

[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, 2023[IFRS]

| | | |
|---|---|--|
| Company name | Japan Airlines Co., Ltd | May 2, 2023 |
| Stock Listing | Tokyo Stock Exchange | |
| Code No. | 9201 | URL: https://www.jal.com |
| Representative | Yuji Akasaka, President | |
| Contact | Shuei Nishizawa, General Manager, Finance | Phone: +81-3-5460-3121 |
| Scheduled date of Ordinary General Meeting of Shareholders: | | June 23, 2023 |
| Scheduled date for dividend payment: | | June 26, 2023 |
| Scheduled date for filing of Financial Report for the Fiscal Year 2022: | | June 26, 2023 |
| Supplementary explanations of Fiscal Year 2022 financial results: | | Yes |
| Presentation for the Fiscal Year 2022 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, 2023 (April 1, 2022 to March 31, 2023)

(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 | % |
| FY2022 ended March 31, 2023 | 1,375,589 | 101.5 | 64,563 | — | 52,429 | — | 33,876 | — | 34,423 | — | 18,257 | — |
| FY2021 ended March 31, 2022 | 682,713 | 41.9 | (239,498) | — | (246,617) | — | (181,345) | — | (177,551) | — | (149,054) | — |

| | 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 |
|-----------------------------|--|----------------------------|--|--|--------------------------------------|
| | Yen | Yen | % | % | % |
| FY2022 ended March 31, 2023 | 78.77 | — | 4.3 | 2.1 | 4.7 |
| FY2021 ended March 31, 2022 | (406.29) | — | (20.3) | (11.0) | (35.1) |

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

Year ended March 31, 2023: Loss of 3,353 million Yen, Year ended March 31, 2022: Loss of 9,901 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 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 |
| FY2022 ended March 31, 2023 | 2,520,603 | 856,957 | 816,288 | 32.4 | 1,867.91 |
| FY2021 ended March 31, 2022 | 2,375,724 | 846,067 | 799,736 | 33.7 | 1,830.03 |

(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 |
|-----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| FY2022 ended March 31, 2023 | 292,908 | (112,766) | (38,465) | 639,247 |
| FY2021 ended March 31, 2022 | (103,545) | (173,769) | 359,280 | 494,226 |

2. Dividends

| | Dividends per Share | | | | | Total amount of dividend (Annual) | Payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (Consolidated) |
|-------------------|---------------------|-----------------|-----------------|-----------------|-------|-----------------------------------|-----------------------------|--|
| | 1st Quarter End | 2nd Quarter End | 3rd Quarter End | Fiscal Year End | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of Yen | % | % |
| FY2021 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| FY2022 | — | 0.00 | — | 25.00 | 25.00 | 10,925 | 31.7 | 1.4 |
| FY2023 (Forecast) | — | 20.00 | — | 20.00 | 40.00 | | 31.8 | |

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024

(Percentage compared to prior year)

| | Revenue | | Profit before financing and income tax (Loss in brackets) | | Profit attributable to owners of parent (Loss in brackets) | |
|--------------------|-----------------|------|---|------|--|------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| Entire Fiscal Year | 1,658,000 | 20.5 | 100,000 | 54.9 | 55,000 | 59.8 |

The Company does not disclose forecast for the first six months of the fiscal year. 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, 2023: 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 March 31, 2023 : 437,143,500
 - As of March 31, 2022 : 437,143,500
 - (b) Number of treasury shares at the end of the period
 - As of March 31, 2023: 136,291
 - As of March 31, 2022 : 136,291
 - (c) Average number of shares outstanding
 - During the fiscal year ended March 31, 2023 : 437,007,209
 - During the fiscal year ended March 31, 2022 : 437,007,227

(Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated financial results for the Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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 | % |
| FY2022 ended March 31, 2023 | 1,161,145 | 93.4 | 10,109 | — | 43,455 | — | 32,740 | — |
| FY2021 ended March 31, 2022 | 600,319 | 50.0 | (247,975) | — | (241,264) | — | (206,292) | — |

| | Earnings per share (Loss in brackets) | Diluted earnings per share |
|-----------------------------|---------------------------------------|----------------------------|
| | Yen | Yen |
| FY2022 ended March 31, 2023 | 74.92 | — |
| FY2021 ended March 31, 2022 | (472.06) | — |

(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 |
| FY2022 ended March 31, 2023 | 2,245,480 | 705,478 | 31.4 | 1,614.34 |
| FY2021 ended March 31, 2022 | 2,115,857 | 705,270 | 33.3 | 1,613.86 |

(Reference) Shareholders' equity; Year ended March 31, 2023: 705,478 million Yen, Year ended March 31, 2022: 705,270 million Yen

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

The JAL Group runs its business with Japan Airlines as its main business. Therefore, the reason of variance in its non-consolidated financial results to the results in the previous fiscal year is almost identical to the reason of variance in the 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.

※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 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.

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

※The Company holds a presentation for institutional investors and analysts on May 2, 2023.

Documents distributed at the presentation are scheduled to be posted on our website on the same day.

※Regarding percentage or ratio compared to prior year, if changes exceed 1,000%, "--" is shown.

Attachment

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Outline of Operating Results

This fiscal year (April 1, 2022 to March 31, 2023), air passenger demand recovered steadily as the shift toward balancing the COVID-19 pandemic's prevention and socioeconomic activities gained momentum. The JAL Group flexibly secured its air transportation network both domestically and internationally in accordance with the situation of the COVID-19 pandemic. In addition, despite a recovery in passenger demand that took longer than expected, we made every effort to recover from the COVID-19 pandemic by working to improve earnings through comprehensive cost-cutting efforts and maximizing sales in the cargo business domain.

Toward fiscal year 2023 and beyond, the JAL Group will continue these efforts and fulfill its social mission as a public transport company in order to respond to the post-pandemic air transport demand.

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

The revenue increased by 101.5% year on year to 1 trillion 375.5 billion yen, the operating expense increased by 43.0 % year on year to 1 trillion 344.6 billion yen, the loss/earning before financing and income tax (hereinafter referred as "EBIT") was a gain of 64.5 billion yen (EBIT loss of 239.4 billion yen in the same period in the previous year). The profit attributable to owners of the parent was 34.4 billion yen (the loss attributable to owners of the parent of 177.5 billion yen in the same period in the previous year).

