

[REFERENCE TRANSLATION]

Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited. In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2024[IFRS]

July 31, 2024

Company name Japan Airlines Co., Ltd
Stock Listing Tokyo Stock Exchange
Code No. 9201 **URL:** <https://www.jal.com>
Representative Mitsuko Tottori, President
Contact Shuei Nishizawa, General Manager, Finance **Phone:** +81-3-5460-3121
Scheduled date for dividend payment: -
Supplementary explanations of the financial results: Yes
Presentation for the financial results: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2024	424,065	11.2	22,123	(29.5)	21,200	(33.5)	13,984	(39.4)	18,051	(38.1)
Three months ended June 30, 2023	381,440	41.9	31,383	-	31,897	-	23,063	-	29,164	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	32.00	-
Three months ended June 30, 2023	52.77	-

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

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2024	2,781,551	944,347	907,499	32.6	2,076.62
As of March 31, 2024	2,649,232	948,345	909,947	34.3	2,082.23

2. Dividends

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2024	-	30.00	-	45.00	75.00
Year Ended March 31, 2025	-	-	-	-	-
Year Ending March 31, 2025 (Forecast)	-	40.00	-	40.00	80.00

(Note) Revisions to the most recently disclosed dividends forecast: None

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025

(Percentage compared to prior year)

Entire Fiscal Year	Revenue		Profit before financing and income tax		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
	1,930,000	16.8	170,000	17.1	100,000	4.7

(Note) Revisions to the most recently disclosed forecast: None

Please refer to "1. Summary of Business Results (3) Explanations of Forecast of Consolidated Financial Results" in the Attachment.

Notes

(1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2024: None

(2) Changes in accounting policies/changes in accounting estimates

1) Changes in accounting policies due to revisions in accounting standards under IFRS: None

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

3) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

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

As of June 30, 2024 : 437,143,500

As of March 31, 2024 : 437,143,500

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

As of June 30, 2024 : 136,378

As of March 31, 2024 : 136,327

(c) Average number of shares outstanding

During the three months ended June 30, 2024 : 437,007,160

During the three months ended June 30, 2023 : 437,007,201

※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements
by certified public accountants or an audit firm : Yes (voluntary)

※ 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.

※ The Company holds a presentation for institutional investors and analysts on July 31, 2024.

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

Attachment

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1. Summary of Business Results

(1) Summary of Business Results

The revenue for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024 hereinafter referred as the “First Quarter Period”) increased by 11.2% year on year to 424.0 billion yen, the operating expense increased by 15.0% year on year to 406.1 billion yen, the profit before financing and income tax (hereinafter referred as “EBIT”) decreased by 29.5% year on year to 22.1 billion yen, The profit attributable to owners of the parent decreased by 39.4% year on year to 13.9 billion yen.

Consolidated financial results are as follows.

(JPY Bn)	Three months ended June 30, 2023	Three months ended June 30, 2024	% or points compared to prior period
Revenue	381.4	424.0	111.2%
Operating Expense	353.0	406.1	115.0%
Fuel	79.4	94.5	119.0%
Excluding Fuel	273.6	311.6	113.9%
Profit or loss before financing and income tax (EBIT)	31.3	22.1	70.5%
EBIT Margin (%)	8.2%	5.2%	(3.0)
Profit or loss attributable to owners of the parent (Loss in brackets)	23.0	13.9	60.6%

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

2. Income tax expense, Interest, and Finance income and expense.

3. EBIT Margin=EBIT/Revenue.

The JAL Group has restructured our business portfolio after the company’s experience with the COVID pandemic, especially going forward, we are working on promoting business model reform to create new business models and increase the Group profitability. From this fiscal year, we have arranged our reporting segments to “FSC Business”, “LCC Business”, “Mileage/Finance & Commerce Business” and business management system for each segment. We will continue to work on the progress of business model reform to achieve FY2025 EBIT target of JPY 200 billion.

Regarding the promotion of business model reform, we are focusing on “LCC Business” “Mileage/Finance & Commerce Business” and “Other business” for the growth and expansion of profit.

