

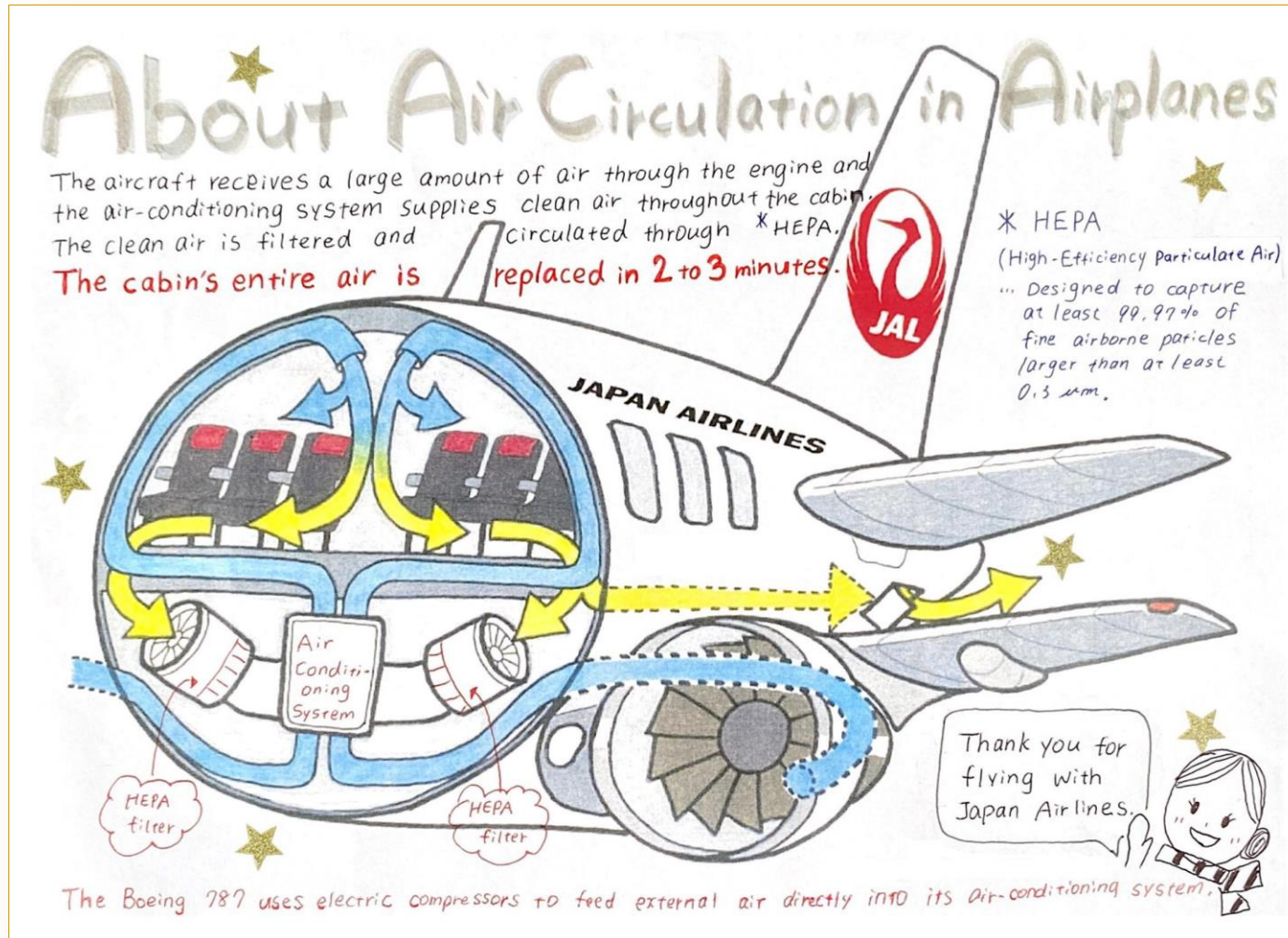
# JAPAN AIRLINES Co., Ltd.