Consolidated financial results are as follows.

| (JPY Bn) | FY2021 April 1, 2021 to March 31, 2022 | FY2022 April 1, 2022 to March 31, 2023 | % or points compared to prior period |
|---|--|--|---|
| Revenue | 682.7 | 1,375.5 | 201.5% |
| FSC International Passenger | 68.7 | 417.5 | 607.0% |
| FSC Domestic Passenger | 235.1 | 451.1 | 191.9% |
| FSC Cargo/Mail | 218.3 | 224.7 | 102.9% |
| FSC Others | 6.0 | 15.1 | 252.4% |
| LCC | 2.9 | 31.7 | — |
| Mileage, Lifestyle and Infrastructure and Others | 151.5 | 235.1 | 155.2% |
| Operating Expense | 940.2 | 1,344.6 | 143.0% |
| Fuel | 145.4 | 323.3 | 222.3% |
| Excluding Fuel | 794.7 | 1,021.3 | 128.5% |
| Profit or loss before financing and income tax (EBIT) (Loss in brackets) | (239.4) | 64.5 | — |
| EBIT Margin (%) | — | 4.7 | — |
| Profit or loss attributable to owners of the parent (Loss in brackets) | (177.5) | 34.4 | — |

(Note) 1. Figures have been truncated and percentages are rounded off to the first decimal place.

2. FSC: Full Service Carrier

3. LCC includes both passenger revenue and related charges or fees

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

5. EBIT Margin=EBIT/Revenue.

6. Regarding percentage or ratio compared to prior year, if changes exceed 1,000%, "--" is shown.

To summarize this fiscal year's surrounding environment, both domestic passenger demand and international passenger demand to and from Japan, which had lagged behind other major countries, has steadily recovered since the beginning of the current fiscal year. Despite some uncertainties in the external environment such as the impact of the Russia-Ukraine situation, concerns about a global economic downturn, and volatile markets including foreign exchange and fuel prices, we are making steady progress toward medium to long-term growth. We are steadily putting in place measures to fully capture the trend toward demand recovery, including resuming the hiring of employees.

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

ESG Strategy

Regarding our ESG strategy that is placed at the core of our management strategy, we are taking various initiatives to achieve one of our industry's most important goals of net zero CO₂ emission, while satisfying our social mission to provide a sustainable air transportation network as a public transportation infrastructure.

In terms of SAF (Sustainable Aviation Fuel) that is one of our primary pillars toward reduced CO₂ emissions, we have steadily increased procurement from overseas. In November 2022 we announced procurement with Neste OYJ, one of the world's largest manufacturers of renewable fuels, as well as agreeing on future procurement with Raven SR Inc. in January 2023, which aims to produce renewable fuels from municipal solid waste. In addition, we operated Japan's first "Sustainable Charter Flight" with net zero CO₂ emissions on the Tokyo (Haneda)-Okinawa (Naha) route in November 2022. Moreover, we are steadily replacing our fleets with fuel-efficient aircrafts, with 21 smaller-sized aircrafts in operation being replaced with Boeing 737-8 aircrafts. As our group's disclosure and performance regarding ESG were positively evaluated, we were selected for the first time as a constituent of the "DJSI Asia Pacific Index" that is utilized by many investors globally as an investing criterion, and an "A-" rating on climate change from CDP, an international environmental not-for-profit organization.

From a DEI perspective, we have promoted the development of diverse human resources and work styles, including women, global, and senior human resources. As a result of our proactive efforts in health management, we were selected as a constituent of the "2023 Certified Health & Productivity Management Outstanding Organizations" list for 2 consecutive years, and 24 group companies were selected as a constituent of the "2023 Certified Health & Productivity Management Outstanding Organizations" list. In addition, the JAL Group's Integrated Report was awarded the "E Award" at the Nikkei Integrated Report Awards 2022 hosted by Nikkei Inc., which is given to companies that have particularly outstanding environment-related statements. In addition, for the fourth time in the past 5 years since 2018, we were ranked 1st place in the transportation category for "Award for Excellence in Corporate Disclosure" by The Securities Analysts Association of Japan. In addition, our company's sustainability initiatives and service quality were recognized as among the world's best, thus we were awarded the "WORLD CLASS" by APEX (Airline Passenger Experience Association) for the second consecutive year. We will continue to promote a various range of ESG initiatives to aim for a leading airline group in sustainable growth.

Full Service Carrier Business Domain

The JAL Group has steadily prepared for a recovery in demand amid the COVID-19 pandemic, including efforts to maintain employment, improving knowledge and skills for flight safety, and replacing our flagship domestic aircraft with the latest Airbus A350 with improved fuel efficiency.

For international passengers, the number of passengers arriving in and departing from Japan is gradually recovering especially for inbound passengers, as the maximum number of entries into Japan set at 50,000 per day was lifted from mid-October 2022, and drastic relaxation was conducted including the exemption of temporary visitor visas. Furthermore, we have responded flexibly to changes in the business environment, including the establishment of flight schedules that offer convenient transit at Narita Airport, aimed at capturing transit demand particularly between Asia and North America, where demand is recovering quickly. Going forward, a strong recovery in demand is expected especially with the easing of China's border restrictions.

For domestic passengers, demand had recovered steadily especially for tourists, especially through positive effects of the nationwide travel support program. In response to the increase in passengers, we provided sufficient capacity, including the establishment of additional flights and aircraft upscale. As a result, many passengers boarded our flight especially during the high-demand period such as the long national holidays in May, New Year's Holidays and Spring Holidays, which saw a recovery of passenger numbers to approximately 90% of 2019 levels.

In the cargo business, while total air cargo demand began to decline after the summer, cargo demand for our company continued to be strong, especially between Asia and North America. We captured as much demand as possible through cargo flights utilizing passenger aircrafts and cargo flights from other companies. Although unit price is on a downward trend, it remains at a higher level than pre-pandemic levels. As a result, revenue is growing significantly compared to pre-pandemic levels.

LCC Business Domain

ZIPAIR Tokyo Co., Ltd. (ZIPAIR) – a LCC for medium to long-haul international flights, has seen steady progress in business operations, achieving early positive profits through rising customer recognition and steady increase in its load factors, with flights frequently fully-booked especially during periods of high demand. In addition, ZIPAIR started its service on the San Jose route in December 2022 and is aiming to start service on the San Francisco route and Manila route around the Summer of 2023. It has been steadily accumulating results, in line with the recovery of international passenger demand. SPRING JAPAN Co., Ltd. (SPRING JAPAN) which targets China routes, worked to improve its profitability by temporarily increasing the number of domestic flights to make effective use of its resources, as demand in China was not expected to recover in the near term due to the continuation of strict entry regulations. Going forward, a strong recovery in demand is expected with the easing of China's border restrictions. The three LCC's with differing characteristics, including Jetstar Japan Co., Ltd. (Jetstar Japan) which mainly operates domestic flights, will work to build a network using Narita Airport as a hub to expand the scale of their business.

As a result of the above, for Full Service Carrier operations, the passenger traffic for International Passenger Business in this fiscal year increased by 387.2% year over year, its revenue passenger kilometers (RPK) increased by 353.1% year over year, its available seat kilometers (ASK) increased by 67.0% year over year, and the load factor was 71.8%. Likewise, the passenger traffic for Domestic Passenger Business increased by 85.4% year over year, its revenue passenger kilometers (RPK) increased by

91.0% year over year, its available seat kilometers (ASK) increased by 43.6% year over year, and the load factor was 65.5%. Revenue for Cargo and Mail Business increased by 2.9% year on year.

