

[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, 2022[IFRS]
Company name Japan Airlines Co., Ltd

May 6, 2022

Stock Listing Tokyo Stock Exchange

Code No. 9201

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Scheduled date of Ordinary General Meeting of Shareholders: June 21, 2022

Scheduled starting date of dividend payment: —

Scheduled date of filing Financial Report for the Fiscal Year 2021: June 22, 2022

Supplementary explanations of Fiscal Year 2021 financial results: Yes

Presentation for the Fiscal Year 2021 financial results: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)
(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	%
FY2021 ended March 31, 2022	682,713	41.9	(239,498)	—	(246,617)	—	(181,345)	—	(177,551)	—	(149,054)	—
FY2020 ended March 31, 2021	481,225	(65.3)	(398,306)	—	(404,078)	—	(287,875)	—	(286,693)	—	(251,179)	—

	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	%	%	%
FY2021 ended March 31, 2022	(406.29)	—	(20.3)	(11.0)	(35.1)
FY2020 ended March 31, 2021	(764.99)	—	(29.2)	(19.8)	(82.8)

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

Year ended March 31, 2022: Loss of 9,901 million Yen, Year ended March 31, 2021: Loss of 7,582 million Yen

(Note) Profit before financing and income tax represents as index to monitor, compare and evaluate the JAL Group's performance continuously.

Profit before financing and income tax is Profit from which Income tax expense, Interest, and Finance income and expense are deducted.

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
FY2021 ended March 31, 2022	2,371,658	844,141	799,736	33.7	1,830.03
FY2020 ended March 31, 2021	2,107,279	981,535	947,459	45.0	2,168.06

(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
FY2021 ended March 31, 2022	(103,545)	(173,769)	359,280	494,226
FY2020 ended March 31, 2021	(219,519)	(91,012)	388,624	408,335

2. Dividends

	Dividends per Share					Total amount of dividend (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2020	—	0.00	—	0.00	0.00	—	—	—
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2022(Forecast)	—	—	—	—	—		—	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2023

(Percentage compared to prior year)

Entire Fiscal 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	%
	1,390,000	103.6	80,000	—	45,000	—

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, 2022: None

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

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

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

3) Changes in accounting estimates: Yes

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

(3) Number of shares issued (common stock)

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

Year ended March 31, 2022: 437,143,500

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

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

Year ended March 31, 2022: 136,291

Year ended March 31, 2021: 136,217

(c) Average number of shares outstanding

Year ended March 31, 2022: 437,007,227

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

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	%
FY2021 ended March 31, 2022	600,319	50.0	(247,975)	—	(241,264)	—	(206,292)	—
FY2020 ended March 31, 2021	400,255	—	(342,389)	—	(349,280)	—	(286,101)	—

	Earnings per share (Loss in brackets)	Diluted earnings per share
	Yen	Yen
FY2021 ended March 31, 2022	(472.06)	—
FY2020 ended March 31, 2021	(763.41)	—

(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
FY2021 ended March 31, 2022	2,115,857	705,270	33.3	1,613.86
FY2020 ended March 31, 2021	1,887,820	882,077	46.7	2,018.45

(Reference) Shareholders' equity; Year ended March 31, 2022: 705,270 million Yen, Year ended March 31, 2021: 882,077 million Yen

(Note) Comparison with the prior year is not available since "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) have been applied from the beginning of the fiscal year ended March 31, 2021.

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

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

Indication of audit procedure implementation status

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

Explanation for appropriate use of forecasts and other notes

(Remarks on the description on future forecast)

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

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

* The Company holds a presentation for institutional investors and analysts on May 6, 2022. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

Attachment

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1. Outline of Operating Results

This fiscal year (April 1, 2021 to March 31, 2022) was a tough year again for the JAL Group due to the prolonged COVID infection. As the infection continued, we grappled to maintain our domestic and international route network while implementing hygiene and contactless measures to ensure safety and security for passengers that are our first priority. Facing a delayed recovery of passenger demand, we aimed for early recovery from the COVID situation by implementing fundamental cost reduction measures and maximizing cargo revenue to improve profitability, together with public support from the Japanese government such as exemption of landing fees and jet fuel tax or subsidies for employment to assist the airline industry.

We will work together to fulfill our mission as a public transportation provider to enable our valued passengers to use our service with comfort, as the COVID infection settles and air transport demand solidly recovers in and after 2022.

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

The revenue for the consolidated fiscal year increased 41.9% year over year to 682.7 billion yen, the operating expenses increased 6.2% year over year to 940.2 billion yen, the loss/earning before financing and income tax (hereinafter referred as “EBIT”) was loss of 239.4 billion yen (EBIT loss of 398.3 billion yen in the previous year). The loss attributable to owners of the parent was 177.5 billion yen (the loss attributable to owners of the parent 286.6 billion yen in the previous year).

(JPY Bn)	FY2020 April 1, 2020 to March 31, 2021	FY2021 April 1, 2021 to March 31, 2022	% or points compared to prior period
Revenue	481.2	682.7	141.9%
International Passenger	27.9	70.8	253.4%
Domestic Passenger	174.0	235.7	135.5%
Cargo / Mail	128.8	218.3	169.5%
Others	150.4	157.7	104.8%
Operating Expense	885.0	940.2	106.2%
Fuel	96.7	145.4	150.3%
Excluding Fuel	788.2	794.7	100.8%
Profit or loss before financing and income tax (EBIT) (Loss in brackets)	(398.3)	(239.4)	—
EBIT Margin (%)	—	—	—
Profit or loss attributable to owners of the parent (Loss in brackets)	(286.6)	(177.5)	—

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

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

※: EBIT Margin=EBIT/Revenue.

To summarize this fiscal year's surrounding environment, the prolonged COVID infection made this fiscal year very tough again for the aviation industry.