## Financial Results

### 1<sup>st</sup> Quarter Mar/2021 (FY2020)



JAPAN AIRLINES



『Team Asahikawa』 (Handwritten by JAL Asahikawa Airport Office, JAL Engineering Asahikawa Airport Maintenance Office) and JAL Cabin Attendants)

August 3, 2020

# Today's Topics

OVERVIEW OF FINANCIAL RESULTS FOR 1<sup>ST</sup>  
QUARTER MAR/2021

P.3

THE CURRENT OVERVIEW AND IMMEDIATE  
INITIATIVES

P.12

NEAR FUTURE INITIATIVES

P.16

TOWARD THE NEW NORMAL

P.20

REFERENCES

P.23

**IFRS is adopted from the fiscal year ending Mar 2021, instead of the Japanese standard. Accordingly, figures in the previous years are also calculated in IFRS as well for comparison analysis.**



Japan Institute of  
Information Technology  
IT Award



2019 Award for Excellence  
in Corporate Disclosure  
— Industries —

SAAJ The Securities Analysts  
Association of Japan



FTE  
Accessibility  
Leadership Award



SKYTRAX  
The World's Best Economy Class  
The Best Economy Class Seat



SKYTRAX  
5-Star Airline



Health and Productivity  
Management Brand

(Note) Regarding figures in tables of this material, amounts are rounded down to the nearest hundred million yen, and the second decimal point in ratios is rounded off to one decimal point.

# Financial Results

## 1<sup>st</sup> Quarter Mar/2021

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THE CURRENT OVERVIEW AND  
IMMEDIATE INITIATIVES

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NEAR FUTURE INITIATIVES

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TOWARD THE NEW NORMAL

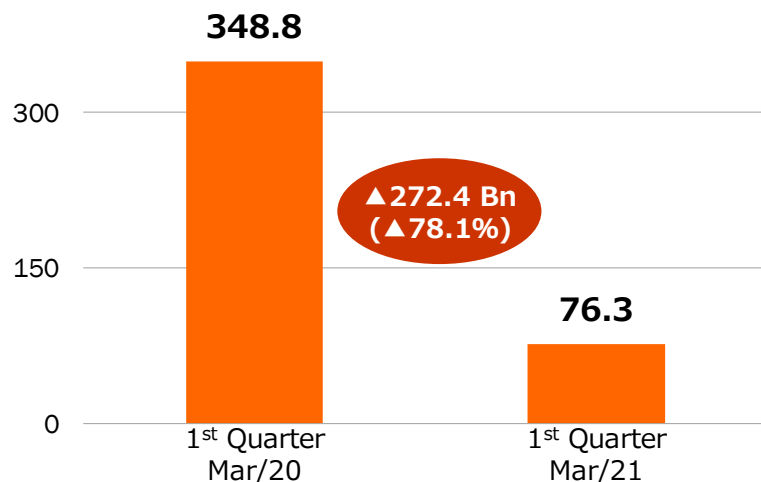
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# Overview of Financial Results for 1<sup>st</sup> Quarter Mar/21

- ✓ Large drop in revenue due to COVID-19 spread
- ✓ No interim dividends are paid to secure liquidity at hand as first priority

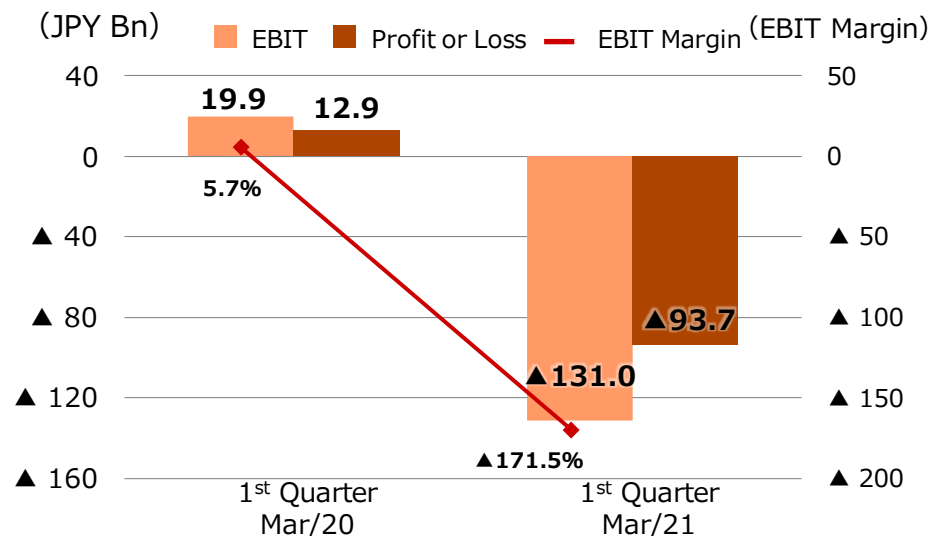
## Revenue<sup>(1)</sup>

(JPY Bn)



## EBIT<sup>(1)(2)</sup>/Profit or Loss<sup>(1)(3)</sup>/EBIT Margin<sup>(1)(4)</sup>

(JPY Bn)