For LCC operations, for ZIPAIR the passenger traffic was 488,210 (number of passengers), its revenue passenger kilometers (RPK) was 2,471,419 (1,000 passenger-km), and its available seat kilometers (ASK) was 4,674,955 (thousands). Likewise, for SPRING JAPAN the passenger traffic was 481,206 (number of passengers), its revenue passenger kilometers (RPK) was 409,361 (1,000 passenger-km), and its available seat kilometers (ASK) was 760,306 (thousands).

Non-Aviation Business Domain

To further expand our business beyond the air transportation business, we are working to achieve innovation by integrating advanced technology with our group's strength in human resources and customer base, and to create new products, services and businesses by leveraging our brand power and the know-how cultivated by our air transportation business.

The JAL Group launched a new partnership program with one of the largest point service providers in Japan, Rakuten Point. Moreover, JAL Pay, a smartphone payment service, was launched and is now available at supported stores and in-flight sales. We are also offering mileage-related services for a variety of daily situations other than boarding an aircraft. JALUX, Inc, which became a consolidated subsidiary in the fiscal year ended March 2022, has been working to develop regional areas and create more associated demand centering on the JAL Group's destinations, through the "JAL hometown tax reduction program" site.

Moreover, JAL Sales Co., Ltd. has decided on a merger with Japan Airlines in October 2022 and will strengthen its efforts to solve problems faced by regions and customers by providing sales solutions through utilizing assets across our group, not limited to sales of air tickets. The JAL Group was also selected to operate "AIRTAXI" at the EXPO 2025 Osaka, Kansai. We will operate "AIRTAXI" safely and securely in EXPO 2025 Osaka, Kansai, offering passengers the opportunity to actually board the vehicles. The JAL Group will further advance to create new services and business opportunities by utilizing our expertise.

Safety and Peace of Mind

As for "safety and peace of mind" – the basic premise of the JAL Group's existence and the management objective of the Medium-Term Management Plan, we are working to maintain our airline network while also preventing infections for both our customers and employees.

In terms of initiatives toward "safety and peace of mind", we aimed to achieve the goal of "Zero Aircraft Accidents, Zero Serious Incidents" in our Medium Term Management Plan. However, three incidents involving broken bones of customers and flight attendants were certified as air accidents by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). We take this incident very seriously and will cooperate with MLIT in its investigation of the accident, as well as making thorough efforts to prevent recurrence and continuing our utmost efforts to protect safety. As flights over Russian airspace were suspended due to the Russia-Ukraine situation, we worked to secure a network by changing to an alternative route that allows safe flights. The JAL Group will continue to implement various safety measures with a strong commitment to air safety in the rapidly-changing business environment. In addition, we completed the introduction of "JAL SMART SECURITY" - an aviation security check lane, to domestic flights at Haneda Airport. This has contributed significantly to reducing congestion and reducing the required manpower at aviation security checks, even as flights are being resumed. We will strive toward airport services that are safer, more secure and more stress-free.

Financial Strategy

As for our financial strategy, in order to steadily upgrade our fleets to fuel-efficient aircrafts, we implemented a financing of approximately 26.5 billion yen through a transition-linked loan with specific use of proceeds in March 2023 as the first Japanese airline company to use such a loan. In addition, our company was selected as a component of the Nikkei Stock Average after a periodic review conducted in March 2023, which is reflected from April 2023. We will continue to strive to further enhance and improve the quality of our disclosure to achieve better dialogue with the market and investors.

The COVID-19 pandemic has had a profound impact on many industries including aviation, and has brought profound changes that have overturned social and economic assumptions. Although passenger demand is recovering, the speed of recovery, especially for flights from Japan, is still lacking due to the spread of remote working, currency fluctuations, and soaring fuel prices. However, the JAL Group has overcome the unprecedented situation of a sharp and significant decline in demand and is firmly in place to fully capture the recovering demand, including resuming the recruitment of human resources toward medium-to long-term growth. The JAL Group will simultaneously restructure its financial position and strive toward sustainable growth, in line with the "JAL Group Medium-Term Management Plan FY 2021-2025 Rolling Plan 2023", aiming to become "the most loved, and number one airline group of choice in the world" and take on the challenge of providing comfortable air travel to all of our customers.

Financial results of each segment are as follows.

Air Transportation Segment

This fiscal year, revenue in the Air Transportation Segment increased by 96.3% year on year to 1,261.0 billion yen and the profit before investing, financing and income tax (hereinafter referred as “Segment profit (or loss)”) was 50.7 billion yen (segment loss of 250.1 billion yen in the same period in the previous year).

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

Revenue for Full Service Carrier operations were as follows;

The international passenger revenue was 417.5 billion yen, or up 507.0 % year on year.

The domestic passenger revenue was 451.1 billion yen, or up 91.9 % year on year.

The cargo and mail revenue was 224.7 billion yen, or up 2.9 % year on year.

Revenue for LCC operations were as follows;

The international passenger revenue was 27.1 billion yen

The domestic passenger revenue was 3.5 billion yen

Details are provided below.

1. International Operations (Full Service Carrier)

| | FY2021 April 1, 2021 to March 31, 2022 | FY2022 April 1, 2022 to March 31, 2023 | % or points compared to prior period |
|--|---|---|---|
| Revenue from passenger operations (millions of Yen) | 68,785 | 417,526 | 607.0% |
| Revenue passengers carried (number of passengers) | 892,471 | 4,348,562 | 487.2% |
| Revenue passenger km (RPK) (1,000 passenger-km) | 6,027,871 | 27,310,618 | 453.1% |
| Available seat km (ASK) (thousands-km) | 22,780,657 | 38,039,283 | 167.0% |
| Revenue passenger-load factor (L/F) (%) | 26.5 | 71.8 | 45.3 |
| Revenue from Cargo Operations (millions of Yen) | 182,877 | 188,902 | 103.3% |
| Revenue cargo ton-km (RCTK) | 3,113,671 | 2,795,737 | 89.8% |

2. Domestic Operations (Full Service Carrier)

| | FY2021 April 1, 2021 to March 31, 2022 | FY2022 April 1, 2022 to March 31, 2023 | % or points compared to prior period |
|--|---|---|---|
| Revenue from passenger operations (millions of Yen) | 235,100 | 451,127 | 191.9% |
| Revenue passengers carried (number of passengers) | 16,238,833 | 30,109,920 | 185.4% |
| Revenue passenger km (RPK) (1,000 passenger-km) | 12,089,054 | 23,090,624 | 191.0% |
| Available seat km (ASK) (thousands-km) | 24,535,597 | 35,243,210 | 143.6% |
| Revenue passenger-load factor (L/F) (%) | 49.3 | 65.5 | 16.2 |
| Revenue from Cargo Operations (millions of Yen) | 20,751 | 20,017 | 96.5% |
| Revenue cargo ton-km (RCTK) | 231,515 | 280,599 | 121.2% |