Fuel price, which affects our passenger and cargo revenue as well as our fuel cost, has been at a very high level because of the Russia-Ukraine geopolitical risk and the economic sanctions imposed on Russia. The future fuel price market still remains very unclear.

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

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

Regarding safety measures, we aimed for our management goal of air safety, "zero aircraft accident and zero serious incident," that was established in our Mid-Term Management Plan announced in May 2021. However, a passenger suffered fracture on JL2326 flight (from Tajima to Itami) due to a sudden turbulence on February 15, 2022, and a cabin crew member suffered fracture on JL669 flight (from Haneda to Oita) on March 26, 2022. These incidents were recorded as aircraft accidents by the Ministry of Land, Infrastructure, Transport and Tourism. We have taken these incidents seriously, and we will fully cooperate with the investigation by the Ministry and work on preventive measures for the safety of our passengers and employees. We will never cease our efforts to achieve our management goal of air safety.

For comfort measures, we have introduced "JAL SMART AIRPORT" at Haneda, New-Chitose(Sapporo), Itami (Osaka), Naha(Okinawa) and Fukuoka airports for hygiene and contactless air travel in order to prevent the infection of passengers and our staff, as well as preventing the spread of infection through air travel overall. In addition, JAL introduced in April 2022 "JAL SMART SECURITY" on domestic routes at Haneda Airport for enhanced, expedited and improved-hygiene security check with ultraviolet rays. Also, together with Kao Corporation who provides infectious disease prevention solutions to healthcare centers, we have been working to improve JAL's hygiene measures through enhanced cleaning and sanitization at airports and improved in-cabin preventive measures. Together with the digital certificate app "VeryFLY" for the pre-check of quarantine documents upon entry, JAL has been preparing for smooth travel in the COVID-era upon the restart of people's cross-border interactions. These "JAL FlySafe" initiatives were highly evaluated, and JAL was awarded the "COVID-19 Excellence Award" as an airline with excellent preventive measures.

To complete our social mission as social infrastructure, we immediately set up additional flights and upsized our aircrafts for flights to the Tohoku area when the bullet trains suspended their operation because of an earthquake that hit Tohoku area in March 2022.

Next, the following summarizes our situation by business: International Passenger, Domestic Passenger, and Cargo and Mail for the Full Service Carrier business domain.

For International Passenger Business operations, border restrictions in many countries including Japan still continued, and consequently cross-border travel demand continued to be limited. However, as many countries eased their quarantine restrictions or as vaccination rates increased, basic demand including transit demand between North America and Asia increased gradually. Yet, the restrictive border control by Japan continued and passenger demand to/from Japan was limited to passengers such as returnees or expats. We contributed to the Olympic and Paralympic Games Tokyo 2020 by providing safe and comfortable air transportation service for athletes and related staff through thorough preventive measures, even though the Games were held without audiences.

For Domestic Passenger Business operations, the demand repeated to rise and fall because of increased number of infections, the declaration of a state of emergency or other preventive measures, and the outbreak of the Omicron Variant. Then, demand went back to a rising trend since the preventive measures were lifted on March 21. To improve our service, we introduced "Award Anytime Tickets" for domestic flights that enables passengers to book reward tickets even during a peak season. Also, we announced a renewal of our domestic fare system applicable to tickets used from April 12, 2023. Additionally, we announced to partially change our domestic fares for FY2022 amid the prolonged COVID effects and the surging fuel price.

For International and Domestic Cargo operations, air cargo demand has been very strong especially for automobile or electric parts to North America during the prolonged disruption of ocean shipments. Amid the reduction of passenger flights for overall international routes, we actively operated cargo flights using our own passenger aircrafts as well as chartering freighters to increase capacity to capture the strong cargo demand.

Because of the Russia-Ukraine military actions, we have suspended flights to/from Russia and flying over Russia, but we are striving to secure alternative routes to meet the passenger and cargo demand between Japan and Europe.

In terms of LCC operations, our mid- and long-haul international low-cost carrier, ZIPAIR Tokyo (ZIPAIR), started the first-LCC transpacific flights to Los Angeles to expand its network for recovering international passenger demand. Spring Japan became our subsidiary in June 2021. Together with Jetstar Japan, the three low cost carriers will establish useful network based at Narita Airport to prepare for solid recovery of air passenger demand.

We are reviewing our fleet strategy to adjust the number of fleets to meet the changing passenger demand in the post-COVID

era. It may take a while for business air travel demand to fully recover back to pre-COVID levels due to the change of workstyle to remote working. Thus, we decided to decrease our fleet number mainly for Full Service Carrier International Passenger Business by 12 by the end of FY2023 from 241 as of the end of FY2019, making our fleet number to 217 as of the end of FY2021 on a working-fleet basis.

As a result of the above, for Full Service Carrier operations, the passenger traffic for International Passenger Business in this fiscal year increased by 149.6% year over year, its revenue passenger kilometers (RPK) increased by 174.4% year over year, its available seat kilometers (ASK) increased by 91.9% year over year, and the load factor was 26.5%. Likewise, the passenger traffic for Domestic Passenger Business increased by 33.0% year over year, its revenue passenger kilometers (RPK) increased by 30.2% year over year, its available seat kilometers (ASK) increased by 26.1% year over year, and the load factor was 49.3%. Revenue for Cargo Business increased by 72.1% year on year.

Regarding LCC operations, the passenger traffic for International Passenger Business in this fiscal year was 38,320 (number of passengers), its revenue passenger kilometers (RPK) was 120,889 (1,000 passenger-km), and its available seat kilometers (ASK) was 1,829,817 (1,000 seat-km). Likewise, the passenger traffic for Domestic Passenger Business was 70,259 (number of passengers), its revenue passenger kilometers (RPK) was 55,012 (1,000 passenger-km), and its available seat kilometers (ASK) was 125,332 (1,000 seat-km).