## Fuel/FX Markets

	1 <sup>st</sup> Quarter Mar/20	1 <sup>st</sup> Quarter Mar/21	y/y
Singapore Kerosene (USD/bbl)	81.3	29.8	▲63.3%
Dubai Crude Oil (USD/bbl)	69.1	28.2	▲59.2%
FX Rate (JPY/USD)	111.0	108.3	▲2.4%

## Operational Precondition/ASK

	1 <sup>st</sup> Quarter Mar/21 (y/y)
International Routes <sup>(5)</sup>	▲91.7%
Domestic Routes	▲64.2%
Total	▲80.8%

(1) IFRS is adopted from FY20 and to the figures in the previous year to enable comparison analysis (2) EBIT = Profit/Loss before Financing and Income tax (Profit/Loss before Tax – Finance Income/Expenses) (3) Profit/Loss = Quarterly Profit Attributable to Owners of Parent (4) EBIT Margin = EBIT / Revenue (5) Changes in codeshare passengers on other airlines are reflected from FY20 and to the previous year's figures as well for comparison analysis

# Consolidated Financial Results for 1<sup>st</sup> Quarter Mar/21<sup>(1)</sup>

(JPY Bn)	1 <sup>st</sup> Quarter Mar/20	1 <sup>st</sup> Quarter Mar/21	Diff.	y/y
Revenue	348.8	76.3	▲272.4	▲78.1%
International Passenger	130.6	2.7	▲127.8	▲97.9%
Domestic Passenger	127.1	18.9	▲108.1	▲85.1%
Cargo / Mail	22.7	26.5	+3.8	+16.9%
Other Revenue <sup>(2)</sup>	68.3	28.1	▲40.2	▲58.8%
Operating Expense	330.9	205.8	▲125.0	▲37.8%
Fuel	63.6	19.4	▲44.2	▲69.5%
Excluding Fuel	267.2	186.3	▲80.8	▲30.2%
Others <sup>(3)</sup>	2.0	▲1.5	▲3.6	-
EBIT	19.9	▲131.3	▲150.9	-
EBIT Margin (%)	5.7%	▲171.5%	▲177.2pt	-
Profit or Loss	12.9	▲93.7	▲106.6	-
ASK (MN seat km) <sup>(4)</sup>	22,789	4,366	▲18,423	▲80.8%
RPK (MN passenger km) <sup>(4)</sup>	18,989	1,110	▲17,878	▲94.2%
EBITDA Margin (%) <sup>(5)</sup>	17.2%	▲115.0%	▲132.3pt	-

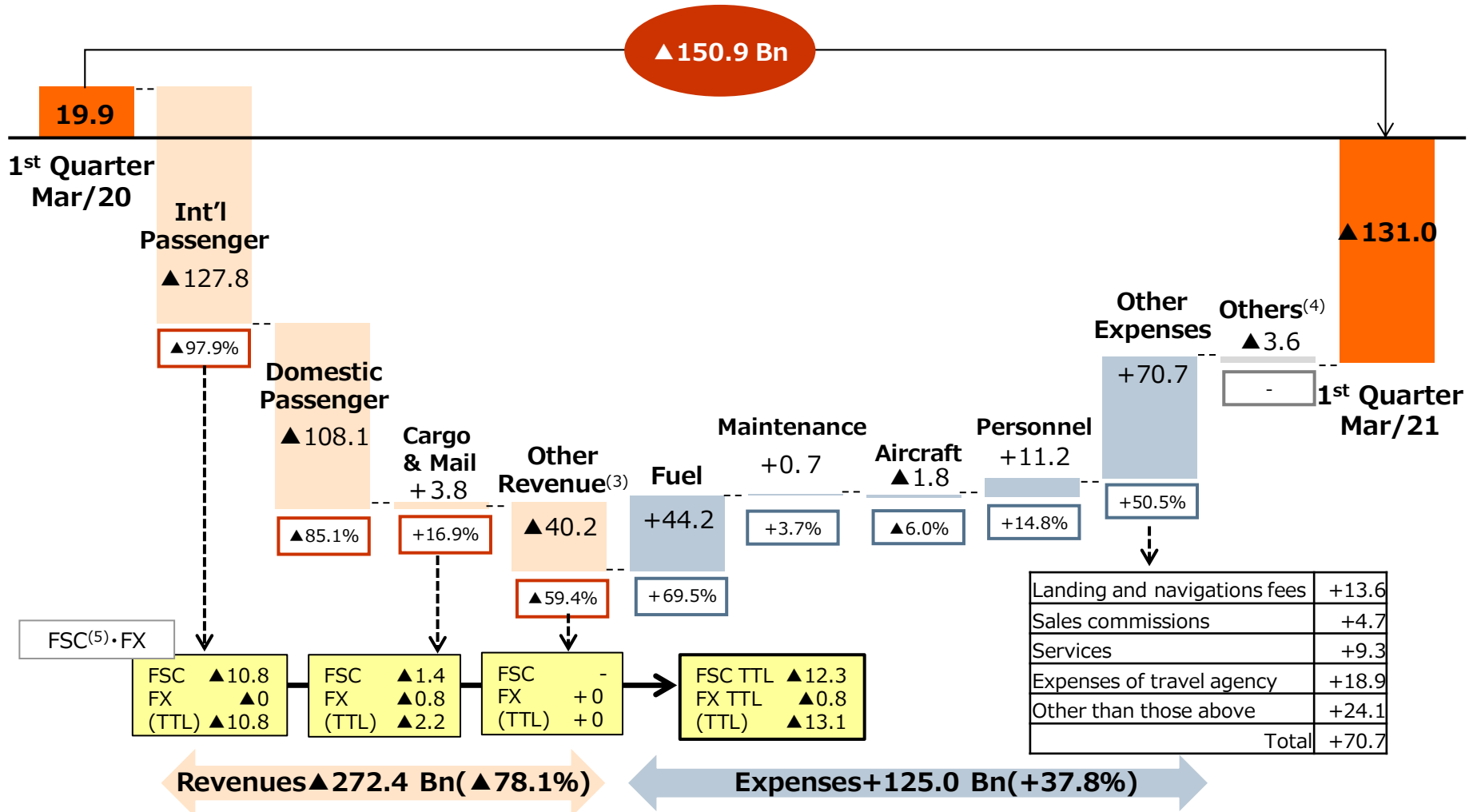
(Note) New unit cost definition is under reconsideration to properly reflect an actual cost upon application of IFRS and new JAL Group business portfolio

