b>Year Ended March 31, 2020</b>	1,385,914	—	88,807	—	88,149	—	48,057	—	34,298	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Year Ended March 31, 2020</b>	140.04	—

(Note) Profit before financing and income tax represents as index to monitor, compare and evaluate the JAL Group's performance continuously. Profit before financing and income tax is Profit from which Income tax expense, Interest, and Finance income and expense are deducted.

**(2) Consolidated Financial Position**

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent
<b>As of March 31, 2020</b>	Millions of Yen 1,982,254	Millions of Yen 1,049,617	Millions of Yen 1,014,295	Millions of Yen 51.2	Millions of Yen 3,009.71

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Year end balance of cash and cash equivalents
<b>Year Ended March 31, 2020</b>	Millions of Yen 80,857	Millions of Yen (233,725)	Millions of Yen (38,810)	Millions of Yen 329,149