

[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 year Ended March 31, 2021[IFRS]

Company name **Japan Airlines Co., Ltd**
 Stock Listing **Tokyo Stock Exchange**
 Code No. **9201**
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May 7, 2021

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Scheduled date of Ordinary General Meeting of Shareholders: June 17, 2021
 Scheduled starting date of dividend payment: —
 Scheduled date of filing Financial Report for the Fiscal Year 2020: June 18, 2021
 Supplementary explanations of Fiscal Year 2020 financial results: Yes
 Presentation for the Fiscal Year 2020 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 Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)
(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 (Loss in brackets)		Profit attributable to owners of parent (Loss in brackets)		Comprehensive income (Loss in brackets)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2020 ended March 31, 2021	481,225	(65.3)	(398,306)	—	(404,078)	—	(287,875)	—	(286,693)	—	(251,179)	—
FY2019 ended March 31, 2020	1,385,914	—	88,807	—	88,149	—	52,012	—	48,057	—	34,298	—

	Basic earnings per share (Loss in brackets)	Diluted earnings per share	Ratio of equity attributable to owners of parent to profit	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
FY2020 ended March 31, 2021	Yen (764.99)	Yen —	% (29.2)	% (19.8)	% (82.8)
FY2019 ended March 31, 2020	140.04	—	4.6	4.3	6.4

(Reference) Share of profit (or loss) in investments accounted for using the equity method;

Year ended March 31, 2021: Loss of 7,582 million Yen, Year ended March 31, 2020: Profit of 1,396 million Yen

(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 parent	Ratio of equity attributable to owners of parent to total assets (%)	Equity per share attributable to owners of parent
FY2020 ended March 31, 2021	Millions of Yen 2,107,279	Millions of Yen 981,535	Millions of Yen 947,459	% 45.0	Yen 2,168.06
FY2019 ended March 31, 2020	1,982,254	1,049,617	1,014,295	51.2	3,009.71

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
FY2020 ended March 31, 2021	Millions of Yen (219,519)	Millions of Yen (91,012)	Millions of Yen 388,624	Millions of Yen 408,335
FY2019 ended March 31, 2020	80,857	(233,725)	(38,810)	329,149

2. Dividends

	Dividends per Share					Total amount of dividend (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2019	—	55.00	—	0.00	55.00	18,869	39.3	1.8
FY2020	—	0.00	—	0.00	0.00	0	—	—
FY2021(Forecast)	—	—	—	—	—		—	

3. Consolidated Financial Forecast

The consolidated financial results forecast for the fiscal year ending March 31, 2022 cannot be provided due to the difficulty of reasonably and accurately estimating the figures. Please refer to “1. Outline of Operating results (5) Future Outlook” in the Attachment for the assumptions used and other notes.

Notes

(1) Changes in significant consolidated subsidiaries during the fiscal year ended March 31, 2021: None

(2) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: Yes

(Note) For details, please refer to “3. Consolidated Financial Statement and Primary Notes (5) Notes for Consolidated Financial Statements (Changes in Accounting Estimates)” in the Attachment.

(3) Number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury stock)

Year ended March 31, 2021: 437,143,500

Year ended March 31, 2020: 337,143,500

(b) Number of treasury stock at the end of the period

Year ended March 31, 2021: 136,217

Year ended March 31, 2020: 136,157

(c) Average number of shares outstanding

Year ended March 31, 2021: 374,766,538

Year ended March 31, 2020: 343,167,289

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Non-consolidated financial results

(Percentage compared to prior year)

	Operating Revenue		Operating Profit (Loss in brackets)		Ordinary Profit (Loss in brackets)		Net income (Loss in brackets)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2020 ended March 31, 2021	400,255	—	(342,389)	—	(349,280)	—	(286,101)	—
FY2019 ended March 31, 2020	1,186,468	(5.0)	56,824	(57.1)	76,112	(43.6)	49,196	(64.7)

	Earnings per share (Loss in brackets)	Diluted earnings per share
	Yen	Yen
FY2020 ended March 31, 2021	(763.41)	—
FY2019 ended March 31, 2020	143.36	—

(2) Non-consolidated financial positions

	Total Assets	Net Assets	Shareholder's equity ratio	Shareholder's equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY2020 ended March 31, 2021	1,887,820	882,077	46.7	2,018.45
FY2019 ended March 31, 2020	1,828,786	1,027,123	56.2	3,047.78

(Reference) Shareholders' equity; Year ended March 31, 2021: 882,077 million Yen, Year ended March 31, 2020: 1,027,123 million Yen

(Note) "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020) have been applied from the beginning of the fiscal year ended March 31, 2021, however, these accounting standards have not been applied to the figures for the fiscal year ended March 31, 2020, so that comparison with the prior year is not available.

(Reason of variance in non-consolidated financial results compared to the results in the previous fiscal year)

JAL Group is running its business with Japan Airlines as its main business so that the reason of variance in con-consolidated financial results to the results in the previous fiscal year is almost identical to the reason of variance in consolidated financial results, therefore please refer to "1. Outline of Operating Results (1) Outline of Operating Results for the Current Fiscal Year" in the attachment for details.

Indication of audit 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 statement summary is 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.

Please refer to "1. Outline of Operating Results (5) Future Outlook" in the Attachment for the assumptions used and other notes.

(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 May 7, 2021. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

Attachment

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1. Outline of Operating Results

This fiscal year (April 1, 2020 to March 31, 2021) was an extremely tough year for an airline industry including the JAL Group due to the spread of COVID-19. As the COVID-19 spread continued, the JAL Group strived to maintain its domestic and international route network while implementing hygiene and contactless measures to ensure safety and security. Facing with a rapid and significant decrease of revenue, we implemented fundamental cost reduction measures and investment reduction to mitigate the negative impact of the decreased revenue. Also, we made all possible efforts in this unprecedented crisis including governmental supports to differ tax or fee payments as well as subsidies for employment adjustment.

We will work altogether to endure this hardship and will fulfill its mission as public transportation provider to enable our valued passengers to use our service with comfort. We will prepare for a coming demand recovery in a future through those measures.