For the expansion of our non-aviation business domain, we are combining our human resources with cutting-edge technology to realize innovation with the know-how developed through air transport business for new services, products or business.

For Mileage and Lifestyle Business, we introduced “JAL Electricity” to sell electricity and “JAL mortgage loan” for JAL mileage bank members. Also, we completed a joint tender offer with Sojitz Corporation to make JALUX a consolidated subsidiary by the end of this fiscal year. These initiatives are expected to expand our business domains by using our customer base and allows us to create new values in the daily life of our customers.

For Regional Business, we established an e-commerce program within China’s largest social media, “WeChat” app, to deliver information about Japanese regional products, tourism in Japan as well as Japanese culture. This initiative is also aimed for inbound tourism in the post-COVID era. Other various joint programs to attract tourists were conducted with regional organizations, and local residents of these regions for sustainable revitalization. Moreover, we announced to start cargo freighter operations together with YAMATO HOLDINGS co., ltd from April 2024 toward the formation of D to B/C markets, creation of new businesses and revitalization of regional industries.

For Next-Generation Air Mobility, we conducted a pharmaceutical delivery experiment in Tokyo. Also, we announced an alliance with KDDI CORPORATION for a joint study toward the establishment of systems regarding flight management and a business model with the aim of turning drones into a social infrastructure. Moreover, we are promoting the expansion of Mobility as a Service (MaaS) for seamless movement. As one of the initiatives, we started “JAL MaaS” that supports the searching and arrangement of routes from airports by providing real-time combined route search of flights and ground transportation together.

In addition, “JAL Business Career Support” was started in April 2021 to provide training or educational services by pilots or cabin attendants who have rich experience of safety operation or customer service and communication skills. We will strive to provide new services/products and new values through the experiences and know-how of each employee.

To achieve our ESG goals, we are taking various initiatives to achieve one of our industry’s most important goals, net zero CO2 emission, while satisfying our social mission to provide sustainable air transportation network as a public transportation infrastructure.

Regarding CO2 reduction initiatives, we have been working on two main pillars, upgrading to fuel-efficient aircraft and the use of Sustainable Aviation Fuel (SAF). Amid the prolonged difficult times by COVID, we steadily replaced our aircraft with fuel efficient aircraft such as Boeing 787 and Airbus 350. Our domestic large-scale aircraft replacement with A350s has been almost completed. For another pillar, SAF, we have already announced to purchase SAF from Aemetis, Inc (USA) jointly with Oneworld alliance members. Moreover, we have announced in March 2022 to jointly purchase SAF from Gevo Inc (USA).

For domestic SAF initiatives, we conducted a joint survey and developed a joint report on the promotion and viability of SAF with All Nippon Airways (ANA). Also, the two carriers have established a promotional organization called “ACT FOR SKY” for domestic production and widespread use of SAF with major partners. JAL also renewed its CO2 reduction program for cooperate accounts customers that enable those customers to visualize their scope3 emissions and offset those emissions with carbon trading. We will make industry-wide efforts to improve awareness of SAF and promote the decarbonization of the aviation industry.

From a Diversity and Inclusion perspective, we have promoted diversity. For gender equality we have raised the proportion of women in management roles in JAL group to 21.9%, 2.4 points up from the previous year.

Also, we appointed executive officers this fiscal year in accordance with our diversity policy. In addition, we actively promoted health and productivity management, and JAL and its 20 subsidiaries and affiliate companies were awarded by the Japanese government. Moreover, accessibility improvement was highly evaluated, and JAL and ANA were both awarded by the Japanese government as well. For disclosure, JAL was awarded the Excellence Award at the “Nikkei Integrated Report Award

2021". We will advance a various range of ESG initiatives to aim for a leading airline group in sustainability.

We responded to the decrease of demand by making continuous efforts of reducing our capacity in order to minimize our operating cost, together with fixed cost restructuring by in-sourcing operations instead of outsourcing, reducing IT expenditure and reducing personnel cost including executives' salaries and employees' bonus cut. As workloads for operation decreased, the JAL Group accepted quarantine-support and vaccination-support business and sent about 1,600 employees per day to various industries or municipalities. Through those measures, the JAL Group uses this occasion to train and develop its employees for capturing growth beyond COVID-19, while maintaining its flexibility to put back its human resources to its operation in a timely manner when demand comes back. Also, efforts to increase revenue such as in-flight meal sales and scenic tours with various themes were made.

For our financial strategy, we conducted prompt financing to secure enough cash positions by utilizing our solid financial base that we have developed over a long time. We have financed 441.9 billion yen of financing this fiscal year, including the hybrid financing of a total of 350 billion yen. Through this hybrid financing, we have achieved two different goals at the same time, an aggressive goal of securing investment funds in advance for sustainable growth in the post-COVID business environment and a defensive goal of maintaining or improving our financial ability for further improvement of our financial foundation, in case of a further-prolonged COVID effect. In addition, we have maintained 300 billion yen of unused credit line to secure sufficient liquidity. Moreover, toward smooth transition to fuel-efficient aircraft to promote decarbonization, we issued the world's first transition bonds in the aviation industry in March 2022, acquiring a second party opinion from a world-class external review provider, to finance 10 billion yen.

Furthermore, our disclosure policy was highly evaluated and thus we were awarded the "Awards for Excellence in Corporate Disclosure" in Transportation by the Securities Analysts Association of Japan three times in the last four years since 2018. For further improvement, we will strive to enhance our disclosure and its quality.

Despite being more than two years since the worldwide outbreak of COVID-19, it has not settled down completely yet. Rather, in addition to the Omicron variant outbreak, the geopolitical risk of Russia-Ukraine has become apparent in the fiscal year 2021. Even though there remains uncertainty in our business environment, we expect significant recovery of domestic passenger demand and a restart of people's cross-border interactions. In order to prepare for the advancement of business restructuring in the changing business environment, the JAL Group has determined to restart recruiting again.