For the “LCC Business”, we are expanding the network from NARITA airport, with ZIPAIR - an LCC for medium to long-haul international flights- as the hub of our LCC Business.

For the “Mileage/Finance & Commerce Business”, we are expanding the services that make it easier to save up and use Miles.

For the others, we have significantly expanded contracts with foreign airlines compared to the previous year.

Regarding human capital management as one of the major issues, we have revised its human resource management in April 2024 to expedite promotion and assignment to managerial positions. We will continue to provide an environment where diverse talents can work in various fields in order to create new value.

For the Green transformation, we have started operating the Airbus A350-1000, which provides environmentally friendly flights for customers. Our efforts to enhance company value have been recognized and were selected as JCSI (Japanese Customer Satisfaction Index) for long-distance domestic travel and “SX Brand 2024.” We will continue to update our fleet and provide appropriate capacity to meet recovering demand, aiming to increase our profitability.

<Full Service Carrier Business>

The revenue for the First Quarter Period increased by 8.6 % year on year to 334.6 billion yen, and EBIT decreased by 67.8 % year on year to 7.9 billion yen. (Revenue and segment profit are figures before intersegment eliminations.)

Revenue Results (FSC)

(JPY Bn)	Three months ended June 30, 2023	Three months ended June 30, 2024	% or points compared to prior period
Full Service Carrier Business	308.0	334.6	108.6%
INTERNATIONAL	176.4	197.8	112.2%
Passenger operations	147.5	166.1	112.6%
Cargo and mail-service operations	28.4	31.3	110.0%
Luggage operations	0.3	0.4	104.5%
DOMESTIC	128.0	132.3	103.4%
Passenger operations	122.0	124.7	102.2%
Cargo and mail-service operations	5.8	7.4	127.7%
Luggage operations	0.1	0.1	90.4%
OTHER	3.6	4.4	121.8%

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

Traffic Results (Full Service Carrier)

	Three months ended June 30, 2023	Three months ended June 30, 2024	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	1,571,198	1,750,606	111.4%
Revenue passenger km (1,000 passenger-km)	9,013,893	9,863,059	109.4%
Available seat km (thousands)	11,763,487	12,215,909	103.8%
Revenue passenger-load factor (%)	76.6	80.7	4.1
Revenue cargo ton-km (thousands)	631,953	688,046	108.9%
Mail ton-km (thousands)	26,074	22,646	86.9%
DOMESTIC			
Revenue passengers carried (number of passengers)	8,589,180	8,019,137	93.4%
Revenue passenger km (1,000 passenger-km)	6,470,111	6,064,199	93.7%
Available seat km (thousands)	8,714,351	8,688,675	99.7%
Revenue passenger-load factor (%)	74.2	69.8	(4.5)
Revenue cargo ton-km (thousands)	69,504	68,311	98.3%
Mail ton-km (thousands)	5,556	5,667	102.0%
TOTAL			
Revenue passengers carried (number of passengers)	10,160,378	9,769,743	96.2%
Revenue passenger km (1,000 passenger-km)	15,484,005	15,927,258	102.9%
Available seat km (thousands)	20,477,838	20,904,584	102.1%

Revenue passenger-load factor (%)	75.6	76.2	0.6
Revenue cargo ton-km (thousands)	701,458	756,358	107.8%
Mail ton-km (thousands)	31,631	28,313	89.5%

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., Japan Transocean Air Co., Ltd.
Full Service Carrier (Domestic): Japan Airlines Co., Ltd., J-Air Co., Ltd., Japan Air Commuter Co., Ltd., Hokkaido Air System Co., Ltd., Japan Transocean Air Co., Ltd. and Ryukyu Air Commuter Co., Ltd.,
4. Figures have been truncated and percentages are rounded off to the first decimal place.

For international passengers, we maintained high unit price levels by capturing strong inbound demand, continuing from the previous year. We will continue to strengthen our international route network by enhancing relationships with partner airlines such as the Haneda-New York route with American Airlines and the Haneda-Delhi route and connecting domestic routes in India with IndiGo.