(1) Outline of Operating Results for the Current Fiscal Year

The revenue for the consolidated fiscal year decreased 65.3% year over year to 481.2 billion yen, the operating expenses decreased 32.4% year over year to 885 billion yen, the loss/earning before financing and income tax (hereinafter referred as “EBIT”) was loss of 398.3 billion yen (EBIT 88 billion yen in the previous year). The loss attributable to owners of the parent was 286.6 billion yen (the profit attributable to owners of the parent 48 billion yen in the previous year).

(JPY Bn)	FY2019 April 1, 2019 to March 31, 2020	FY2020 April 1, 2020 to March 31, 2021	% or points compared to prior period
Revenue	1,385.9	481.2	34.7%
International Passenger	486.2	27.9	5.8%
Domestic Passenger	529.7	174.0	32.8%
Cargo / Mail	91.6	128.8	140.6%
Other	278.3	150.4	54.0%
Operating Expense	1,308.8	885.0	67.6%
Fuel	243.4	96.7	39.8%
Excluding Fuel	1,065.4	788.2	74.0%
Profit or loss before financing and income tax (EBIT) (Loss in brackets)	88.8	(398.3)	—
EBIT Margin (%)	6.4	(82.8)	(89.2)
Profit or loss attributable to owners of the parent (Loss in brackets)	48.0	(286.6)	—

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

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

※: EBIT Margin=EBIT/Revenue.

To summarize this fiscal year's surrounding environments, the world and Japanese economy have deteriorated by the spread of COVID-19 severely. In some countries and areas, the spread of COVID-19 infection has weakened in the second half of this fiscal year and recovery has been seen in some industries. However, there has been no indication of passenger demand recovery yet due to restrictions on international travel, strengthened quarantine or discouragement of long-distance travel so that our situation has been severe throughout this fiscal year. Fuel price that affects our fuel costs, international passenger and cargo revenues dropped sharply as COVID-19 affected the world economy severely, but it turned to rise as expectation for economic recovery rose due to vaccination.

The below is the summary of our business situation for this fiscal year:

Amid this difficult business environment, we have prioritized "Safety", the fundamental of our business and our management goal, and we have strived to support our international and domestic network with infection prevention measures for passengers and employees.

Regarding safety measures, the JL904 flight on December 4, 2020, bound for Haneda from Naha, flew back to Naha Airport due to damage to its left engine, which has been regarded as Serious Incident by the Ministry of Land, Infrastructure, Transport and Tourism. We have taken this incident seriously and we have swiftly conducted prevention measures including urgent check on all of 18 of the same-type engines equipped for the Boeing 777 and more frequent non-destructive inspections to detect invisibly small damage. In addition, we cooperated with Boeing to prevent falling objects including engine cowl.

For comfort measures to prevent infection for passengers and employees upon air travel, we enhanced hygiene and contactless air travel by introducing JAL SMART AIRPORT. We introduced "contactless" touch-screen. Also, we joined a check-in and boarding procedure experiment called "Face Express" that used facial recognition techniques. Moreover, we joined a facial recognition experiment for passengers wearing a facial mask. We started to arrange PCR testing for domestic tour passengers at a special price or offering complimentary support for those that test positive during their travels. Through those measures, the best award was given to JAL by SKYTRAX in their COVID-19 Safety Rating and by APEX in their Health Safety Powered by SimpliFlying Audit.

For customer satisfaction, we renewed our domestic and international website design for better ticket search and reservation.

The summary of our Business including International Passenger and Domestic Passenger is shown as follows:

Severe worldwide restriction on international travel has caused the international passenger demand to almost disappear due to the rebound of infection and the spread of COVID variant. We provided international route network for returnees, expats and transit demand from Asia to North America.

For domestic passenger demand, it dropped rapidly and significantly in the first quarter due to the declaration of a state of emergency in April 2020, but it recovered rapidly when the declaration of a state of emergency was lifted and subsidized travel promotion campaign called "Go To Travel" started. However, due to the rebound of infections, the declaration of a state of emergency was reissued in January 2021 and prior to that, the "Go To Travel" promotional campaign was suspended in December 2020. Amid the unstable situation, we maintained domestic air transport network for essential transportation such as for remote islands. Also, we operated many additional flights to provide alternative transport for closed ground transport due to an earthquake in Fukushima in February 2021.

In cargo operations, 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 15,299 passenger aircraft for cargo flights in total, while maximizing its revenue as well. Also, we are currently striving to establish both domestic and international logistical supports for vaccines for COVID-19 that are expected to arrive in large scale from 2021.

In LCC business, our international mid- and long-haul LCC, ZIPAIR Tokyo (hereinafter referred as ZIPAIR) has started its Tokyo=Bangkok and Seoul in June 2020 and Tokyo=Honolulu flight from December 2020. It also introduced the LCC's first inflight self-ordering and payment system to realize "contactless" service.

As a result, the available seat kilometers (ASK) decreased by 77.9% year over year, the passenger traffic decreased by 96.0% year over year, the revenue passenger kilometers (RPK) decreased by 95.2% year over year, and the load factor was 18.4% for international passenger operations (Full Service Carrier), the available seat kilometers (ASK) decreased by 46.3% year over year, the passenger traffic decreased by 66.5% year over year, the revenue passenger kilometers (RPK) decreased by 66.2% year over year, and the load factor was 47.7% for domestic passenger operations. Revenue increased by 47.0% year on year for cargo operations. The available seat kilometers (ASK) was 336,255 (thousands), the passenger traffic was 2,289 (number of passengers) and the revenue passenger kilometers (RPK) was 7,228 (1,000 passenger-km) for ZIPAIR, engaging in LCC business.

As the infection lasted longer than expected, we responded to the decrease of demand by 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 executives' salaries and employees' bonus cut. As a result, the fixed cost reduction reached to about 135 billion yen compared to the initial plan. Also, demand-stimulating measures to improve our performance such as operation of scenic tours of Japan or workation tours were taken. Moreover, as the workload

of employees that were closely related to flight operation decreased, the JAL Group used this occasion to capture growth beyond COVID-19, by enhancing training, assisting quarantine at an airport, or sending more than 1,000 employees per day to various industries or municipalities, for improvement of each employee's ability. Also, new recruitment has been suspended.

For new business domain, we strived to combine our human resources and advanced technology to realize innovation and provide state-of-the-art products or services. Also, we have taken various measures for regional vitalization. Moreover, we have been proposing new travel styles such as on-line trip or workation in the new normal era. Various measures are being taken for air mobility as well. Automated towing truck was introduced for Japanese airlines for the first time. We will continue to strive to introduce state-of-the-art technologies.