Fleet

as of March 31, 2023

| Type of Aircraft | Owned | Leased | Total |
|--------------------------|-------|--------|-------|
| Airbus A350-900 | 12 | 4 | 16 |
| Boeing 777-200ER | 3 | 0 | 3 |
| Boeing 777-300ER | 13 | 0 | 13 |
| Large-sized Total | 28 | 4 | 32 |
| Boeing 787-8 | 30 | 0 | 30 |
| Boeing 787-9 | 19 | 3 | 22 |
| Boeing 767-300ER | 16 | 11 | 27 |
| Medium-sized Total | 65 | 14 | 79 |
| Boeing 737-800 | 47 | 15 | 62 |
| Small-sized Total | 47 | 15 | 62 |
| Embraer 170 | 18 | 0 | 18 |
| Embraer 190 | 14 | 0 | 14 |
| De Havilland DHC-8-400CC | 5 | 0 | 5 |
| ATR42-600 | 11 | 1 | 12 |
| ATR72-600 | 2 | 0 | 2 |
| Regional Total | 50 | 1 | 51 |
| Total | 190 | 34 | 224 |

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.

| | FY2021 April 1, 2021 to March 31, 2022 [Millions of Yen] | % contribution to total | FY2022 April 1, 2022 to March 31, 2023 [Millions of Yen] | % contribution to total | % compared to prior period |
|--|---|----------------------------|---|----------------------------|-------------------------------|
| International (Full Service Carrier) | | | | | |
| Passenger operations | 68,785 | 10.7 | 417,526 | 33.1 | 607.0 |
| Cargo operations | 182,877 | 28.5 | 188,902 | 15.0 | 103.3 |
| Mail-service operations | 11,089 | 1.7 | 12,241 | 1.0 | 110.4 |
| Luggage operations | 746 | 0.1 | 1,766 | 0.1 | 236.7 |
| Sub-total | 263,499 | 41.0 | 620,437 | 49.2 | 235.5 |
| Domestic (Full Service Carrier) | | | | | |
| Passenger operations | 235,100 | 36.6 | 451,127 | 35.8 | 191.9 |
| Cargo operations | 20,751 | 3.2 | 20,017 | 1.6 | 96.5 |
| Mail-service operations | 3,653 | 0.6 | 3,631 | 0.3 | 99.4 |
| Luggage operations | 312 | 0.0 | 409 | 0.0 | 131.4 |
| Sub-total | 259,817 | 40.4 | 475,187 | 37.7 | 182.9 |
| Total revenues from international and domestic operations | 523,316 | 81.4 | 1,095,624 | 86.9 | 209.4 |
| Passenger Revenue (LCC) | | | | | |
| ZIPAIR | 717 | 0.1 | 22,449 | 1.8 | — |
| SPRING JAPAN | 2,021 | 0.3 | 8,224 | 0.7 | 406.8 |
| Sub-total | 2,738 | 0.4 | 30,674 | 2.4 | — |
| Other revenues | 116,509 | 18.1 | 134,753 | 10.7 | 115.7 |
| Total revenues | 642,565 | 100.0 | 1,261,052 | 100.0 | 196.3 |

(Note) 1. The amounts are rounded down to the nearest million yen and the percentages are round off to the first decimal place.

2. FSC: Full Service Carrier

3. For SPRING JAPAN, as the results from acquisition of the subsidiary on June 28, 2021 until the end of June 2021 are minor, traffic results for this period are not included as traffic results for LCC.

4. Regarding percentage or ratio compared to prior year, if changes exceed 1,000%, “-” is shown.

Traffic Results (Full Service Carrier)

| | FY2021 April 1, 2021 to March 31, 2022 | FY2022 April 1, 2022 to March 31, 2023 | % or points compared to prior period |
|--|--|--|---|
| INTERNATIONAL | | | |
| Revenue passengers carried (number of passengers) | 892,471 | 4,348,562 | 487.2% |
| Revenue passenger km (1,000 passenger-km) | 6,027,871 | 27,310,618 | 453.1% |
| Available seat km (thousands) | 22,780,657 | 38,039,283 | 167.0% |
| Revenue passenger-load factor (%) | 26.5 | 71.8 | 45.3 |
| Revenue cargo ton-km (thousands) | 3,113,671 | 2,795,737 | 89.8% |
| Mail ton-km (thousands) | 160,474 | 125,904 | 78.5% |
| DOMESTIC | | | |
| Revenue passengers carried (number of passengers) | 16,238,833 | 30,109,920 | 185.4% |
| Revenue passenger km (1,000 passenger-km) | 12,089,054 | 23,090,624 | 191.0% |
| Available seat km (thousands) | 24,535,597 | 35,243,210 | 143.6% |
| Revenue passenger-load factor (%) | 49.3 | 65.5 | 16.2 |
| Revenue cargo ton-km (thousands) | 231,515 | 280,599 | 121.2% |
| Mail ton-km (thousands) | 22,689 | 22,044 | 97.2% |
| TOTAL | | | |
| Revenue passengers carried (number of passengers) | 17,131,304 | 34,458,482 | 201.1% |
| Revenue passenger km (1,000 passenger-km) | 18,116,925 | 50,401,243 | 278.2% |
| Available seat km (thousands) | 47,316,254 | 73,282,493 | 154.9% |
| Revenue passenger-load factor (%) | 38.3 | 68.8 | 30.5 |
| Revenue cargo ton-km (thousands) | 3,345,186 | 3,076,337 | 92.0% |
| Mail ton-km (thousands) | 183,164 | 147,949 | 80.8% |

Traffic Results (LCC)

| | FY2021 April 1, 2021 to March 31, 2022 | FY2022 April 1, 2022 to March 31, 2023 | % or points compared to prior period |
|--|--|--|---|
| ZIPAIR | | | |
| Revenue passengers carried (number of passengers) | 25,791 | 488,210 | — |
| Revenue passenger km (1,000 passenger-km) | 98,667 | 2,471,419 | — |
| Available seat km (thousands) | 1,791,942 | 4,674,955 | 260.9% |
| Revenue passenger-load factor (%) | 5.5 | 52.9 | 47.4 |
| SPRING JAPAN | | | |
| Revenue passengers carried (number of passengers) | 82,788 | 481,206 | 581.3% |
| Revenue passenger km (1,000 passenger-km) | 77,235 | 409,361 | 530.0% |
| Available seat km (thousands) | 163,207 | 760,306 | 465.9% |
| Revenue passenger-load factor (%) | 47.3 | 53.8 | 6.5 |

1. 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).
2. 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).
3. Full Service Carrier (International): Japan Airlines Co., Ltd.,
Full Service Carrier (Domestic): 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.,
4. Traffic Results for SPRING JAPAN includes both International and Domestic carriage
5. For SPRING JAPAN, as the results from acquisition of the subsidiary on June 28, 2021 until the end of June 2021 are minor, traffic results for this period are not included as traffic results for LCC.
6. Figures have been truncated and percentages are rounded off to the first decimal place.
7. Regarding percentage or ratio compared to prior year, if changes exceed 1,000%, “-” is shown.