The JAL Group set in May 2021 the "JAL Group Medium-Term Management Plan FY2021-2025". However, the prolonged COVID effects and the current global situations, especially in Europe, have made our business environment more unclear. In order to overcome this difficult situation by enhancing resilience, and to advance to sustainable growth and development, the plan was updated to the "JAL Group Medium-Term Management Plan FY2021-2025 Rolling Plan 2022". Air transportation is capable of bringing prosperity and hope by connecting people, goods, experiences and events by flying over divisions. The JAL Group will complete its social missions as a social infrastructure and lifeline, and realize the "JAL Vision 2030" where there exists "a society where everyone can live safely, securely and with peace of mind" and "a better future where everyone can feel fulfilled and hopeful" by two growth engines of "Safety and Peace of Mind" and "Sustainability". We will achieve these goals through business restructuring, business operations toward expedited solutions of social issues, and the rebuilding of our financial foundation.

Financial results of each segment are as follows.

Air Transportation Segment

This fiscal year, Revenue in Air Transportation Segment increased by 48.8% year on year to 642.5 billion yen and the loss before investing, financing and income tax (hereinafter referred as “Segment profit (or loss)”) was 250.1 billion yen (segment loss of 403.3 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 68.7 billion yen, or up 146.4 % year on year.

The domestic passenger revenue was 235.1 billion yen, or up 35.1 % year on year.

The cargo and mail revenue was 218.3 billion yen, or up 69.5 % year on year.

Revenue for LCC operations were as follows;

The international passenger revenue was 2.1 billion yen.

The domestic passenger revenue was 0.6 billion yen.

For SPRING JAPAN, as the results from acquisition of the subsidiary until the end of June are minor, passenger revenue from July is included as passenger revenue for LCC.

Details are provided below.

1. International Operations (Full Service Carrier)

	FY2020	FY2021	% or points compared to prior period
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	
Revenue from passenger operations (millions of Yen)	27,917	68,785	246.4%
Revenue passengers carried (number of passengers)	357,519	892,471	249.6%
Revenue passenger km (RPK) (1,000 passenger-km)	2,196,423	6,027,871	274.4%
Available seat km (ASK) (thousands-km)	11,918,047	22,780,657	191.1%
Revenue passenger-load factor (L/F) (%)	18.4	26.5	8.0
Revenue from Cargo Operations (millions of Yen)	96,553	182,877	189.4%
Revenue cargo ton-km (RCTK)	1,948,205	3,113,671	159.8%

2. Domestic Operations (Full Service Carrier)

	FY2020	FY2021	% or points compared to prior period
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	
Revenue from passenger operations (millions of Yen)	174,006	235,100	135.1%
Revenue passengers carried (number of passengers)	12,212,131	16,238,833	133.0%
Revenue passenger km (RPK) (1,000 passenger-km)	9,282,122	12,089,054	130.2%
Available seat km (ASK) (thousands-km)	19,452,985	24,535,597	126.1%
Revenue passenger-load factor (L/F) (%)	47.7	49.3	1.6
Revenue from Cargo Operations (millions of Yen)	21,735	20,751	95.5%
Revenue cargo ton-km (RCTK)	237,874	231,515	97.3%

Fleet

as of March 31, 2022

Type of Aircraft	Owned	Leased	Total
Airbus A350-900	11	4	15
Boeing 777-200	4	0	4
Boeing 777-200ER	8	0	8
Boeing 777-300	4	0	4
Boeing 777-300ER	13	0	13
Large-sized Total	40	4	44
Boeing 787-8	29	0	29
Boeing 787-9	19	3	22
Boeing 767-300ER	29	0	29
Medium-sized Total	77	3	80
Boeing 737-800	47	18	65
Small-sized Total	47	18	65
Embraer 170	18	0	18
Embraer 190	14	0	14
De Havilland DHC-8-400CC	5	0	5
ATR42-600	10	1	11
ATR72-600	2	0	2
Regional Total	49	1	50
Total	213	26	239

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.

	FY2020 April 1, 2020 to March 31, 2021 [Millions of Yen]	% contribution to total	FY2021 April 1, 2021 to March 31, 2022 [Millions of Yen]	% contribution to total	% compared to prior period
International (Full Service Carrier)					
Passenger operations	27,917	6.5	68,785	10.7	246.4
Cargo operations	96,553	22.4	182,877	28.5	189.4
Mail-service operations	7,344	1.7	11,089	1.7	151.0
Luggage operations	333	0.1	746	0.1	223.8
Sub-total	132,149	30.6	263,499	41.0	199.4
Domestic (Full Service Carrier)					
Passenger operations	174,006	40.3	235,100	36.6	135.1
Cargo operations	21,735	5.0	20,751	3.2	95.5
Mail-service operations	3,192	0.7	3,653	0.6	114.4
Luggage operations	219	0.1	312	0.0	142.2
Sub-total	199,154	46.1	259,817	40.4	130.5
Total revenues from international and domestic operations	331,304	76.7	523,316	81.4	158.0
Other revenues (The passenger revenue for LCC is included)	100,517	23.3	119,248	18.6	118.6
Total revenues	431,821	100.0	642,565	100.0	148.8

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

2. For SPRING JAPAN, as the results from acquisition of the subsidiary until the end of June are minor, traffic results from July is included as traffic results for LCC.