For SDGs, we have advanced to replace 777s with more fuel-efficient and less CO₂ emitting Airbus 350s toward zero CO₂ emission on an actual basis by 2050. All of 13 of domestic 777-200s and 777-300s with P&W engines have retired at the end of March 2021, a test flight with sustainable aviation fuel produced with old clothes was conducted. Also, because of our efforts for diversity, JAL and President Akasaka were awarded "2021 J-Win Diversity Award" by J-Win.

The JAL Group has taken steps to raise fund backed by its strong financial position and has borrowed 262.3 billion yen in this fiscal year and secured 300 billion yen of unused credit line as of today.

In addition, we have initiated public equity offering in November 2020 in order to improve our financial structure at an early stage and to secure a necessary scale of funds to realize our growth strategy for the post-COVID era. Through the offering, we raised our equity capital of 182.9 billion yen. As a result, we have established the world's best level of financial base, and shareholders' equity ratio now stands at 45.0% and D/E ratio at 0.5x.

It has been more than one year since COVID-19 started to spread worldwide and yet it is very difficult to foresee a future outlook. However, the JAL Group has been able to maintain financial strength to go through the COVID-19 spread that might last longer than anticipated. We have secured liquidity at hand of about 708.3 billion yen, including unused credit line of 300 billion yen, as of March 31, 2021. We will continue to make every effort to secure liquidity at hand, with our financing capability based on our strong financial structure we have constructed over many years, by thorough cost reduction and strict investment management.

It seems it would take longer for passenger demand to recover until COVID-19 outbreak settles. The JAL Group has been focusing on efficiency, instead of size, to construct risk-resilient management structure. In this long-lasting difficulty, it is time for us to show our resilience. Yet, we believe that air demand to/from Japan will grow in a mid- and long-run in spite of the temporary decrease caused by COVID-19. It also may change our society fundamentally, however, we still believe that the importance of global interaction of people and logistical network will not fade away even in the post-COVID-19 era. The fiscal year 2021 will be the first year ever to step toward the new normal for the airline industry. We are looking forward to a bright near future when the Tokyo 2020 Olympic and Paralympic Games is held this summer, vaccination becomes available in Japan and the world, and there is no fear for people to visit each other globally without any travel restrictions. The JAL Group will continue to cope with this unprecedented difficulty by taking appropriate measures to increase revenue and decrease costs as much as possible. Those measures include appropriate capacity adjustment, revenue maximization amid the boosted cargo demand, and demand-simulating measures. Until then, the JAL group will continue to reduce operating costs and to increase its revenue as much as possible with keeping a close eye on passenger travel demand and cargo demand. Even in the fiscal year 2021, uncertainty still remains with respect to recovery of passenger demands, the Japanese government is providing governmental supports including deferral or exemption of landing fees and jet fuel tax to assist the airline industry. We would like to show our sincere gratitude for the support.

The JAL Group has set a new mid-term management plan to realize "JAL Vision 2030" that shows an ideal image of JAL that will contribute to development of inter-regional network within Japan and interaction between Japan and the world. Toward these goals, we, as one, will endure this hardship. COVID-19 caused fundamental changes in our society. There is also a rise of movement to pursuit SDGs including sustainability, fulfillment and happiness, among these big changes in society and values, the JAL Group will dispatch its journey with two engines, "Safety and Comfort" and "Sustainability", and all of its employees altogether as its crew members toward "JAL Vision 2030" of realizing "a safe, secure, and reliable society in a comfortable environment" and "an affluent society where each one of us can sense and hope for a brighter future". During this mid-term management plan period, our urgent task is restoration of strong financial foundation. Then, we will advance our business restructuring to make an early recovery in profit and accelerate initiatives to realize a sustainable society. Then, we will achieve the goals of "JAL Vision 2030", through our mid-term management plan, to be the world's most valued and preferred airline in a bright future where many people and goods travel freely.

Financial results of each segment are as follows.

Air Transportation Segment

The revenue in Air Transportation Segment decreased by 65.8% year on year to 431.8 billion yen and the loss before investing, financing and income tax (hereinafter referred as “Segment profit (or loss)”) was 403.3 billion yen (segment profit 74.7 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 (Full Service Carrier) was 27.9 billion yen, or down 94.3% year on year.

The domestic passenger revenue was 174 billion yen, or down 67.2% year on year.

The cargo and mail revenue was 128.8 billion yen, or up 40.6% year on year.

The international passenger revenue for ZIPAIR, engaging in LCC business, was 51 million yen.

Details are provided below.

1. International Operations (Full Service Carrier)

	FY2019 April 1, 2019 to March 31, 2020	FY2020 April 1, 2020 to March 31, 2021	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	486,217	27,917	5.7%
Revenue passengers carried (number of passengers)	8,958,631	357,519	4.0%
Revenue passenger km (RPK) (1,000 passenger-km)	45,551,312	2,196,423	4.8%
Available seat km (ASK) (thousands-km)	53,910,292	11,918,047	22.1%
Revenue passenger-load factor (L/F) (%)	84.5	18.4	(66.1)
Revenue from Cargo Operations (millions of Yen)	59,744	96,553	161.6%
Revenue cargo ton-km (RCTK)	2,407,691	1,948,205	80.9%

2. Domestic Operations

	FY2019 April 1, 2019 to March 31, 2020	FY2020 April 1, 2020 to March 31, 2021	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	529,707	174,006	32.8%
Revenue passengers carried (number of passengers)	36,411,557	12,212,131	33.5%
Revenue passenger km (RPK) (1,000 passenger-km)	27,496,784	9,282,122	33.8%
Available seat km (ASK) (thousands-km)	36,199,539	19,452,985	53.7%
Revenue passenger-load factor (L/F) (%)	76.0	47.7	(28.2)
Revenue from Cargo Operations (millions of Yen)	20,724	21,735	104.9%
Revenue cargo ton-km (RCTK)	328,182	237,874	72.5%

Fleet

as of March 31, 2021

Type of Aircraft	Owned	Leased	Total
Airbus A350-900	4	4	8
Boeing 777-200	9	0	9
Boeing 777-200ER	11	0	11
Boeing 777-300	4	0	4
Boeing 777-300ER	13	0	13
Large-sized Total	41	4	45
Boeing 787-8	29	0	29
Boeing 787-9	17	3	20
Boeing 767-300	2	0	2
Boeing 767-300ER	29	0	29
Medium-sized Total	77	3	80
Boeing 737-800	43	18	61
Small-sized Total	43	18	61
Embraer 170	18	0	18
Embraer 190	14	0	14
Bombardier DHC-8-400CC	5	0	5
SAAB340B	3	0	3
ATR42-600	8	1	9
ATR72-600	2	0	2
Regional Total	50	1	51
Total	211	26	237

Note: "Leased aircraft" is recognized as aircraft in the consolidated financial statements prepared in accordance with IFRS.