Others

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

JALPAK Co., Ltd.

| | FY2021 | FY2022 | % or points compared to prior period |
|---|---------------------------------|---------------------------------|---|
| | April 1, 2021 to March 31, 2022 | April 1, 2022 to March 31, 2023 | |
| Overseas travelers handled (10,000 number of travelers) | 0.0 | 1.7 | — |
| Domestic travelers handled (10,000 number of travelers) | 100.4 | 213.1 | 212.3% |
| Revenue (before elimination of consolidated transactions, billions of yen) | 45.8 | 108.8 | 237.5% |

JALUX Co., Ltd.

| | FY2021 | FY2022 | % or points compared to prior period |
|---|---------------------------------|---------------------------------|---|
| | April 1, 2021 to March 31, 2022 | April 1, 2022 to March 31, 2023 | |
| Revenue (before elimination of consolidated transactions, billions of yen) | — | 27.9 | — |

| | FY2021 | FY2022 | % or points compared to prior period |
|---|---------------------------------|---------------------------------|--------------------------------------|
| | April 1, 2021 to March 31, 2022 | April 1, 2022 to March 31, 2023 | |
| Memberships (10,000 number of members) | 346.1 | 344.3 | 99.5% |
| Revenue (before elimination of consolidated transactions, billions of yen) | 18.5 | 17.1 | 92.7% |

Regarding percentage or ratio compared to prior year, if changes exceed 1,000%, “-” is shown.

(2) Outline of Financial Condition for the Current Fiscal Year Assets, Liabilities and Equity

Assets in this fiscal year-end increased by 144.8 billion yen from the end of the previous fiscal year to 2,520.6 billion yen, mainly due to the increase of Cash and Cash equivalents.

Liabilities increased by 133.9 billion yen from the end of the previous fiscal year to 1,663.6 billion yen due to mainly due to increase in Contract Liabilities.

Equity increased by 10.8 billion yen from the end of the previous fiscal year to 856.9 billion yen, as a result of increase in the net profit attributable to the owners of parent.

As a result of the above, Shareholders' Equity ended at 816.2 billion yen, and the equity ratio dropped by 1.3 percentage points from the end of the previous fiscal year to 32.4%. 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 and operating receivables and operating payables to/from profit before income tax of 52.4 billion yen, cash flow (inflow) from operating activities was 292.9 billion yen (cash outflow of 103.5 billion yen for the previous year).

Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 112.7 billion yen mainly due to acquisition of fixed assets (cash outflow of 173.7 billion yen for the previous year).

Cash Flows from Financing Activities

Cash flow from financing activities (outflow) was 38.4 billion yen due to repayment of long term debts and lease payment (cash inflow of 359.2 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 145.0 billion yen from the end of the previous fiscal year to 639.2 billion yen.

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

Regarding the consolidated financial results for the current fiscal year, the 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 owners of parent (Loss in brackets) |
|-------------------|----------------------------|--|------------------------------|---|---|
| Previous year (A) | Millions of yen 682,713 | Millions of yen (234,767) | Millions of yen (239,498) | Millions of yen (246,617) | Millions of yen (177,551) |
| Current year (B) | 1,375,589 | 65,059 | 64,563 | 52,429 | 34,423 |
| Change (B-A) | 692,875 | 299,827 | 304,062 | 299,047 | 211,975 |
| Change (%) | 101.5 | — | — | — | — |

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

Please refer to “1. Outline of Operating Results (1) Outline of Operating Results for the Current Fiscal Year” in the attachment for details.

(5) Future Outlook

To further promote our ESG management in order to achieve the management vision stated in the “JAL Group Medium-Term Management Plan FY 2021-2025”, our group will make every effort to steadily implement the “JAL Group Medium-Term Management Plan FY 2021-2025 Rolling Plan 2023” which was announced on May 2, 2023.

As the COVID-19 pandemic settles down in the fiscal year ended March 2023, we were able to achieve a full-year consolidated profit and plan to resume dividend payments. In the fiscal year ending March 2024, we will establish a stable profit structure in the post-pandemic environment. Based on the business environment presented in the Medium Term Management Plan Rolling Plan, the forecasted consolidated financial results for the fiscal year ending March 2024 are a revenue of 1 trillion 658 billion yen, EBIT of 100 billion yen and Profit attributable to owners of parent of 55 billion yen.

In calculating the above forecast, we have assumed the dollar-yen exchange rate to be 135 yen, and the market price of Singapore kerosene, an indicator of aviation fuel costs, of US \$115.

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

The JAL Group regards shareholder returns as one of its most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible acquisition of treasury shares, while securing internal reserves for making investments for corporate growth and adapting to changes in the business environment, to build a strong financial structure.

Since the spread of the COVID-19 pandemic, the JAL Group has not provided dividends for the fiscal year ending March 31, 2021 and the fiscal year ending March 31, 2022 as it was necessary to place the highest priority on securing liquidity on hand and strengthening our financial position. However, the JAL Group plans to pay its year-end dividend for the fiscal year ended March 31, 2023, as cash flow is steadily recovering, positive profitability is achieved for the full fiscal year, and as air transport demand is expected to make a steady recovery toward the next fiscal year.

We plan to increase dividends to 25 yen per share as results for the fiscal year ended March 31, 2023 exceeded earnings forecast levels, which were announced on February 2, 2023. We would like to express our deep appreciation to our shareholders for their continued support during the pandemic.

We forecast a dividend of 40 yen per share for the fiscal year ending March 31, 2024, including an interim dividend of 20 yen per share, as cash flow is steadily recovering, positive profitability is expected for the full fiscal year, and as air transport demand is expected to make a steady recovery toward the next fiscal year. Going forward, we will strive to achieve our basic policy of a continuous and stable shareholder return, that is in line with our business recovery.

(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 that are unpredictable. The following includes forward-looking matters, but these items were determined as of March 31, 2023.