(1) IFRS is adopted from FY20 and to the figures in the previous year to enable comparison analysis (2) Other Revenue = Travel Agency, Mileage, Ground Handling or etc. (3) Others = Gain or Loss on Sales of Flight Equipment, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment (4) Changes in codeshare passengers on other airlines are reflected from FY20 and to the previous year's figures as well for comparison analysis (5) EBITDA Margin = EBITDA / Revenue EBITDA=EBIT+ Depreciation

# Changes in EBIT (Revenues/Expenses) (1)

(JPY Bn) (2) ASK y/y : ▲80.8%  
RPK y/y : ▲94.2%

+ stands for profit increase (revenue increase, cost decrease)  
▲ stands for profit decrease (revenue decrease, cost increase)

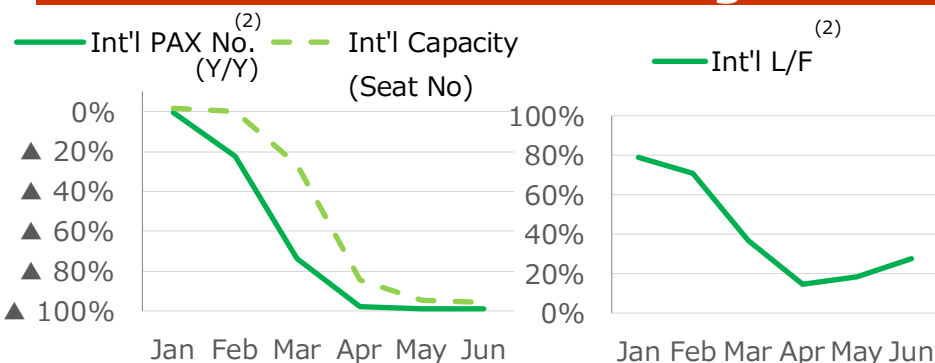


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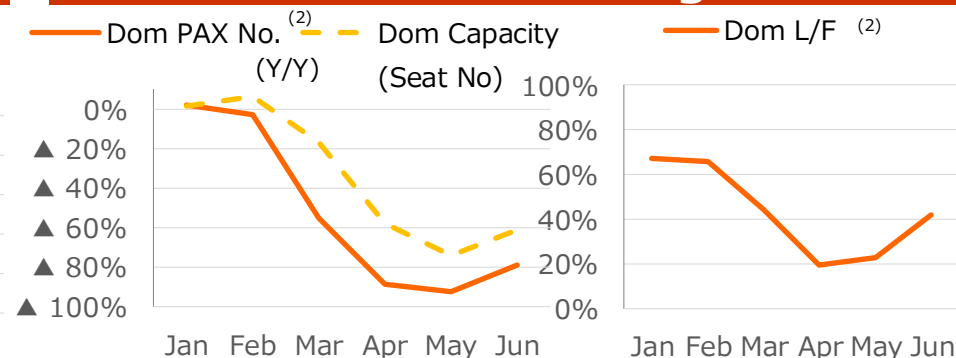
# International/ Domestic Passenger Operations