Components of Revenues from the Air Transportation Segment are as follows.

	FY2019 April 1, 2019 to March 31, 2020 [Millions of Yen]	% contribution to total	FY2020 April 1, 2020 to March 31, 2021 [Millions of Yen]	% contribution to total	% compared to prior period
International (Full Service Carrier)					
Passenger operations	486,217	38.5	27,917	6.5	5.7
Cargo operations	59,744	4.7	96,553	22.4	161.6
Mail-service operations	7,562	0.6	7,344	1.7	97.1
Luggage operations	842	0.1	333	0.1	39.6
Sub-total	554,366	43.9	132,149	30.6	23.8
Domestic					
Passenger operations	529,707	42.0	174,006	40.3	32.8
Cargo operations	20,724	1.6	21,735	5.0	104.9
Mail-service operations	3,627	0.3	3,192	0.7	88.0
Luggage operations	320	0.0	219	0.1	68.5
Sub-total	554,380	43.9	199,154	46.1	35.9
Total revenues from international and domestic operations	1,108,746	87.9	331,304	76.7	29.9
Other revenues (※)	153,136	12.1	100,517	23.3	65.6
Total revenues	1,261,883	100.0	431,821	100.0	34.2

Note: The amounts are rounded down to the nearest million yen and the percentages are round off to the first decimal place.

※: The international passenger revenue for ZIPAIR is included.

Traffic Results (Full Service Carrier)

	FY2019 April 1,2019 to March 31,2020	FY2020 April 1,2020 to March 31,2021	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	8,958,631	357,519	4.0%
Revenue passenger km (1,000 passenger-km)	45,551,312	2,196,423	4.8%
Available seat km (thousands)	53,910,292	11,918,047	22.1%
Revenue passenger-load factor (%)	84.5	18.4	(66.1)
Revenue cargo ton-km (thousands)	2,407,691	1,948,205	80.9%
Mail ton-km (thousands)	188,957	155,413	82.2%
DOMESTIC			
Revenue passengers carried (number of passengers)	36,411,557	12,212,131	33.5%
Revenue passenger-km (1,000 passenger-km)	27,496,784	9,282,122	33.8%
Available seat km (thousands)	36,199,539	19,452,985	53.7%
Revenue passenger-load factor (%)	76.0	47.7	(28.2)
Revenue cargo ton-km (thousands)	328,182	237,874	72.5%
Mail ton-km (thousands)	25,291	20,675	81.7%
TOTAL			
Revenue passengers carried (number of passengers)	45,370,188	12,569,650	27.7%
Revenue passenger-km (1,000 passenger-km)	73,048,097	11,478,546	15.7%
Available seat km (thousands)	90,109,832	31,371,033	34.8%
Revenue passenger-load factor (%)	81.1	36.6	(44.5)
Revenue cargo ton-km (thousands)	2,735,873	2,186,079	79.9%
Mail ton-km (thousands)	214,248	176,088	82.2%

- 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.
- Traffic results for ZIPAIR, which is classified in LCC business, are excluded from the traffic results above. International traffic results for ZIPAIR were as follows; passenger traffic 2,289 (number of passengers), Revenue passenger km 7,228 (1,000 passenger-km), Available seat km 336,255 (thousands) and load factor 2.1%.

Others

Results of JALPAK Co., Ltd. and JAL Card Co, Ltd. are shown below.

JALPAK Co., Ltd.

	FY2019	FY2020	% or points compared to prior period
	April 1,2019 to March 31,2020	April 1,2020 to March 31,2021	
Overseas travelers handled (10,000 number of travelers)	18.3	0.0	0.0%
Domestic travelers handled (10,000 number of travelers)	260.6	114.1	43.8%
Revenue (before elimination of consolidated transactions, billions of yen)	170.1	55.5	32.7%

JAL Card Co., Ltd

	FY2019	FY2020	% or points compared to prior period
	April 1,2019 to March 31,2020	April 1,2020 to March 31,2021	
Memberships (10,000 number of members)	372.0	358.0	96.2%
Revenue (before elimination of consolidated transactions, billions of yen)	19.6	18.6	95.1%

(2) Outline of Financial Condition for the Current Fiscal Year

Assets, liabilities and net assets

The assets at the fiscal year-end increased by 125 billion yen from the end of the previous fiscal year to 2,107.2 billion yen, mainly due to Cash and Cash equivalents increase.

The liabilities increased by 193.1 billion yen from the end of the previous fiscal year to 1,125.7 billion yen due to increase in Interest-bearing debt and decrease in Contract liability.

The net assets decreased by 68 billion yen from the end of the previous fiscal year to 981.5 billion yen, as a result of increase in Net loss.

As a result of the above, Shareholders' equity ended at 947.4 billion yen, and the equity ratio dropped by 6.2 percentage points from the end of the previous fiscal year to 45.0%. For details, refer to "3. Consolidated financial statements and primary notes (1) Consolidated statement of financial position".

(3) Outline of Cash Flows for the Current Fiscal Year

Cash Flows from Operating Activities

As a result of adding back or subtracting non-cash items including depreciation, retirement benefit liabilities, operating receivables and operating payables to/from loss before income tax of 404 billion yen, cash flow (outflow) from operating activities was 219.5 billion yen (cash inflow of 80.8 billion yen for the previous year).

Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 91 billion yen mainly due to expenditures for acquiring Fixed assets (cash outflow of 233.7 billion yen for the previous year).

Cash Flows from Financing Activities

Cash flow from financing activities (inflow) was 388.6 billion yen due to Long term debts and issuance of new shares (cash outflow of 38.8 billion yen for the previous year).