- Risk concerning pandemic
- Risk concerning disasters such as natural disasters and terrorist attacks
- Risk concerning climate change, global warming and environmental rules and regulations
- Risks concerning the external management environment such as international affairs and economic trends
- Risks concerning delivery of aircraft
- Risks concerning market fluctuation
- Risks concerning aviation safety
- Risks concerning legal regulations and litigations
- Risks concerning IT system or customer information
- Risks concerning personnel and labor relations

2. Basic Policy Concerning the Selection of Accounting Standards

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

| | As of March 31, 2022 | As of March 31, 2023 |
|---|-------------------------|-------------------------|
| | Millions of yen | Millions of yen |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 494,226 | 639,247 |
| Trade and other receivables | 120,322 | 174,906 |
| Other financial assets | 43,359 | 11,202 |
| Inventories | 31,279 | 36,747 |
| Other current assets | 61,316 | 60,776 |
| Total current assets | <u>750,504</u> | <u>922,880</u> |
| Non-current assets | | |
| Tangible fixed assets | | |
| Flight equipment | 887,212 | 839,205 |
| Advances on flight equipment | 70,409 | 102,431 |
| Other tangible fixed assets | 92,250 | 86,158 |
| Total tangible fixed assets | <u>1,049,871</u> | <u>1,027,795</u> |
| Goodwill and intangible assets | 91,703 | 83,310 |
| Investment property | 2,915 | 3,296 |
| Investments accounted for using equity method | 19,664 | 20,200 |
| Other financial assets | 152,233 | 158,638 |
| Deferred tax assets | 284,287 | 278,655 |
| Retirement benefit asset | 4,496 | 8,522 |
| Other non-current assets | 20,046 | 17,303 |
| Total non-current assets | <u>1,625,219</u> | <u>1,597,722</u> |
| Total assets | <u><u>2,375,724</u></u> | <u><u>2,520,603</u></u> |

| | As of March 31, 2022 | As of March 31, 2023 |
|---|-------------------------|-------------------------|
| | Millions of yen | Millions of yen |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 94,046 | 136,138 |
| Interest-bearing liabilities | 86,786 | 111,968 |
| Other financial liabilities | 16,564 | 58,749 |
| Income taxes payable | 3,602 | 2,642 |
| Contract liabilities | 240,224 | 316,873 |
| Provisions | 2,188 | 2,737 |
| Other current liabilities | 27,073 | 40,467 |
| Total current liabilities | 470,486 | 669,578 |
| Non-current liabilities | | |
| Interest-bearing liabilities | 841,677 | 813,535 |
| Other financial liabilities | 26,464 | 9,331 |
| Deferred tax liabilities | 4,108 | 3,505 |
| Provisions | 26,289 | 23,908 |
| Retirement benefit liability | 151,028 | 132,355 |
| Other non-current liabilities | 9,601 | 11,430 |
| Total non-current liabilities | 1,059,170 | 994,067 |
| Total liabilities | 1,529,657 | 1,663,645 |
| Equity | | |
| Share capital | 273,200 | 273,200 |
| Capital surplus | 273,617 | 273,631 |
| Retained earnings | 176,406 | 225,644 |
| Treasury shares | (408) | (408) |
| Accumulated other comprehensive income | | |
| Financial assets measured at fair value through other comprehensive income | 35,512 | 38,384 |
| Effective portion of cash flow hedges | 41,018 | 4,812 |
| Exchange differences on translation of foreign operations | 390 | 1,024 |
| Total accumulated other comprehensive income | 76,921 | 44,220 |
| Total equity attributable to owners of parent | 799,736 | 816,288 |
| Non-controlling interests | 46,330 | 40,669 |
| Total equity | 846,067 | 856,957 |
| Total liabilities and equity | 2,375,724 | 2,520,603 |

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

| | FY2021 (April 1, 2021- March 31, 2022) | FY2022 (April 1, 2022- March 31, 2023) |
|--|--|--|
| | Millions of yen | Millions of yen |
| Revenue | | |
| International passenger revenue | 70,887 | 444,662 |
| Domestic passenger revenue | 235,736 | 454,665 |
| Other revenue | 376,089 | 476,261 |
| Total revenue | 682,713 | 1,375,589 |
| Other income | 22,745 | 34,157 |
| Operating expenses | | |
| Personnel expenses | (245,724) | (292,312) |
| Aircraft fuel | (145,456) | (323,353) |
| Depreciation, amortization and impairment losses | (178,785) | (158,197) |
| Other operating expenses | (370,259) | (570,823) |
| Total operating expenses | (940,226) | (1,344,686) |
| Operating profit (Loss in brackets) | (234,767) | 65,059 |
| Share of profit of investments accounted for using equity method | (9,901) | (3,353) |
| Profit before investing, financing and income tax (Loss in brackets) | (244,668) | 61,706 |
| Income/expenses from investments | | |
| Investing income | 10,878 | 3,970 |
| Investing expenses | (5,708) | (1,112) |
| Profit before financing and income tax (Loss in brackets) | (239,498) | 64,563 |
| Finance income/expenses | | |
| Finance income | 1,986 | 2,074 |
| Finance expenses | (9,105) | (14,209) |
| Profit before tax (Loss in brackets) | (246,617) | 52,429 |
| Income tax expense | 65,272 | (18,553) |
| Profit (Loss in brackets) | (181,345) | 33,876 |
| Profit attributable to | | |
| owners of parent | (177,551) | 34,423 |
| Non-controlling interests | (3,793) | (547) |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | (2,817) | 2,669 |
| Remeasurements of defined benefit plans | 3,876 | 15,130 |
| Share of other comprehensive income of investments accounted for using equity method | (63) | 32 |
| Total of items that will not be reclassified to profit or loss | 996 | 17,832 |
| Items that may be reclassified to profit or loss | | |
| Effective portion of cash flow hedges | 30,710 | (34,384) |
| Exchange differences on translation of foreign operations | 672 | 923 |
| Share of other comprehensive income of investments accounted for using equity method | (88) | 10 |
| Total of items that may be reclassified to profit or loss | 31,295 | (33,450) |
| Other comprehensive income, net of taxes | 32,291 | (15,618) |
| Comprehensive income | (149,054) | 18,257 |

| | FY2021 (April 1, 2021- March 31, 2022) | FY2022 (April 1, 2022- March 31, 2023) |
|---|--|--|
| | Millions of yen | Millions of yen |
| Comprehensive income attributable to | | |
| Owners of parent | (145,405) | 17,909 |
| Non-controlling interests | (3,649) | 348 |
| Earnings per share | | |
| Basic earnings per share (Loss in brackets) (Yen) | (406.29) | 78.77 |
| Diluted earnings per share (Yen) | — | — |