In addition, we have entered into official airline partnership with Liverpool Football Club, aiming to enhance brand recognition overseas.

For domestic passengers, total revenue slightly increased year-on-year due to sluggish leisure demand, even though the yield level increased. We are working on stimulating leisure demand through various promotional campaigns, and contribute to the development of local communities by attracting inbound demand to those regional areas.

For international cargo, we have expanded our cargo aircraft services on international routes, currently operating among Narita, Chubu, and six international locations. In addition, we have strengthened our capacity to capture value-added goods such as pharmaceuticals with a world-standard transportation quality among Narita, Haneda, and Kansai.

For domestic cargo, we have started operating cargo aircraft with Yamato Holdings Co., Ltd. to secure stable transportation capacity in Japan, achieving higher total revenue year-on-year.

<LCC Business>

The revenue for the First Quarter Period increased by 64.6% year on year to 24.7 billion yen, and EBIT was 2.2 billion yen (compared to ▼ 1.4 billion yen in the same period last year). Revenue and EBIT (▼ indicates a loss) are figures before intersegment eliminations.

Revenue Results (LCC)

(JPY Bn)	Three months ended June 30, 2023	Three months ended June 30, 2024	% or points compared to prior period
Revenue	15.0	24.7	164.6%
International	12.4	19.9	160.4%
Domestic	0.9	1.0	113.3%
Others	1.6	3.7	223.6%

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

Traffic Results (LCC)

	Three months ended June 30, 2023	Three months ended June 30, 2024	% or points compared to prior period
ZIPAIR			
Revenue passengers carried (number of passengers)	244,928	332,451	135.7%
Revenue passenger km (1,000 passenger-km)	1,338,463	1,902,444	142.1%
Available seat km (thousands)	1,718,435	2,342,911	136.3%
Revenue passenger-load factor (%)	77.9	81.2	3.3
SPRING JAPAN			
Revenue passengers carried (number of passengers)	146,931	259,444	176.6%
Revenue passenger km (1,000 passenger-km)	131,840	323,179	245.1%
Available seat km (thousands)	206,119	398,026	193.1%
Revenue passenger-load factor (%)	64.0	81.2	17.2

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. Traffic Results for SPRING JAPAN includes both International and Domestic carriage.
4. Figures have been truncated and percentages are rounded off to the first decimal place.

ZIPAIR - an LCC for medium to long-haul international flights, has expanded services to 9 routes, mainly in North America and Asia, and plans to increase their fleet from 8 aircraft to ten by fiscal year 2025, and will proactively expand capacity.

We will continue to strive to increase inbound demand and create new flows of people by building a network of three LCCs with different characteristics, including Spring Japan and Jetstar Japan.

<Mileage/Finance and Commerce Business> <Others>

The revenue for the First Quarter Period increased by 4.8 % year on year to 46.0 billion yen, and EBIT decreased by 0.9% year on year to 8.8 billion yen. Revenue and EBIT are figures before intersegment eliminations.

We are promoting "JAL Mile Life," where customers can save up miles in various scenes and exchange them for special experiences unique to JAL. Through the expansion of services such as the "JAL Life Status Program" and mobile payment service "JAL Pay," we are working on improving loyalty in our non-aviation business as well.

For Ground handling, we have significantly expanded contracts with foreign airlines compared to the previous year. We will also improve profitability.

(2) Summary of Financial Position

(Assets, liabilities and net asset)

Assets in the first quarter period increased by 132.3 billion yen from the end of the previous consolidated fiscal year to 2 trillion and 781.5 billion yen, mainly due to the increase of cash and cash equivalents.

Liabilities increased by 136.3 billion yen from the end of the previous consolidated fiscal year to 1 trillion and 837.2 billion yen mainly due to increase in other financial liabilities.

Equity decreased by 3.9 billion yen from the end of the previous consolidated fiscal year to 944.3 billion yen, due to dividend payments.

Liquidity at hand was maintained at a sufficient amount of 819.3 billion yen at the end this first quarter, as well as the unused credit line of 150.0 billion yen.