Traffic Results (Full Service Carrier)

	FY2020 April 1,2020 to March 31, 2021	FY2021 April 1,2021 to March 31, 2022	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	357,519	892,471	249.6%
Revenue passenger km (1,000 passenger-km)	2,196,423	6,027,871	274.4%
Available seat km (thousands)	11,918,047	22,780,657	191.1%
Revenue passenger-load factor (%)	18.4	26.5	8.0
Revenue cargo ton-km (thousands)	1,948,205	3,113,671	159.8%
Mail ton-km (thousands)	155,413	160,474	103.3%
DOMESTIC			
Revenue passengers carried (number of passengers)	12,212,131	16,238,833	133.0%
Revenue passenger-km (1,000 passenger-km)	9,282,122	12,089,054	130.2%
Available seat km (thousands)	19,452,985	24,535,597	126.1%
Revenue passenger-load factor (%)	47.7	49.3	1.6
Revenue cargo ton-km (thousands)	237,874	231,515	97.3%
Mail ton-km (thousands)	20,675	22,689	109.7%
TOTAL			
Revenue passengers carried (number of passengers)	12,569,650	17,131,304	136.3%
Revenue passenger-km (1,000 passenger-km)	11,478,546	18,116,925	157.8%
Available seat km (thousands)	31,371,033	47,316,254	150.8%
Revenue passenger-load factor (%)	36.6	38.3	1.7
Revenue cargo ton-km (thousands)	2,186,079	3,345,186	153.0%
Mail ton-km (thousands)	176,088	183,164	104.0%

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. International operations: Japan Airlines Co., Ltd.,
Domestic operations: Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., J-Air Co., Ltd., Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd.,
4. Traffic results for ZIPAIR and SPRING JAPAN, which is classified in LCC business, are excluded from the traffic results above. Traffic results for LCCs were as follows; passenger traffic 38,320 (number of passengers), Revenue passenger km 120,889 (1,000 passenger-km), Available seat km 1,829,817 (thousands) and load factor 6.6% for International Passenger Business, and passenger traffic 70,259 (number of passengers), Revenue passenger km 55,012 (1,000 passenger-km), Available seat km 125,332 (thousands) and load factor 43.9% for Domestic Passenger Business. For SPRING JAPAN, as the results from acquisition of the subsidiary until the end of June are minor, traffic results from July is included as traffic results for LCC.
5. Figures have been truncated and percentages are rounded off to the first decimal place.

Others

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

JALPAK Co., Ltd.

	FY2020	FY2021	% or points compared to prior period
	April 1,2020 to March 31, 2021	April 1,2021 to March 31, 2022	
Overseas travelers handled (10,000 number of travelers)	0.0	0.0	151.1%
Domestic travelers handled (10,000 number of travelers)	114.1	100.4	88.0%
Revenue (before elimination of consolidated transactions, billions of yen)	55.5	45.8	82.4%

JAL Card Co., Ltd

	FY2020	FY2021	% or points compared to prior period
	April 1,2020 to March 31, 2021	April 1,2021 to March 31, 2022	
Memberships (10,000 number of members)	358.0	346.1	96.7%
Revenue (before elimination of consolidated transactions, billions of yen)	18.6	18.5	99.3%

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

Assets, liabilities and net assets

The assets at the fiscal year-end increased by 264.3 billion yen from the end of the previous fiscal year to 2,371.6 billion yen, mainly due to Cash and Cash equivalents increase.

The liabilities increased by 401.7 billion yen from the end of the previous fiscal year to 1,527.5 billion yen due to hybrid financing which was aimed for improvement of financial foundation and securing investment funds in advance for sustainable growth at the same time.

The net assets decreased by 137.3 billion yen from the end of the previous fiscal year to 844.1 billion yen, as a result of increase in Net loss.

As a result of the above, Shareholders' equity ended at 799.7 billion yen, and the equity ratio dropped by 11.2 percentage points from the end of the previous fiscal year to 33.7%. For details, refer to "3. Consolidated financial statements and primary notes (1) Consolidated statement of financial position".

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

Cash Flows from Operating Activities

As a result of adding back or subtracting non-cash items including depreciation, retirement benefit liabilities, operating receivables and operating payables to/from loss before income tax of 246.6 billion yen, cash flow (outflow) from operating activities was 103.5 billion yen (cash outflow of 219.5 billion yen for the previous year).

Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 173.7 billion yen mainly due to expenditures for acquiring Fixed assets (cash outflow of 91.0 billion yen for the previous year).

Cash Flows from Financing Activities

Cash flow from financing activities (inflow) was 359.2 billion yen due to long term debts and issuance of bond (cash inflow of 388.6 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 85.8 billion yen from the end of the previous fiscal year to 494.2 billion yen.

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

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

	Revenue	Operating profit (Loss in brackets)	EBIT (Loss in brackets)	Profit before tax (Loss in brackets)	Profit attributable to owner of parent (Loss in brackets)
Previous year (A)	Millions of yen 481,225	Millions of yen (390,414)	Millions of yen (398,306)	Millions of yen (404,078)	Millions of yen (286,693)
Current year (B)	682,713	(234,767)	(239,498)	(246,617)	(177,551)
Change (B-A)	201,487	155,647	158,808	157,461	109,142
Change (%)	41.9	—	—	—	—

(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

In spite of the increasingly uncertain business environment surrounding the JAL Group such as the prolonged COVID effects, the Russia-Ukraine situation, material cost increase including fuel price hike, we believe the COVID infection is heading toward settlement. While the possibility of a resurgence of a new variant remains, we expect domestic and international passenger demand will trend up. Though the trend is not clear or settled yet, domestic passenger demand is expected to recover up to around 90% of the pre-COVID level (note). On the other hand, international passenger demand is expected to recover only to around 45% of the pre-COVID level (note) as the infection situation and border restrictions in each country may lead to additional time being required for the demand to recover. The international cargo demand is expected to remain strong this fiscal year again. With the above forecast, we expect a significant improvement in the Full Service Carrier Business and LCC Business year-on-year.

For the non-aviation business, we will expand business with JAL Group's customer base and enhance our daily-life/life-of-stage business and mileage business through our recently-acquired JALUX as a core company.

