Forecast Revision

**Q1: About Forecast Revision**

A1: Breakdown of the Revision (comparison with the previous forecast disclosed on October 31, 2019) *Important Note: This forecast revision does not include the negative impact of coronavirus that started to spread in January 2020.*

**Operating Revenue**  
down 30.0 JPY Bn

- **International Passenger**  
down 11.0 JPY Bn
  
  Major factors as below:
  1. Sluggish Japan outbound business demand
  2. Flight cancellation by Oct.2019 typhoons
  3. Oversupply situation on the China and Europe route

- **Domestic Passenger**  
down 3.0 JPY Bn
  
  Major factor as below:
  Flight Cancellation by Oct.2019 typhoons

- **Cargo / Mail**  
down 5.0 JPY Bn
  
  Major factor as below:
  Sluggish International Cargo and Mail demand

- **Other**  
down 11.0 JPY Bn
  
  Major factors as below:
  1. Ground handling demand decrease (especially Korean airlines at local airports)
  2. Maintenance outsourcing decrease

**Expense**  
No Revision

Operating Expense Forecast is unchanged because the cost reduction measures have been steadily executed and partial cost increase such as Maintenance will be absorbed.
Japan-outbound business demand

Q2: About the Japan-outbound business demand?
A2: Japan-outbound business demand has started to slow down since last summer but it seems to stop declining and there is a slight increase on North American Route in a future booking. However, due to the coronavirus spread, situation changes every day. We will keep a close eye and take appropriate actions in a timely manner.

China route

Q3: About the China Route
A3: As of January 31, 2020, the China route has been in an oversupply situation. The spread of coronavirus has started since January 2020. The revenue share of the China route in JAL’s International Passenger is about 10%. We will closely monitor the impact of coronavirus on air travel demand, especially on the China route. We have started to examine possible counter-measures in case of rapid demand decrease.

End