(Outline of Cash Flows)

Cash and cash equivalents at the end of first quarter period increased by 105.5 billion yen from the end of the previous consolidated fiscal year to 819.3 billion yen.

1 Cash Flows from Operating Activities

As a total of quarterly profit before tax of 21.2 billion yen, non-cash expenses such as depreciation, and trade and other payables and receivables, cash flow from operating activities (inflow) was 106.0 billion yen (cash inflow of 123.6 billion yen in the same period of the previous year).

2 Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 38.9 billion yen mainly due to acquisition of fixed assets (cash outflow of 35.5 billion yen in the same period of the previous year).

3 Cash Flows from Financing Activities

Cash flow from financing activities (inflow) was 34.1 billion yen mainly due to repayment of long term debts and payment of dividends (cash outflow of 17.2 billion yen in the same period of the previous year)

(3) Explanations of Forecast of Consolidated Financial Results

There are no changes to the full-year consolidated financial results forecast and dividend forecast announced in "Consolidated Financial Results for the year Ended March 31, 2024" dated May 2, 2024.

2. Condensed Quarterly Consolidated Financial Statement and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	As of March 31, 2024	As of June 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	713,867	819,382
Trade and other receivables	173,023	196,787
Other financial assets	16,472	17,509
Inventories	43,949	45,501
Other current assets	75,294	77,240
Total current assets	1,022,608	1,156,420
Non-current assets		
Tangible fixed assets		
Flight equipment	871,409	854,266
Advances on flight equipment	134,745	156,475
Other tangible fixed assets	89,396	86,362
Total tangible fixed assets	1,095,551	1,097,104
Goodwill and intangible assets	87,189	88,401
Investment property	3,561	3,482
Investments accounted for using equity method	24,259	23,498
Other financial assets	158,930	162,358
Deferred tax assets	229,212	222,096
Retirement benefit asset	12,294	12,569
Other non-current assets	15,624	15,619
Total non-current assets	1,626,623	1,625,131
Total assets	2,649,232	2,781,551

	As of March 31, 2024	As of June 30, 2024
	<u>Millions of yen</u>	<u>Millions of yen</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	160,052	169,235
Interest-bearing liabilities	106,935	111,282
Other financial liabilities	44,972	54,031
Income taxes payable	2,601	875
Contract liabilities	368,916	414,796
Provisions	3,325	3,733
Other current liabilities	50,396	60,653
Total current liabilities	<u>737,200</u>	<u>814,608</u>
Non-current liabilities		
Interest-bearing liabilities	780,358	837,549
Other financial liabilities	25,401	26,630
Deferred tax liabilities	3,317	4,183
Provisions	23,550	23,510
Retirement benefit liability	120,575	120,863
Other non-current liabilities	10,483	9,858
Total non-current liabilities	<u>963,686</u>	<u>1,022,595</u>
Total liabilities	<u>1,700,886</u>	<u>1,837,204</u>
Equity		
Share capital	273,200	273,200
Capital surplus	273,992	274,018
Retained earnings	306,879	301,195
Treasury shares	(408)	(408)
Accumulated other comprehensive income		
Financial assets measured at fair value through other comprehensive income	43,171	42,094
Effective portion of cash flow hedges	11,836	15,817
Exchange differences on translation of foreign operations	1,275	1,581
Total accumulated other comprehensive income	<u>56,283</u>	<u>59,494</u>
Total equity attributable to owners of parent	<u>909,947</u>	<u>907,499</u>
Non-controlling interests	<u>38,398</u>	<u>36,848</u>
Total equity	<u>948,345</u>	<u>944,347</u>
Total liabilities and equity	<u>2,649,232</u>	<u>2,781,551</u>