As a result, the balance of Cash and Cash equivalents at the end of the current fiscal year increased by 79.1 billion yen from the end of the previous fiscal year to 408.3 billion yen.

(4) Explanation on Variance of Consolidated Financial Results between the Previous Fiscal Year and the Current Fiscal Year

Variance of actual results between the previous year and the current fiscal year is shown below.

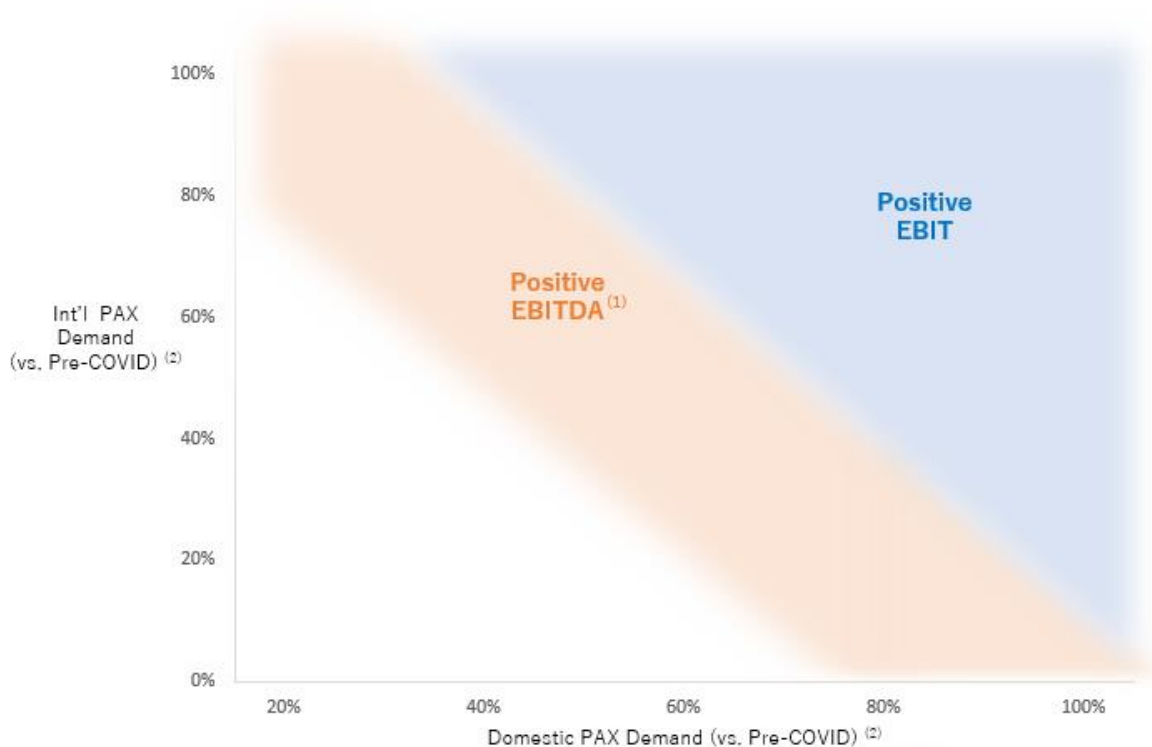
	Revenue	Operating profit (Loss in brackets)	EBIT (Loss in brackets)	Profit before tax (Loss in brackets)	Profit attributable to owner of parent (Loss in brackets)
Previous year (A)	Millions of yen 1,385,914	Millions of yen 86,103	Millions of yen 88,807	Millions of yen 88,149	Millions of yen 48,057
Current year (B)	481,225	(390,414)	(398,306)	(404,078)	(286,693)
Change (B-A)	(904,689)	(476,517)	(487,113)	(492,227)	(334,750)
Change (%)	(65.3)	—	—	—	—

(5) Future Outlook

At present, it is difficult to foresee the recovery of demand while the global spread of COVID-19 shows no sign of slowdown. The recovery of international and domestic passenger demand may highly be affected by the circumstances surrounding COVID-19 and by situations of border closure and travel restrictions by governments so that uncertainty on our further business performances, especially both our future supply plan and revenue forecast, is expected to remain. Thus, we are not able to provide our performance forecast for the fiscal year ending March 2022. We will disclose our forecast as soon as we are able to foresee, to certain extent, a recovery of passenger demand as COVID-19 situations settle, vaccination advances, new medicines develop and travel restrictions ease.

For your reference in the current uncertain situation, we provide an EBIT and EBITDA break-even international passenger and domestic passenger demand matrix as below. This matrix is based on certain assumptions in the current uncertain demand situation so that actual results may vary from the matrix.

【Break-even Demand Matrix】



(1) EBITDA=EBIT+ Depreciation

(2) Compared with FY2019 results, but the January to March figures are based on performance forecasts disclosed upon FY19Q3 financial reports.

We will take all possible measures to improve profits by flexible adjusting to fluctuating demands.

(6) Basic Policy on Distribution of Profits, and Dividend for the Current and Next Fiscal Years

JAL regards shareholder returns as one of our most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible share repurchases, while securing internal reserves for making investments for corporate growth in a future and changing business environments and to build a strong financial structure.

However, the long-lasting COVID-19 spread affected an airline industry including the JAL Group severely, resulting in a huge loss of 398.3 billion yen in EBIT for this fiscal year. And this situation still continues.

Considering the above situations, we determined not to propose year-end dividend to the coming General Shareholders Meeting in June 2021 in order to secure liquidity at hand. We regret that we are not able to pay dividends to shareholders, but we would like to ask their understanding in this situation. Also, it is yet very unclear when passenger demand recovers, and our performance for the fiscal year ending March 2022 is unforeseeable. Accordingly, our dividend forecast for the fiscal year ending March 2022 is not determined at this moment. We would like to provide our forecast as soon as the situations become foreseeable.

When the spread of COVID-19 stops and our performance returns to its track as air transportation demand comes back in Japan and the world, we will strive to realize stable and continuous shareholder return again, considering cash flow and other financial situations of that time and going forward.

(7) Business risks

Taking into account the content of its business centering on the scheduled and unscheduled air transportation business, the JAL Group is exposed to the following risks, or items with possible major effects on investors' investment decisions. This does not cover all risks which the JAL Group is exposed to, as risks exist other than those below are unpredictable. The following includes forward-looking matters, but these items were determined as of March 31, 2021.