For expenses, we will minimize the increasing material cost especially fuel cost by offsetting through fuel surcharge and hedging transactions. Also, we will continue efficiency improvement and cost-cutting efforts, especially for fixed costs.

Considering the above factors, we forecast the financial performance of this fiscal year ending March 2023 as 1,390 billion yen of Revenue, 80 billion yen of EBIT and 45 billion yen of Profit Attributable to Owner of Parents.

These calculations were made based on the assumptions that the exchange rate is 120 yen to one US dollar, and indices for fuel cost is as follows; the market price for Singapore kerosene cost is 120 US dollars per barrel.

(Note) Compared with the figures in fiscal year 2019 but the 2019 January to March passenger numbers are the figures based on the performance forecasts disclosed upon the FY2019 third quarter financial report.

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

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

However, even though the prolonged COVID infection is settling down and the passenger demand, especially domestic demand, is gradually coming back, the prolonged infection delayed passenger demand recovery and JAL regrettably recorded significant losses for this fiscal year that makes losses in two consecutive years. Considering the surrounding business environment such as the apparent geopolitical risk and the surge of fuel price, we believe securing liquidity at hand to enhance our risk resilience and financial foundation is the best for JAL at this moment, thus we have determined not to provide year-end dividends in order to secure liquidity at hand. We regret that we cannot pay dividends to our shareholders, but we would like to ask for their understanding in this situation.

In terms of dividends for the fiscal year ending March 2023, it may take some more time for international passenger demand to recover fully from the COVID infection, but a steady recovery of domestic passenger demand seems possible. While we have to keep a close eye on the geopolitical risk and the fuel price hike risk, our performance recovery and cash flow improvement is promising if there are no significant event risks. Therefore, we will aim for dividends payment for the fiscal year ending March 2023. However, for the interim and year-end dividends forecast, we will provide our forecast when our performance recovery becomes more steadfast and foreseeable. We will strive for early performance improvement and financial recovery in order to realize a continuous and steady return to shareholders again.

(7) Business risks

Taking into account the content of its business centering on the scheduled and unscheduled air transportation business, the JAL Group is exposed to the following risks, or items with possible major effects on investors' investment decisions. This does not cover all risks which the JAL Group is exposed to, as risks exist other than those below are unpredictable. The following includes forward-looking matters, but these items were determined as of March 31, 2022.

- Risk concerning pandemic
- Risk concerning natural disaster and climate change
- 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, environmental regulations and rules and litigations
- Risks concerning IT system or customer information
- Risks concerning personnel and labor relations

2. Basic policy concerning the selection of accounting standards

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

3. Consolidated Financial Statement and Primary Notes

(1) Consolidated Statement of Financial Position

	As of March 31, 2021	As of March 31, 2022
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	408,335	494,226
Trade and other receivables	76,760	120,322
Other financial assets	14,133	43,359
Inventories	23,680	31,279
Other current assets	44,906	61,316
Total current assets	567,816	750,504
Non-current assets		
Tangible fixed assets		
Flight equipment	827,587	887,212
Advances on flight equipment	129,882	70,409
Other tangible fixed assets	87,942	95,165
Total tangible fixed assets	1,045,413	1,052,787
Goodwill and intangible assets	89,662	87,637
Investments accounted for using equity method	24,232	19,664
Other financial assets	128,055	152,233
Deferred tax assets	225,886	284,287
Retirement benefit asset	3,176	4,496
Other non-current assets	23,036	20,046
Total non-current assets	1,539,462	1,621,153
Total assets	2,107,279	2,371,658

	As of March 31, 2021	As of March 31, 2022
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	97,185	94,046
Interest-bearing liabilities	69,621	86,786
Other financial liabilities	42,490	16,564
Income taxes payable	3,890	3,602
Contract liabilities	215,239	240,224
Provisions	3,750	2,188
Other current liabilities	44,714	27,073
Total current liabilities	476,893	470,486
Non-current liabilities		
Interest-bearing liabilities	445,525	841,677
Other financial liabilities	23,479	26,464
Deferred tax liabilities	108	1,968
Provisions	15,667	26,289
Retirement benefit liability	153,169	151,028
Other non-current liabilities	10,899	9,601
Total non-current liabilities	648,850	1,057,030
Total liabilities	1,125,744	1,527,517
Equity		
Share capital	273,200	273,200
Capital surplus	273,557	273,617
Retained earnings	352,965	176,406
Treasury shares	(408)	(408)
Accumulated other comprehensive income		
Financial assets measured at fair value through other comprehensive income	35,468	35,512
Effective portion of cash flow hedges	12,877	41,018
Exchange differences on translation of foreign operations	(201)	390
Total accumulated other comprehensive income	48,144	76,921
Total equity attributable to owners of parent	947,459	799,736
Non-controlling interests	34,075	44,404
Total equity	981,535	844,141
Total liabilities and equity	2,107,279	2,371,658