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

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Revenue		
International passenger revenue	159,955	185,921
Domestic passenger revenue	122,927	125,785
Other revenue	98,557	112,359
Total revenue	381,440	424,065
Other income	2,495	1,738
Operating expenses		
Personnel expenses	(77,631)	(86,829)
Aircraft fuel	(79,407)	(94,524)
Depreciation, amortization and impairment losses	(36,978)	(38,202)
Other operating expenses	(159,063)	(186,638)
Total operating expenses	(353,080)	(406,195)
Operating profit	30,855	19,608
Share of profit of investments accounted for using equity method (Loss in brackets)	(1,995)	(536)
Profit before investing, financing and income tax	28,859	19,071
Income/expenses from investments		
Investing income	2,524	3,051
Investing expenses	(0)	-
Profit before financing and income tax	31,383	22,123
Finance income/expenses		
Finance income	4,688	2,996
Finance expenses	(4,173)	(3,919)
Profit before tax	31,897	21,200
Income tax expense	(9,550)	(7,392)
Profit	22,346	13,807
Profit attributable to		
Owners of parent	23,063	13,984
Non-controlling interests	(716)	(176)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,213	(771)
Share of other comprehensive income of investments accounted for using equity method	49	(31)
Total of items that will not be reclassified to profit or loss	4,262	(803)
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	2,345	4,594
Exchange differences on translation of foreign operations	137	371
Share of other comprehensive income of investments accounted for using equity method	72	81
Total of items that may be reclassified to profit or loss	2,554	5,047
Other comprehensive income, net of tax	6,817	4,243
Comprehensive income	29,164	18,051

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Comprehensive income attributable to		
Owners of parent	29,136	17,422
Non-controlling interests	27	629
Earnings per share		
Basic earnings per share (Yen)	52.77	32.00
Diluted earnings per share (Yen)	-	-

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Consolidated Financial Results for the First Quarter of FY2023 (April 1, 2023 to June 30, 2023)

Equity attributable to owners of parent

	Equity attributable to owners of parent					Accumulated other comprehensive income
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
						Millions of yen
Balance as of April 1, 2023	273,200	273,631	225,644	(408)	38,384	4,812
Profit (Loss in brackets)	-	-	23,063	-	-	-
Other comprehensive income	-	-	-	-	3,859	2,008
Comprehensive income	-	-	23,063	-	3,859	2,008
Dividends	-	-	(10,925)	-	-	-
Shared-based Payment Transactions	-	200	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	(184)
Purchase of treasury shares	-	-	-	(0)	-	-
Change in ownership interest in subsidiaries	-	(2)	-	-	-	-
Transfer to retained earnings	-	-	(5)	-	5	-
Total transactions with owners	-	198	(10,930)	(0)	5	(184)
Balance as of June 30, 2023	273,200	273,829	237,777	(408)	42,248	6,636

Equity attributable to owners of parent

	Equity attributable to owners of parent				
	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2023	1,024	44,220	816,288	40,669	856,957
Profit (Loss in brackets)	-	-	23,063	(716)	22,346
Other comprehensive income	205	6,073	6,073	743	6,817
Comprehensive income	205	6,073	29,136	27	29,164
Dividends	-	-	(10,925)	(3,065)	(13,991)
Shared-based Payment Transactions	-	-	200	-	200
Transfer to non-financial assets	-	(184)	(184)	(217)	(401)
Purchase of treasury shares	-	-	(0)	-	(0)
Changes in ownership interest in subsidiaries	-	-	(2)	(68)	(70)
Transfer to retained earnings	-	5	-	-	-
Total transactions with owners	-	(179)	(10,911)	(3,351)	(14,263)
Balance as of June 30, 2023	1,229	50,115	834,513	37,345	871,858

Consolidated Financial Results for the First Quarter of FY2024 (April 1, 2024 to June 30, 2024)

	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, 2024	273,200	273,992	306,879	(408)	43,171	11,836
Profit (Loss in brackets)	-	-	13,984	-	-	-
Other comprehensive income	-	-	-	-	(1,080)	4,212
Comprehensive income	-	-	13,984	-	(1,080)	4,212
Dividends	-	-	(19,665)	-	-	-
Share-based payments	-	25	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	(230)
Purchase of treasury shares	-	-	-	(0)	-	-
Transfer to retained earnings	-	-	(3)	-	3	-
Total transactions with owners	-	25	(19,668)	(0)	3	(230)
Balance as of June 30, 2024	273,200	274,018	301,195	(408)	42,094	15,817