- Risks concerning global pandemic, natural disaster or climate changes
- Risks concerning the external management environment such as international affairs and economic trends
- Risks concerning introduction of aircraft
- Risks concerning changes in market environments such as jet fuel and exchange rates
- Risks concerning air safety
- Risks concerning legal regulations, environmental regulations and rules and litigations
- Risks concerning IT system or customer information
- Risks concerning personnel and labor relations

2. Basic policy concerning the selection of accounting standards

The JAL Group creates consolidated financial statements based on Japanese standards, but to improve international comparability of financial information in capital markets and communication with our stakeholders, we have applied International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2021.

3. Consolidated Financial Statement and Primary Notes

(1) Consolidated Statement of Financial Position

	The date of transition to IFRS (April 1, 2019)	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen	Millions of yen
Assets			
Current assets			
Cash and cash equivalents	522,064	329,149	408,335
Trade and other receivables	144,053	94,071	76,760
Other financial assets	5,067	1,305	14,133
Inventories	23,682	28,409	23,680
Other current assets	46,442	55,500	44,906
Total current assets	<u>741,309</u>	<u>508,435</u>	<u>567,816</u>
Non-current assets			
Tangible fixed assets			
Flight equipment	795,439	894,835	827,587
Advances on flight equipment	138,569	102,519	129,882
Other tangible fixed assets	77,495	86,462	87,942
Total tangible fixed assets	<u>1,011,504</u>	<u>1,083,817</u>	<u>1,045,413</u>
Intangible assets	92,255	95,777	89,662
Investments accounted for using equity method	31,697	31,105	24,232
Other financial assets	119,515	120,218	128,055
Deferred tax assets	143,422	122,323	225,886
Retirement benefit asset	1,178	938	3,176
Other non-current assets	12,765	19,638	23,036
Total non-current assets	<u>1,412,338</u>	<u>1,473,819</u>	<u>1,539,462</u>
Total assets	<u><u>2,153,648</u></u>	<u><u>1,982,254</u></u>	<u><u>2,107,279</u></u>

	The date of transition to IFRS (April 1, 2019)	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen	Millions of yen
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	137,684	125,208	97,185
Interest-bearing liabilities	38,408	38,618	69,621
Other financial liabilities	39,108	51,065	42,490
Income taxes payable	19,192	2,824	3,890
Contract liabilities	294,663	251,809	215,239
Provisions	—	1,220	3,750
Other current liabilities	49,916	30,903	44,714
Total current liabilities	578,972	501,651	476,893
Non-current liabilities			
Interest-bearing liabilities	185,920	238,811	445,525
Other financial liabilities	8,771	13,913	23,479
Deferred tax liabilities	163	222	108
Provisions	14,594	14,645	15,667
Retirement benefit liability	256,305	151,330	153,169
Other non-current liabilities	13,243	12,062	10,899
Total non-current liabilities	478,999	430,985	648,850
Total liabilities	1,057,972	932,637	1,125,744
Equity			
Share capital	181,352	181,352	273,200
Capital surplus	182,437	182,437	273,557
Retained earnings	666,030	645,408	352,965
Treasury shares	(408)	(408)	(408)
Accumulated other comprehensive income			
Financial assets measured at fair value through other comprehensive income	31,097	28,793	35,468
Effective portion of cash flow hedges	1,837	(23,146)	12,877
Exchange differences on translation of foreign operations	—	(141)	(201)
Total accumulated other comprehensive income	32,934	5,506	48,144
Total equity attributable to owners of parent	1,062,345	1,014,295	947,459
Non-controlling interests	33,330	35,321	34,075
Total equity	1,095,675	1,049,617	981,535
Total liabilities and equity	2,153,648	1,982,254	2,107,279

(2) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	FY2019 (April 1,2019-March 31,2020)	FY2020 (April 1,2020-March 31,2021)
	Millions of yen	Millions of yen
Revenue		
International passenger revenue	486,217	27,969
Domestic passenger revenue	529,707	174,006
Other revenue	369,989	279,249
Total revenue	1,385,914	481,225
Other income	9,069	13,397
Operating expenses		
Personnel expenses	(291,317)	(254,809)
Aircraft fuel	(243,420)	(96,788)
Depreciation, amortization and impairment losses	(164,383)	(190,585)
Other operating expenses	(609,759)	(342,854)
Total operating expenses	(1,308,881)	(885,037)
Operating profit (Loss in brackets)	86,103	(390,414)
Share of profit of investments accounted for using equity method	1,396	(7,582)
Profit before investing, financing and income tax (Loss in brackets)	87,500	(397,997)
Income/expenses from investments		
Investing income	2,399	2,694
Investing expenses	(1,091)	(3,003)
Profit before financing and income tax (Loss in brackets)	88,807	(398,306)
Finance income/expenses		
Finance income	1,102	(1,799)
Finance expenses	(1,760)	(7,570)
Profit before tax (Loss in brackets)	88,149	(404,078)
Income tax expense	(36,137)	116,202
Profit (Loss in brackets)	52,012	(287,875)
Profit attributable to		
owners of parent	48,057	(286,693)
Non-controlling interests	3,955	(1,182)
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	(2,702)	3,284
Remeasurements of defined benefit plans	9,875	(2,394)
Share of other comprehensive income of investments accounted for using equity method	(171)	87
Total of items that will not be reclassified to profit or loss	7,001	977
Items that will not be reclassified to profit or loss		
Effective portion of cash flow hedges	(23,250)	34,411
Exchange differences on translation of foreign operations	(162)	(138)
Share of other comprehensive income of investments accounted for using equity method	(1,302)	1,445
Total of items that will not be reclassified to profit or loss	(24,714)	35,718
Other comprehensive income	(17,713)	36,695
Comprehensive income	34,298	(251,179)

	FY2019 (April 1,2019-March 31,2020)	FY2020 (April 1,2020-March 31,2021)
	Millions of yen	Millions of yen
Comprehensive income attributable to		
Owners of parent	30,430	(249,956)
Non-controlling interests	3,868	(Δ1,223)
Earnings per share		
Basic earnings per share	140.04	(764.99)
Diluted earnings per share (Loss in brackets)	—	—