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

	FY2020 (April 1,2020-March 31, 2021)	FY2021 (April 1,2021-March 31, 2022)
	Millions of yen	Millions of yen
Revenue		
International passenger revenue	27,969	70,887
Domestic passenger revenue	174,006	235,736
Other revenue	279,249	376,089
Total revenue	481,225	682,713
Other income	13,397	22,745
Operating expenses		
Personnel expenses	(254,809)	(245,724)
Aircraft fuel	(96,788)	(145,456)
Depreciation, amortization and impairment losses	(190,585)	(178,785)
Other operating expenses	(342,854)	(370,259)
Total operating expenses	(885,037)	(940,226)
Operating profit (Loss in brackets)	(390,414)	(234,767)
Share of profit of investments accounted for using equity method (Loss in brackets)	(7,582)	(9,901)
Profit before investing, financing and income tax (Loss in brackets)	(397,997)	(244,668)
Income/expenses from investments		
Investing income	2,694	10,878
Investing expenses	(3,003)	(5,708)
Profit before financing and income tax (Loss in brackets)	(398,306)	(239,498)
Finance income/expenses		
Finance income	1,799	1,986
Finance expenses	(7,570)	(9,105)
Profit before tax (Loss in brackets)	(404,078)	(246,617)
Income tax expense	116,202	65,272
Profit (Loss in brackets)	(287,875)	(181,345)
Profit attributable to		
Owners of parent	(286,693)	(177,551)
Non-controlling interests	(1,182)	(3,793)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,284	(2,817)
Remeasurements of defined benefit plans	(2,394)	3,876
Share of other comprehensive income of investments accounted for using equity method	87	(63)
Total of items that will not be reclassified to profit or loss	977	996
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	34,411	30,710
Exchange differences on translation of foreign operations	(138)	672
Share of other comprehensive income of investments accounted for using equity method	1,445	(88)
Total of items that may be reclassified to profit or loss	35,718	31,295
Other comprehensive income, net of tax	36,695	32,291
Comprehensive income	(251,179)	(149,054)

	FY2020 (April 1,2020-March 31,2021)	FY2021 (April 1,2021-March 31,2022)
	Millions of yen	Millions of yen
Comprehensive income attributable to		
Owners of parent	(249,956)	(145,405)
Non-controlling interests	(1,223)	(3,649)
Earnings per share		
Basic earnings per share (Loss in brackets) (Yen)	(764.99)	(406.29)
Diluted earnings per share (Yen)	—	—

(3) Consolidated Statement of Changes in Equity
Consolidated financial results for FY2020 (April 1, 2020 to March 31, 2021)

Equity attributable to owners of parent

	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	181,352	182,437	645,408	(408)	28,793	(23,146)
Profit (Loss in brackets)	-	-	(286,693)	-	-	-
Other comprehensive income	-	-	-	-	3,275	35,871
Comprehensive income	-	-	(286,693)	-	3,275	35,871
Issuance of new shares	91,848	91,120	-	-	-	-
Transfer to non-financial asset	-	-	-	-	-	152
Purchase of treasury shares	-	-	-	(0)	-	-
Changes in ownership interest in subsidiaries	-	(0)	-	-	-	-
Transfer to retained earnings	-	-	(5,749)	-	3,399	-
Total transactions with owners	91,848	91,120	(5,749)	(0)	3,399	152
Balance as of March 31, 2021	273,200	273,557	352,965	(408)	35,468	12,877

Equity attributable to owners of parent

	Exchange differences on translation of foreign operations		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	Total Equity attributable to owners of parent			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	(141)	-	5,506	1,014,295	35,321	1,049,617	
Profit (Loss in brackets)	-	-	-	(286,693)	(1,182)	(287,875)	
Other comprehensive income	(60)	(2,349)	36,736	36,736	(40)	36,695	
Comprehensive income	(60)	(2,349)	36,736	(249,956)	(1,223)	(251,179)	
Issuance of new shares	-	-	-	182,968	-	182,968	
Transfer to non-financial asset	-	-	152	152	-	152	
Purchase of treasury shares	-	-	-	(0)	-	(0)	
Changes in ownership interest in subsidiaries	-	-	-	(0)	(22)	(23)	
Transfer to retained earnings	-	2,349	5,749	-	-	-	
Total transactions with owners	-	2,349	5,901	183,121	(22)	183,098	
Balance as of March 31, 2021	(201)	-	48,144	947,459	34,075	981,535	

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 asset	-	-	-	-	-	(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

	Exchange differences on translation of foreign operations		Remeasurements of defined benefit plans		Total accumulated other comprehensive income	Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	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 asset	-	-	(2,377)	(2,377)	-	(2,377)		
Purchase of treasury shares	-	-	-	(0)	-	(0)		
Acquisition of subsidiaries	-	-	-	-	9,044	9,044		
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)	13,977	11,660		
Balance as of March 31, 2022	390	-	76,921	799,736	44,404	844,141		

(4) Consolidated Statement of Cash Flows

	FY2020 (April 1,2020-March 31,2021)	FY2021 (April 1,2021-March 31,2022)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax (Loss in brackets)	(404,078)	(246,617)
Depreciation, amortization and impairment losses	190,585	178,875
Loss (gain) on sale and retirement of fixed assets	2,150	(727)
Increase (decrease) in retirement benefit liability	(1,677)	2,966
Interest and dividend income	(2,313)	(1,796)
Interest expenses	2,927	7,660
Foreign exchange loss (gain)	(956)	(1,921)
Share of loss (profit) of investments accounted for using equity method	7,582	9,901
Decrease (increase) in trade and other receivables	2,597	(26,844)
Decrease (increase) in inventories	4,809	(2,421)
Increase (decrease) in trade and other payables	(27,036)	(4,713)
Increase (decrease) in contract liabilities	(36,705)	24,103
Other, net	32,550	(36,579)
Subtotal	(229,565)	(98,203)
Income taxes (paid) refund	10,045	(5,342)
Net cash provided by (used in) operating activities	(219,519)	(103,545)
Cash flows from investing activities		
Purchase of non-current assets	(89,686)	(161,306)
Proceeds from sales of non-current assets	1,442	4,289
Purchase of other financial assets	(8,118)	(13,864)
Proceeds from sale of other financial assets	2,254	1,226
Payments for acquisition of subsidiaries	—	(7,108)
Proceeds from acquisition of subsidiaries	—	2,140
Payments for loans receivable	(2,026)	(6,680)
Collection of loans receivable	746	4,657
Interest received	378	244
Dividends received	1,928	1,265
Other, net	2,069	1,366
Net cash provided by (used in) investing activities	(91,012)	(173,769)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(54)	19
Proceeds from long-term borrowings	256,886	245,430
Repayments of long-term borrowings	(20,539)	(30,259)
Proceeds from issuance of bonds	—	188,475
Redemption of bonds	—	(10,000)
Proceeds from issuing shares	182,657	—
Capital contribution from non-controlling interests	—	8,077
Interest paid	(1,412)	(5,263)
Dividends paid	(31)	(7)
Dividends paid to non-controlling interests	—	(3,077)
Repayments of lease liabilities	(24,501)	(32,951)
Other, net	(4,379)	(1,163)
Net cash provided by (used in) financing activities	388,624	359,280
Effect of exchange rate changes on cash and cash equivalents	1,094	3,926
Net increase (decrease) in cash and cash equivalents	79,186	85,891
Cash and cash equivalents at beginning of period	329,149	408,335
Cash and cash equivalents at end of period	408,335	494,226