	Equity attributable to owners of parent				
	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	1,275	56,283	909,947	38,398	948,345
Profit (Loss in brackets)	-	-	13,984	(176)	13,807
Other comprehensive income	306	3,438	3,438	805	4,243
Comprehensive income	306	3,438	17,422	629	18,051
Dividends	-	-	(19,665)	(1,906)	(21,572)
Share-based payments	-	-	25	-	25
Transfer to non-financial assets	-	(230)	(230)	(272)	(502)
Purchase of treasury shares	-	-	(0)	-	(0)
Transfer to retained earnings	-	3	-	-	-
Total transactions with owners	-	(227)	(19,870)	(2,179)	(22,049)
Balance as of June 30, 2024	1,581	59,494	907,499	36,848	944,347

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	31,897	21,200
Depreciation, amortization and impairment losses	36,978	38,202
Loss (gain) on sale and retirement of fixed assets	(366)	208
Increase (decrease) in retirement benefit liability	461	283
Interest and dividend income	(1,598)	(2,277)
Interest expenses	3,397	3,240
Foreign exchange loss (gain)	(4,335)	(2,235)
Share of loss (profit) of investments accounted for using equity method	1,995	536
Decrease (increase) in trade and other receivables	4,932	(24,484)
Decrease (increase) in inventories	(665)	(1,605)
Increase (decrease) in trade and other payables	(4,070)	7,794
Increase (decrease) in contract liabilities	48,418	45,757
Other, net	9,307	21,955
Subtotal	126,351	108,577
Income taxes (paid) refund	(2,701)	(2,543)
Net cash provided by (used in) operating activities	123,650	106,033
Cash flows from investing activities		
Purchase of non-current assets	(37,111)	(40,728)
Proceeds from sales of non-current assets	1,478	1,150
Purchase of other financial assets	(105)	(1,711)
Payments for loans receivable	(2,707)	(108)
Collection of loans receivable	236	232
Interest received	320	307
Dividends received	1,337	1,771
Other, net	968	123
Net cash provided by (used in) investing activities	(35,582)	(38,962)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,445	3,749
Repayments of long-term borrowings	(20,310)	(20,580)
Proceeds from issuance of bonds	19,880	79,537
Interest paid	(1,757)	(1,783)
Dividends paid	(10,188)	(18,699)
Dividends paid to non-controlling interests	(2,556)	(1,831)
Repayments of lease liabilities	(5,263)	(5,753)
Other, net	(511)	(441)
Net cash provided by (used in) financing activities	(17,262)	34,196
Effect of exchange rate changes on cash and cash equivalents	5,952	4,246
Net increase (decrease) in cash and cash equivalents	76,758	105,514
Cash and cash equivalents at beginning of period	639,247	713,867
Cash and cash equivalents at end of period	716,006	819,382

(5) Notes for Condensed Quarterly Consolidated Financial Statements

(Reporting Company)

Japan Airlines Co., Ltd. (hereinafter the “Company”) is a stock company located in Japan. The registered address of its Head Office is 4-11, 2-chome Higashi-shinagawa, Shinagawa-ku, Tokyo. The Company’s condensed quarterly consolidated financial statements for the three months ended June 30, 2024 consists of the Company and its subsidiaries (the “JAL Group”) and interests in affiliates and jointly controlled entities.

The Company’s main businesses are “Air Transportation business (FSC •LCC)” and “Mileage/Finance and Commerce business”. Details of each business are described in Note “Revenue”.

(Basis of Preparation)

1) Method of preparation of condensed quarterly consolidated financial statements

The condensed quarterly consolidated financial statements of the Group have been prepared in accordance with the "Standards for the Preparation of Quarterly Financial Statements"(Attachment 9, Enforcement Rules for Securities Listing Regulations, Tokyo Stock Exchange, Inc.). Certain notes have been omitted in accordance with the provisions of Article 5, Section 5.