(3) Consolidated Statement of Changes in Equity

Consolidated financial results for FY2019 (April 1, 2019 to March 31, 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, 2019	181,352	182,437	666,030	(408)	31,097	1,837
Profit (Loss in brackets)	-	-	48,057	-	-	-
Other comprehensive income	-	-	-	-	(2,813)	(24,560)
Comprehensive income	-	-	48,057	-	(2,813)	(24,560)
Issuance of new shares	-	-	-	-	-	-
Dividends	-	-	(38,058)	-	-	-
Transfer to non-financial assets	-	-	-	-	-	(422)
Purchase of treasury shares	-	-	-	(39,999)	-	-
Cancellation of treasury shares	-	-	(39,999)	39,999	-	-
Acquisition of subsidiaries	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Increase (decrease) by change in equity in affiliates accounted for by equity method	-	(0)	-	-	-	-
Increase (decrease) by acquisition of shares in consolidated subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	9,378	-	509	-
Total transactions with owners	-	(0)	(68,679)	-	509	(422)
Balance as of March 31, 2020	181,352	182,437	645,408	(408)	28,793	(23,146)

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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
	Millions of yen	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 (Loss in brackets)	-	-	-	48,057	3,955	52,012
Other comprehensive income	(141)	9,888	(17,627)	(17,627)	(86)	(17,713)
Comprehensive income	(141)	9,888	(17,627)	30,430	3,868	34,298
Issuance of new shares	-	-	-	-	-	-
Dividends	-	-	-	(38,058)	(2,376)	(40,435)
Transfer to non-financial assets	-	-	(422)	(422)	-	(422)
Purchase of treasury shares	-	-	-	Δ39,999	-	(39,999)
Cancellation of treasury shares	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	98	98
Changes in ownership interest in subsidiaries	-	-	-	-	401	401
Increase (decrease) by change in equity in affiliates accounted for by equity method	-	-	-	(0)	0	-
Increase (decrease) by acquisition of shares in consolidated subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	(9,888)	(9,378)	-	-	-
Total transactions with owners	-	(9,888)	(9,801)	(78,480)	(1,876)	(80,357)
Balance as of March 31, 2020	(141)	-	5,506	1,014,295	35,321	1,049,617

Consolidated financial results for FY2020 (April 1, 2020 to March 31, 2021)

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 (Loss in brackets)	-	-	(286,693)	-	-	-
Other comprehensive income	-	-	-	-	3,275	35,871
Comprehensive income	-	-	(286,693)	-	3,275	35,871
Issuance of new shares	91,848	91,120	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	152
Purchase of treasury shares	-	-	-	(0)	-	-
Cancellation of treasury shares	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Increase (decrease) by change in equity in affiliates accounted for by equity method	-	-	-	-	-	-
Increase (decrease) by acquisition of shares in consolidated subsidiaries	-	(0)	-	-	-	-
Transfer to retained earnings	-	-	(5,749)	-	3,399	-
Total transactions with owners	91,848	91,120	(5,749)	(0)	3,399	152
Balance as of March 31, 2021	273,200	273,557	352,965	(408)	35,468	12,877

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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
	Millions of yen	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 (Loss in brackets)	-	-	-	(286,693)	(1,182)	(287,875)
Other comprehensive income	(60)	(2,349)	36,736	36,736	(40)	36,695
Comprehensive income	(60)	(2,349)	36,736	(249,956)	(1,223)	(251,179)
Issuance of new shares	-	-	-	182,968	-	182,968
Dividends	-	-	-	-	-	-
Transfer to non-financial assets	-	-	152	152	-	152
Purchase of treasury shares	-	-	-	(0)	-	(0)
Cancellation of treasury shares	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Increase (decrease) by change in equity in affiliates accounted for by equity method	-	-	-	-	-	-
Increase (decrease) by acquisition of shares in consolidated subsidiaries	-	-	-	(0)	(22)	(23)
Transfer to retained earnings	-	2,349	5,749	-	-	-
Total transactions with owners	-	2,349	5,901	183,121	(22)	183,098
Balance as of March 31, 2021	(201)	-	48,144	947,459	34,075	981,535

(4) Consolidated Statement of Cash Flows

	FY2019 (April 1,2019-March 31,2020)	FY2020 (April 1,2020-March 31,2021)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax (Loss in brackets)	88,149	(404,078)
Depreciation, amortization and impairment losses	164,383	190,585
Loss (gain) on sale and retirement of fixed assets	2,691	2,150
Increase (decrease) in retirement benefit liability	(91,001)	(1,677)
Interest and dividend income	(3,018)	(2,313)
Interest expenses	1,332	2,927
Foreign exchange loss (gain)	785	(956)
Share of loss (profit) of investments accounted for using equity method	(1,396)	7,582
Decrease (increase) in trade and other receivables	64,529	2,597
Decrease (increase) in inventories	(4,695)	4,809
Increase (decrease) in trade and other payables	(15,282)	(27,036)
Increase (decrease) in contract liabilities	(43,043)	(36,705)
Other, net	(44,394)	32,550
Subtotal	119,039	(229,565)
Income taxes paid	(38,181)	10,045
Net cash provided by (used in) operating activities	80,857	(219,519)
Cash flows from investing activities		
Purchase of non-current assets	(239,611)	(89,686)
Proceeds from sales of non-current assets	4,251	1,442
Purchase of other financial assets	(5,647)	(8,118)
Proceeds from sale of other financial assets	1,671	2,254
Payments for loans receivable	(233)	(2,026)
Collection of loans receivable	837	746
Interest received	1,033	378
Dividends received	2,446	1,928
Other, net	1,526	2,069
Net cash provided by (used in) investing activities	(233,725)	(91,012)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	22	(54)
Proceeds from long-term borrowings	40,088	256,886
Repayments of long-term borrowings	(13,367)	(20,539)
Proceeds from issuing bonds	39,750	-
Proceeds from issuing shares	-	182,657
Interest paid	(831)	(1,412)
Dividends paid	(38,146)	(31)
Dividends paid to non-controlling interests	(2,384)	-
Repayments of lease liabilities	(24,815)	(24,501)
Other, net	(39,126)	(4,379)
Net cash provided by (used in) financing activities	(38,810)	388,624
Effect of exchange rate changes on cash and cash equivalents	(1,236)	1,094
Net increase (decrease) in cash and cash equivalents	(192,914)	79,186
Cash and cash equivalents at beginning of period	522,064	329,149
Cash and cash equivalents at end of period	329,149	408,335

(5) Notes for 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 consolidated financial statements for the year ended March 31, 2021 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 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 Consolidated Financial Statements, it was prepared in compliance with International Financial Reporting Standards (hereinafter “IFRS”) in accordance with Article 93 of the Regulations.