(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, 2022 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 “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

(Changes in the Accounting Estimates)

(Change in duration)

This fiscal year, the Company recorded a provision (asset retirement obligation) of 4,767 million yen as a result of a change in the estimated amount due to obtaining new information concerning obligation to restore to its original conditions based on the future facility maintenance plan of the Tokyo International Airport indicated by the government.

Accordingly, the operating loss, the loss before investing, financing and income tax, the loss before financing and income tax, and the loss before tax increased by 2,645 million yen each in the Consolidated Fiscal Year.

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

(Additional Information)

(Recognition of deferred tax assets)

Deferred tax assets are recognized to the extent that there will be sufficient taxable profits against which deductible temporary differences, unused tax credit carried forward and unused tax losses can be utilized. JAL and a part of our consolidated subsidiaries are using consolidated tax payment system, then the companies to which such system are applicable examine the whole group’s future taxable income on a consolidated basis for corporate tax and its future taxable income respectively for regional tax. Considering the COVID-19 infection, the carried forward losses are estimated based on the future taxable income for 10 years as maximum by each year, and subsequently the deferred tax assets are recorded.

The deferred tax assets and liabilities of the reporting period are 284,287 million yen and 1,968 million yen, respectively.

(Revenue)**(1) Breakdown of revenue****Revenue and Segment Revenue****Consolidated financial results for FY2020 (April 1, 2020 to March 31, 2021)**

	Segment		Sub-total	Internal transaction adjustment	Total
	Air Transportation	Other			
	Millions of Yen	Millions of Yen			
International					
(Full Service Carrier)					
Passenger operations	27,917	—	27,917	—	—
Cargo and mail-service operation	103,898	—	103,898	—	—
Luggage operations	333	—	333	—	—
Sub-total	132,149	—	132,149	—	—
Domestic					
(Full Service Carrier)					
Passenger operations	174,006	—	174,006	—	—
Cargo and mail-service operation	24,928	—	24,928	—	—
Luggage operations	219	—	219	—	—
Sub-total	199,154	—	199,154	—	—
Total revenues from international and domestic operations	331,304	—	331,304	—	—
Travel agency Revenue	—	56,981	56,981	—	—
Other (*2)	100,517	50,648	151,165	—	—
Total revenues	431,821	107,629	539,451	(58,225)	481,225

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

2. "Other" (air transportation business) includes the international passenger revenue of 51 million yen from LCC operations.

Consolidated financial results for FY2021 (April 1, 2021 to March 31, 2022)

	Segment		Sub-total	Internal transaction adjustment	Total
	Air Transportation	Other			
	Millions of Yen	Millions of Yen			
International (Full Service Carrier)					
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 (Full Service Carrier)					
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	—	—
Travel agency Revenue	—	47,383	47,383	—	—
Other (*2)	119,248	48,990	168,239	—	—
Total revenues	642,565	96,373	738,939	(56,225)	682,713

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

2. Other* (air transportation business) includes the international passenger revenue of 2,102 million yen and domestic passenger revenue of 636 million yen from LCC operations.

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

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

Air Transportation

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

Passenger operations

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

Cargo and mail-service operations

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

Luggage operations

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

Other

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

(Segment Information)

(1) Overview of segment reporting

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

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

(2) Information on reportable segment

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

Intersegment sales is based on the current market price.

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

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

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

2. Adjustment includes intersegment elimination.

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

Consolidated financial results for FY2021 (April 1, 2021 to March 31, 2022)

	Reportable segment		Total	Adjustment (Note) 2	Consolidated Statement
	Air	Others (Note)1			
	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 before tax	—	—	—	—	(246,617)
Others					
Depreciation, amortization and impairment losses	(176,864)	(1,945)	(178,810)	24	(178,785)
Share of profit of investments accounted for using equity method	(10,011)	189	(9,822)	(79)	(9,901)

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

2. Adjustment includes intersegment elimination.

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

4. As written in (Changes in the Accounting Estimates), this fiscal year, the Company recorded a provision (asset retirement obligation) of 4,767 million yen as a result of a change in the estimated amount due to obtaining new information concerning obligation to restore to its original conditions based on the future facility maintenance plan of the Tokyo International Airport indicated by the government. Accordingly, the operating loss, the loss before investing, financing and income tax, the loss before financing and income tax, and the loss before tax increased by 2,645 million yen each in the Consolidated Fiscal Year.

(Per Share Information)

Earnings per share is calculated as follows;

	FY2020 (April 1,2020-March 31,2021)	FY2021 (April 1,2021-March 31,2022)
Profit attributable to owners of parent (Millions of yen)	(286,693)	(177,551)
Amounts not attributable to ordinary shareholders of parent (Millions of yen)	—	—
Net income used to calculate basic earnings per share (Millions of yen)	(286,693)	(177,551)
Average number of shares outstanding (Thousand shares)	374,766	437,007
Basic earnings per share (Yen)	(764.99)	(406.29)

(Significant Subsequent Event)

None