(3) Consolidated Statement of Changes in Equity
Consolidated Financial Results for FY2021 (April 1, 2021 to March 31, 2022)

| | 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, 2021 | 273,200 | 273,557 | 352,965 | (408) | 35,468 | 12,877 |
| Profit (Loss in brackets) | — | — | (177,551) | — | — | — |
| Other comprehensive income | — | — | — | — | (2,867) | 30,518 |
| Comprehensive income | — | — | (177,551) | — | (2,867) | 30,518 |
| Dividends | — | — | — | — | — | — |
| Transfer to non-financial assets | — | — | — | — | — | (2,377) |
| Purchase of treasury shares | — | — | — | (0) | — | — |
| Acquisition of subsidiaries | — | — | — | — | — | — |
| Changes in ownership interest in subsidiaries | — | 59 | — | — | — | — |
| Transfer to retained earnings | — | — | 992 | — | 2,911 | — |
| Total transactions with owners | — | 59 | 992 | (0) | 2,911 | (2,377) |
| Balance as of March 31, 2022 | 273,200 | 273,617 | 176,406 | (408) | 35,512 | 41,018 |

| | 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, 2021 | (201) | — | 48,144 | 947,459 | 34,075 | 981,535 |
| Profit (Loss in brackets) | — | — | — | (177,551) | (3,793) | (181,345) |
| Other comprehensive income | 591 | 3,903 | 32,146 | 32,146 | 144 | 32,291 |
| Comprehensive income | 591 | 3,903 | 32,146 | (145,405) | (3,649) | (149,054) |
| Dividends | — | — | — | — | (3,077) | (3,077) |
| Transfer to non-financial assets | — | — | (2,377) | (2,377) | — | (2,377) |
| Purchase of treasury shares | — | — | — | (0) | — | (0) |
| Acquisition of subsidiaries | — | — | — | — | 10,970 | 10,970 |
| Changes in ownership interest in subsidiaries | — | — | — | 59 | 8,010 | 8,070 |
| Transfer to retained earnings | — | (3,903) | (992) | — | — | — |
| Total transactions with owners | — | (3,903) | (3,369) | (2,317) | 15,903 | 13,586 |
| Balance as of March 31, 2022 | 390 | — | 76,921 | 799,736 | 46,330 | 846,067 |

Consolidated Financial Results for FY2022 (April 1, 2022 to March 31, 2023)

| | 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, 2022 | 273,200 | 273,617 | 176,406 | (408) | 35,512 | 41,018 |
| Profit (Loss in brackets) | — | — | 34,423 | — | — | — |
| Other comprehensive income | — | — | — | — | 2,615 | (34,835) |
| Comprehensive income | — | — | 34,423 | — | 2,615 | (34,835) |
| Dividends | — | — | — | — | — | — |
| Transfer to non-financial assets | — | — | — | — | — | (1,371) |
| Acquisition of subsidiaries | — | — | — | — | — | — |
| Disposal of subsidiaries | — | — | — | — | — | — |
| Changes in ownership interest in subsidiaries | — | 14 | — | — | — | — |
| Transfer to retained earnings | — | — | 14,814 | — | 256 | — |
| Total transactions with owners | — | 14 | 14,814 | — | 256 | (1,371) |
| Balance as of March 31, 2023 | 273,200 | 273,631 | 255,644 | (408) | 38,384 | 4,812 |

| | 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, 2022 | 390 | — | 76,921 | 799,736 | 46,330 | 846,067 |
| Profit (Loss in brackets) | — | — | — | 34,423 | (547) | 33,876 |
| Other comprehensive income | 633 | 15,071 | (16,514) | (16,514) | 896 | (15,618) |
| Comprehensive income | 633 | 15,071 | (16,514) | 17,909 | 348 | 18,257 |
| Dividends | — | — | — | — | (2,798) | (2,798) |
| Transfer to non-financial assets | — | — | (1,371) | (1,371) | (498) | (1,869) |
| Acquisition of subsidiaries | — | — | — | — | (2,653) | (2,653) |
| Disposal of subsidiaries | — | — | — | — | (45) | (45) |
| Changes in ownership interest in subsidiaries | — | — | — | 14 | (14) | — |
| Transfer to retained earnings | — | (15,071) | (14,814) | — | — | — |
| Total transactions with owners | — | (15,071) | (16,186) | (1,357) | (6,009) | (7,367) |
| Balance as of March 31, 2023 | 1,024 | — | 44,220 | 816,288 | 40,669 | 856,957 |

(4) Consolidated Statement of Cash Flows

| | FY2021 (April 1, 2021- March 31, 2022) | FY2022 (April 1, 2022- March 31, 2023) |
|---|--|--|
| | Millions of yen | Millions of yen |
| Cash flows from operating activities | | |
| Profit before tax (Loss in brackets) | (246,617) | 52,429 |
| Depreciation, amortization and impairment losses | 178,785 | 158,197 |
| Loss (gain) on sale and retirement of fixed assets | (727) | (7,386) |
| Increase (decrease) in retirement benefit liability | 2,966 | 2,028 |
| Interest and dividend income | (1,796) | (3,851) |
| Interest expenses | 7,660 | 12,520 |
| Foreign exchange loss (gain) | (1,921) | (1,431) |
| Share of loss (profit) of investments accounted for using equity method | 9,901 | 3,353 |
| Decrease (increase) in trade and other receivables | (26,844) | (55,997) |
| Decrease (increase) in inventories | (2,421) | (4,881) |
| Increase (decrease) in trade and other payables | (4,713) | 42,240 |
| Increase (decrease) in contract liabilities | 24,103 | 76,640 |
| Other, net | (36,579) | 29,618 |
| Subtotal | (98,203) | 303,481 |
| Income taxes (paid) refund | (5,342) | (10,572) |
| Net cash provided by (used in) operating activities | (103,545) | 292,908 |
| Cash flows from investing activities | | |
| Purchase of non-current assets | (161,306) | (117,488) |
| Proceeds from sales of non-current assets | 4,289 | 13,102 |
| Purchase of other financial assets | (13,864) | (8,083) |
| Proceeds from sale of other financial assets | 1,226 | 1,685 |
| Acquisition of subsidiaries | (7,108) | (3,087) |
| Proceeds from acquisition of subsidiaries | 2,140 | - |
| Payments for loans receivable | (6,680) | (5,076) |
| Collection of loans receivable | 4,657 | 779 |
| Interest received | 244 | 792 |
| Dividends received | 1,265 | 2,874 |
| Other, net | 1,366 | 1,735 |
| Net cash provided by (used in) investing activities | (173,769) | (112,766) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 19 | 6,756 |
| Proceeds from long-term borrowings | 245,430 | 53,231 |
| Repayments of long-term borrowings | (30,259) | (48,777) |
| Proceeds from issuance of bonds | 188,475 | - |
| Redemption of bonds | (10,000) | (10,000) |
| Capital contribution from non-controlling interests | 8,077 | - |
| Interest paid | (5,263) | (9,985) |
| Dividends paid | (7) | (2) |
| Dividends paid to non-controlling interests | (3,077) | (2,894) |
| Repayments of lease liabilities | (32,951) | (25,661) |
| Other, net | (1,163) | (1,132) |
| Net cash provided by (used in) financing activities | 359,280 | (38,465) |
| Effect of exchange rate changes on cash and cash equivalents | 3,926 | 3,344 |
| Net increase (decrease) in cash and cash equivalents | 85,891 | 145,021 |
| Cash and cash equivalents at beginning of period | 408,335 | 494,226 |
| Cash and cash equivalents at end of period | 494,226 | 639,247 |

(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, 2023 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 “Revenue”.