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

The JAL Group adopted 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 March 31, 2021, 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

(Changes in the Accounting Estimates)

(Change in duration)

The JAL Group has changed duration for some of its aircrafts to be retired, engines and cabin interiors as a result of the revision in economically usable forecast period.

As a result, the estimated useful lives of these assets have been changed since the Consolidated Fiscal Year. Accordingly, the operating loss, the loss before investing, financing and income tax, the loss before financing and income tax, and the loss before tax increased by 10,829 million yen in the Consolidated Fiscal Year.

Its impact on the segment is shown in the “Segment Information”.

(Additional Information)

(Recognition of deferred tax assets)

The JAL Group recognizes deferred tax assets as deductible temporary differences and carried forward loss within the scope where there are expectations of future taxable income to utilize future deductible temporary differences and future taxable income. We carefully examined the expectations of future taxable income, considering our new mid-term management plan or other factors. As a result of the examination of the scope of the expectations of future taxable income to utilize future deductible temporary differences and future taxable income, we recorded 120,067 million yen of income tax expenses (increase of profit) and the loss attributable to the owners of the parent became 286,693 million yen.

Deferred tax assets increased by 103,563 million yen and deferred tax liabilities decreased by 113 million yen respectively during the reporting period, and deferred tax assets and liabilities as of the end of the reporting period were 225,886 million yen and 108 million yen respectively.

(Revenue)**(1) Breakdown of revenue****Revenue and Segment Revenue****Consolidated financial results for FY2019 (April 1, 2019 to March 31, 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	486,217	-	486,217	-	-
Cargo and mail-service operation	67,306	-	67,306	-	-
Luggage operations	842	-	842	-	-
Sub-total	554,366	-	554,366	-	-
Domestic					
Passenger operations	529,707	-	529,707	-	-
Cargo and mail-service operation	24,352	-	24,352	-	-
Luggage operations	320	-	320	-	-
Sub-total	554,380	-	554,380	-	-
Total revenues from international and domestic operations	1,108,746	-	1,108,746	-	-
Other revenues					
Travel agency Revenue	-	178,712	178,712	-	-
Other	153,136	67,227	220,364	-	-
Total revenues	1,261,883	245,940	1,507,823	(121,908)	1,385,914

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

Consolidated financial results for FY2020 (April 1, 2020 to March 31, 2021)

	Segment		Sub-total	Internal transaction adjustment	Total
	Air Transportation	Other			
	Millions of Yen	Millions of Yen			
International					
Passenger operations	27,969	—	27,969	—	—
Cargo and mail-service operation	103,898	—	103,898	—	—
Luggage operations	333	—	333	—	—
Sub-total	132,201	—	132,201	—	—
Domestic					
Passenger operations	174,006	—	174,006	—	—
Cargo and mail-service operation	24,928	—	24,928	—	—
Luggage operations	219	—	219	—	—
Sub-total	199,154	—	199,154	—	—
Total revenues from international and domestic operations	331,356	—	331,356	—	—
Other revenues					—
Travel agency Revenue	—	56,981	56,981	—	—
Other	100,465	50,648	151,113	—	—
Total revenues	431,821	107,629	539,451	(58,225)	(481,225)

(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 value allocated as performance obligations of miles is deferred as contract liabilities in condensed quarterly consolidated statement of financial position, and revenue is recognized as miles are redeemed.

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 FY2019 (April 1, 2019 to March 31, 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	1,166,462	219,451	1,385,914	—	1,385,914
Intersegment	95,420	26,488	121,908	(121,908)	—
Total	1,261,883	245,940	1,507,823	(121,908)	1,385,914
Profit or loss before investing, financing and income tax	74,774	12,803	87,578	(78)	87,500
Investing income	—	—	—	—	2,399
Investing expenses	—	—	—	—	1,091
Finance income	—	—	—	—	1,102
Finance expenses	—	—	—	—	1,760
Profit before tax	—	—	—	—	88,149
Others					
Depreciation, amortization and impairment losses	160,826	3,578	164,405	(21)	164,383
Share of profit of investments accounted for using equity method	(255)	1,658	1,402	(5)	1,396

(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 consolidated statement of profit or loss and other comprehensive income.

Consolidated financial results for FY2020 (April 1, 2020 to March 31, 2021)

	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	395,584	85,641	481,225	—	481,225
Intersegment	36,237	21,988	58,225	(58,225)	—
Total	431,821	107,629	539,451	(58,225)	481,225
Profit or loss before investing, financing and income tax	(403,374)	5,405	(397,968)	(28)	(397,997)
Investing income	—	—	—	—	2,694
Investing expenses	—	—	—	—	(3,003)
Finance income	—	—	—	—	1,799
Finance expenses	—	—	—	—	(7,570)
Profit before tax	—	—	—	—	(404,078)
Others					
Depreciation, amortization and impairment losses	188,226	2,382	190,609	(24)	190,585
Share of profit of investments accounted for using equity method	(7,771)	185	(7,586)	3	(7,582)

(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.
4. The JAL Group has changed duration for some of its aircrafts to be retired, engines and cabin interiors as a result of the revision in economically usable forecast period. Accordingly, the loss before investing, financing and income tax in Air Transportation segment increased by 10,829 million yen in the Consolidated Fiscal Year.

(Per Share Information)

Earnings per share is calculated as follows;

	FY2019 (April 1,2019-March 31,2020)	FY2020 (April 1,2020-March 31,2021)
Profit attributable to owners of parent (Millions of yen)	48,057	(286,693)
Amounts not attributable to ordinary shareholders of parent (Millions of yen)	—	—
Net income used to calculate basic earnings per share (Millions of yen)	48,057	(286,693)
Average number of shares outstanding (Thousand shares)	343,167	374,766
Basic earnings per share (Yen)	140.04	(764.99)

(Significant Subsequent Event)

None