2) Functional currency and presentation currency

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

(Going Concern Assumptions)

None

(Revenue)**(1) Breakdown of Revenue****Revenue and Segment Revenue****Consolidated Financial Results for the first quarter of FY2023 (April 1, 2023 to June 30, 2024)**

	Reportable Segment						
	FSC	LCC	Mileage/ Finance and Commerce	Others	Sub-total	Internal transaction adjustment	Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
International							
Passenger operations	147,528	12,432	-	-	159,961	-	-
Cargo and mail- service operation	28,495	-	-	-	28,495	-	-
Luggage operations	394	-	-	-	394	-	-
Sub-total	176,418	12,432	-	-	188,851	-	-
Domestic							
Passenger operations	122,047	919	-	-	122,966	-	-
Cargo and mail- service operation	5,845	-	-	-	5,845	-	-
Luggage operations	114	-	-	-	114	-	-
Sub-total	128,006	919	-	-	128,926	-	-
Total revenues from international and domestic operations	304,425	13,352	-	-	317,778	-	-
Mileage/Finance Commerce	-	-	43,992	-	43,992	-	-
Travel agency Revenue	-	-	-	28,848	28,848	-	-
Others	3,658	1,671	-	22,289	27,618	-	-
Total revenues	308,083	15,023	43,992	51,137	418,237	(36,796)	381,440

(Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.

Consolidated Financial Results for the first quarter of FY2024 (April 1, 2024 to June 30, 2024)

	Reportable Segment						
	FSC	LCC	Mileage/ Finance and Commerce	Others	Sub-total	Internal transaction adjustment	Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
International							
Passenger operations	166,106	19,947	-	-	186,053	-	-
Cargo and mail- service operation	31,353	-	-	-	31,353	-	-
Luggage operations	412	-	-	-	412	-	-
Sub-total	197,872	19,947	-	-	217,819	-	-
Domestic							
Passenger operations	124,772	1,042	-	-	125,814	-	-
Cargo and mail- service operation	7,465	-	-	-	7,465	-	-
Luggage operations	103	-	-	-	103	-	-
Sub-total	132,341	1,042	-	-	133,383	-	-
Total revenues from international and domestic operations	330,213	20,989	-	-	351,203	-	-
Mileage/Finance Commerce	-	-	46,083	-	46,083	-	-
Travel agency Revenue	-	-	-	23,866	23,866	-	-
Others	4,455	3,736	-	30,906	39,097	-	-
Total revenues	334,668	24,725	46,083	54,772	460,251	(36,185)	424,065

(Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.

The JAL Group operates “Air Transportation (FSC •LCC)”, mainly in passenger and baggage carriage or mail and cargo handling in both international and domestic routes, “Mileage/Finance and Commerce” and other businesses.

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(FSC •LCC)

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 within 2 months 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.

Mileage/Finance and Commerce

In the Mileage/Finance and Commerce business segment, we provide benefit services and credit card-related service and wholesale and retail business to JAL Mileage Bank members through our group and partner companies. The main revenues are recognized as follows.

Mileage/Finance and Commerce

Revenues include from providing benefit services related to mileage, credit card-related services, and product sales.

Revenues from providing benefit services related to mileage, our group is mainly obligated to provide benefit services through our group or partner companies in exchange for the mileage to member customers. This performance obligation is satisfied upon the completion of providing the benefit services. The timing of receiving the consideration, such as monetary payment, varies depending on the mileage-earning service. For mileage earned through the use of our group's air transportation services, the consideration is mainly received at a certain point before the use of the air transportation service. For mileage earned through the use of services provided by partner companies, the consideration is mainly received at a certain point after the use of the service.

Revenues from providing credit card-related services, our group is mainly obligated to provide payment services to our customers. This performance obligation is satisfied subject to the contract based on the period with our customers, and the consideration for the transaction is mainly received in advance at a certain point before the performance obligation is satisfied.

Revenues from providing wholesale and retail business, our group is mainly obligated to provide product sales in stores and e-commerce, such as clothing, miscellaneous goods, and food, and we are obligated to deliver these products to customers. This performance obligation is satisfied upon the completion of delivery of the products and inspection of products by customers, and the consideration for the transaction is mainly received at a certain point after the performance obligation is satisfied. The amount of variable consideration including revenue is not significant.