(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.

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 FY2021 (April 1, 2021 to March 31, 2022)**

| | Segment | | | | |
|--|-----------------------|-----------------|-----------------|---------------------------------------|-----------------|
| | Air Transportation | Other | Sub-total | Internal transaction adjustment | Total |
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| International (FSC) | | | | | |
| Passenger operations | 68,785 | — | 68,785 | — | — |
| Cargo and mail-service operation | 193,967 | — | 193,967 | — | — |
| Luggage operations | 746 | — | 746 | — | — |
| Sub-total | 263,499 | — | 263,499 | — | — |
| Domestic (FSC) | | | | | |
| Passenger operations | 235,100 | — | 235,100 | — | — |
| Cargo and mail-service operation | 24,404 | — | 24,404 | — | — |
| Luggage operations | 312 | — | 312 | — | — |
| Sub-total | 259,817 | — | 259,817 | — | — |
| Total revenues from international and domestic operations | 523,316 | — | 523,316 | — | — |
| LCC passenger operations | 2,738 | — | 2,738 | — | — |
| Travel agency revenue | — | 47,383 | 47,383 | — | — |
| Other | 116,509 | 48,990 | 165,500 | — | — |
| Total revenues | <u>642,565</u> | <u>96,373</u> | <u>738,939</u> | <u>(56,225)</u> | <u>682,713</u> |

- (Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.
2. FSC: Full Service Carrier

Consolidated Financial Results for FY2022 (April 1, 2022 to March 31, 2023)

| | Segment | | | | |
|--|-----------------------|-----------------|------------------|---------------------------------------|------------------|
| | Air Transportation | Other | Sub-total | Internal transaction adjustment | Total |
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| International (FSC) | | | | | |
| Passenger operations | 417,526 | — | 417,526 | — | — |
| Cargo and mail-service operation | 201,144 | — | 201,144 | — | — |
| Luggage operations | 1,766 | — | 1,766 | — | — |
| Sub-total | 620,437 | — | 620,437 | — | — |
| Domestic (FSC) | | | | | |
| Passenger operations | 451,127 | — | 451,127 | — | — |
| Cargo and mail-service operation | 23,649 | — | 23,649 | — | — |
| Luggage operations | 409 | — | 409 | — | — |
| Sub-total | 475,187 | — | 475,187 | — | — |
| Total revenues from international and domestic operations | 1,095,624 | — | 1,095,624 | — | — |
| LCC passenger operations | 30,674 | — | 30,674 | — | — |
| Travel agency revenue | — | 112,670 | 112,670 | — | — |
| Other | 134,753 | 100,720 | 235,474 | — | — |
| Total revenues | <u>1,261,052</u> | <u>213,391</u> | <u>1,474,443</u> | <u>(98,854)</u> | <u>1,375,589</u> |

- (Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.
2. FSC: Full Service Carrier

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

Other revenues are earned mainly from mileage award services excluding award tickets, and business consignment services related to air transportation. The performance obligation is satisfied upon completion of the services.

Other

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

Revenues related to planning and sales of air travel package tour and credit card business are mainly recognized over a certain period of time as the service is provided. In addition, consideration for a transaction is generally received in advance at a point in time before the performance obligation is satisfied. Also, revenues related to sales of merchandise is recognized upon the delivery of merchandise or completion of acceptance by customers, and consideration for a transaction is generally received after the performance obligation is satisfied.

(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 FY2021 (April 1, 2021 to March 31, 2022)

| | Reportable segment | Others (Note)1 | Total | Adjustment (Note) 2 | Consolidated Statement (Note) 3 |
|--|-----------------------|-------------------|-----------------|------------------------|---------------------------------------|
| | Air Transportation | | | | |
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| Revenue | | | | | |
| Sales to external | 609,291 | 73,422 | 682,713 | — | 682,713 |
| Intersegment | 33,274 | 22,950 | 56,225 | (56,225) | — |
| Total | 642,565 | 96,373 | 738,939 | (56,225) | 682,713 |
| Profit or loss before investing, financing and income tax | (250,185) | 5,683 | (244,502) | (166) | (244,668) |
| Investing income | — | — | — | — | 10,878 |
| Investing expenses | — | — | — | — | (5,708) |
| Finance income | — | — | — | — | 1,986 |
| Finance expenses | — | — | — | — | (9,105) |
| Profit or loss before tax | — | — | — | — | (246,617) |
| Others | | | | | |
| Depreciation, amortization and impairment losses | (176,864) | (1,945) | (178,810) | 24 | (178,785) |
| Share of profit of investment accounted for using equity method | (10,011) | 189 | (9,822) | (79) | (9,901) |

(Note) 1. “Others” refer to 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 FY2022 (April 1, 2022 to March 31, 2023)

| | Reportable segment | Others (Note)1 | Total | Adjustment (Note) 2 | Consolidated Statement (Note) 3 |
|--|-----------------------|-------------------|-----------------|------------------------|---------------------------------------|
| | Air Transportation | | | | |
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| Revenue | | | | | |
| Sales to external | 1,191,091 | 184,497 | 1,375,589 | — | 1,375,589 |
| Intersegment | 69,960 | 28,893 | 98,854 | (98,854) | — |
| Total | 1,261,052 | 213,391 | 1,474,443 | (98,854) | 1,375,589 |
| Profit before investing, financing and income tax | 50,713 | 10,990 | 61,703 | 2 | 61,706 |
| Investing income | — | — | — | — | 3,970 |
| Investing expenses | — | — | — | — | (1,112) |
| Finance income | — | — | — | — | 2,074 |
| Finance expenses | — | — | — | — | (14,209) |
| Profit or loss before tax | — | — | — | — | 52,429 |
| Others | | | | | |
| Depreciation, amortization and impairment losses | (154,087) | (4,784) | (158,872) | 675 | (158,197) |
| Share of profit of investment accounted for using equity method | (4,775) | 1,422 | (3,353) | (0) | (3,353) |

(Note) 1. "Others" refer to 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.

(Per Share Information)

Earnings per share is calculated as follows;

| | FY2021 (April 1, 2021-March 31, 2022) | FY2022 (April 1, 2022-March 31, 2023) |
|---|--|--|
| Profit attributable to owners of parent (Millions of yen) | (177,551) | 34,423 |
| Amounts not attributable to ordinary shareholders of parent (Millions of yen) | — | — |
| Net income used to calculate basic earnings per share (Millions of yen) | (177,551) | 34,423 |
| Average number of shares outstanding (Thousand shares) | 437,007 | 437,007 |
| Basic earnings per share (Yen) | (406.29) | 78.77 |

(Note) Diluted earnings per share is not shown as there are no dilutable shares

(Significant Subsequent Event)

None

(Finalization of the Provisional Accounting Treatment for a Business Combination)

The figures for the current fiscal year reflect the finalization of provisional accounting for a business combination in the last fiscal year.