Others

In other businesses, we are mainly engaged in planning and sales of air travel package tours and ground handling service for foreign airlines.

Revenues related to planning and sales of air travel package tours 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 ground handling service for foreign airlines are recognized upon the completion of ground handling services to 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 JAL Group has restructured our business portfolio after the company's experience with the COVID pandemic, especially, we are working on promoting business model reform to create new business models and increase the Group profitability.

Regarding the promotion of business model reform, we are focusing on "LCC", "Mileage/Finance and Commerce" and other businesses for the growth and expansion of profit. To achieve growth and expansion of profits, we have refined the previous management system and started a new business management system for each segment from this fiscal year.

Based on this promotion of business model reform and refinement of the management system, we have changed reportable segments to "FSC", "LCC" and "Mileage/Finance and Commerce" after concentration of economically similar business segments from this fiscal year. Also, we have changed segment profit from "Profit or loss before investing, financing and income tax" to "Profit or loss before financing and income tax".

The segment information for the previous first quarter is disclosed based on the revised reporting segments.

(2) Information on reportable segment

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

Intersegment sales are based on the current market price.

Consolidated financial results for the first quarter of FY2023 (April 1, 2023 to June 30, 2023)

	Reportable segment							Consolidated Statement (Note) 3
	FSC	LCC	Mileage/ Finance and Commerce	Sub-total	Others (Note)1	Total	Adjustment (Note) 2	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
Revenue								
Sales to external customers	292,933	13,796	28,883	335,613	45,827	381,440	-	381,440
Intersegment	15,150	1,227	15,108	31,486	5,310	36,796	(36,796)	-
Total	308,083	15,023	43,992	367,099	51,137	418,237	(36,796)	381,440
Profit or loss before financing and income tax	24,590	(1,461)	8,968	32,098	37	32,135	(752)	31,383
Finance income	-	-	-	-	-	-	-	4,688
Finance expenses	-	-	-	-	-	-	-	(4,173)
Profit before tax	-	-	-	-	-	-	-	31,897

(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 financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.

Consolidated financial results for the first quarter of FY2024 (April 1, 2024 to June 30, 2024)

	Reportable segment							Consolidated Statement (Note) 3
	FSC	LCC	Mileage/ Finance and Commerce	Sub-total	Others (Note)1	Total	Adjustment (Note) 2	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
Revenue								
Sales to external customers	322,824	21,874	31,057	375,755	48,309	424,065	-	424,065
Intersegment	11,844	2,851	15,026	29,723	6,462	36,185	(36,185)	-
Total	334,668	24,725	46,083	405,478	54,772	460,251	(36,185)	424,065
Profit or loss before financing and income tax	7,911	2,207	8,885	19,004	3,813	22,817	(694)	22,123
Finance income	-	-	-	-	-	-	-	2,996
Finance expenses	-	-	-	-	-	-	-	(3,919)
Profit before tax	-	-	-	-	-	-	-	21,200

(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 financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.

(Significant Subsequent Event)

The Board of Directors of the Company, at its meeting held on July 31, 2024, resolved that the Company will acquire its own shares pursuant to Article 156 as applied pursuant to Article 165 paragraph (3) of the Company Law.

1. Reason for acquisition of own shares

The general meeting of shareholders held on June 22, 2017, resolved that the company has decided to introduce a performance-linked share based remuneration plan, and the own shares to be acquired this decision are scheduled to be allocated as shares for the performance-Linked share based remuneration plan over multiple years.

2. Details of the acquisition of own shares

(1) Class of shares to be acquired: Shares of common stock:

Shares of common stock

(2) Total number of shares to be acquired:

Up to 450,000 shares 0.10% of the total number of issued shares (excluding treasury stock)

(3) Total value of shares to be acquired:

Up to 2,000 million yen

(4) Period of the acquisition:

Starting on August 1, 2024 and ending on August 31, 2024

(5) Method of the acquisition:

Market purchases on the Tokyo Stock Exchange

(6) Others:

The own shares to be acquired by this decision are scheduled to be allocated as shares for the performance-linked share based remuneration plan over multiple years.