- ✓ Capacity was reduced largely as demand falls rapidly in COVID-19
- ✓ Domestic demand is gradually coming back in June

## International Passenger <sup>(1)</sup>



## Domestic Passenger



## International Passenger <sup>(1)</sup>

Passenger Revenue (JPY Bn) <sup>(2)</sup>	
Passengers ('000) <sup>(2)</sup>	
ASK (MN seat km)	
RPK (MN passenger km) <sup>(2)</sup>	
L/F (%) <sup>(2)</sup>	
Revenue per Passenger (JPY) <sup>(2) (3)</sup>	
Yield (JPY) <sup>(2) (4)</sup>	
Unit Revenue (JPY) <sup>(2) (5)</sup>	

1 <sup>st</sup> Quarter Mar/20	1 <sup>st</sup> Quarter Mar/21	y/y
130.6	2.7	▲97.9%
242.9	3.3	▲98.6%
13,767	1,138	▲91.7%
12,016	198	▲98.3%
87.3%	17.5%	▲69.8pt
53,768	80,030	+48.8%
10.9	13.6	+25.4%
9.5	2.4	▲74.9%

## Domestic Passenger

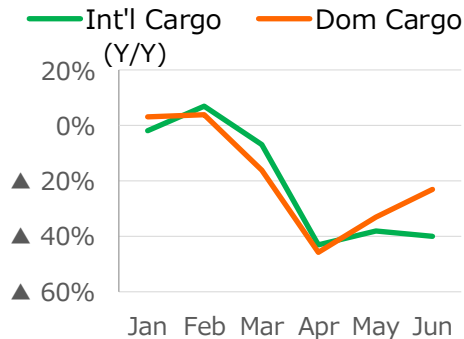
1 <sup>st</sup> Quarter Mar/20	1 <sup>st</sup> Quarter Mar/21	y/y
127.1	18.9	▲85.1%
927.2	123.1	▲86.7%
9,022	3,227	▲64.2%
6,973	911	▲86.9%
77.3%	28.3%	▲49.0pt
13,707	15,390	+12.3%
18.2	20.8	+14.0%
14.1	5.9	▲58.3%

(1) Changes in codeshare passengers on other airlines are reflected from FY20 and to the previous year's figures as well for comparison analysis (2) Passengers with mileage award tickets are included from FY20 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis, however, Passenger Number and L/F from Jan. to Mar. in the graphs above exclude passengers with mileage award tickets due to the Japanese Standard. (3) Revenue per Passenger = Passenger Revenue / Passengers (4) Yield = Passenger Revenue / RPK (5) Unit Revenue = Passenger Revenue / ASK

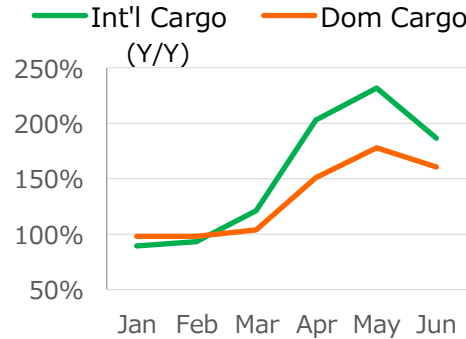
# Cargo / Mail

- ✓ Tight supply-demand situation continues as capacity is being reduced worldwide
- ✓ Cargo flights with passenger aircraft totaled to 3,754 from Apr to Jun
- ✓ ZIPAIR also started cargo flights on Narita= Bangkok routes from Jun
- ✓ Revenue exceeded previous year (+17% yoy) due to price increase

## Weight



## Price



## Cargo Flights with PAX aircraft (One-way)<sup>(1)</sup>

	Mar	Apr	May	Jun
America	0	63	289	345
Europe	18	86	136	177
Asia/Oceania	17	197	302	347
China	73	250	442	316
Int'l TOTAL	108	596	1,169	1,185
Domestic	0	155	339	310
Int'l•Dom TOTAL	108	751	1,508	1,495

(1) Including ZIPAIR cargo flights

### America

Steady US-bound semiconductor demand

### Europe

Strong Fresh Foods demand to Japan

### China

Strong medical supplies to Japan and Europe till May  
Tight situation softened since June

### Asia/Oceania

Steady electric parts demand for Japan and North America

### Domestic

Nesting consumption increased parcel demand

# Major Operating Expense Items<sup>(1)</sup>

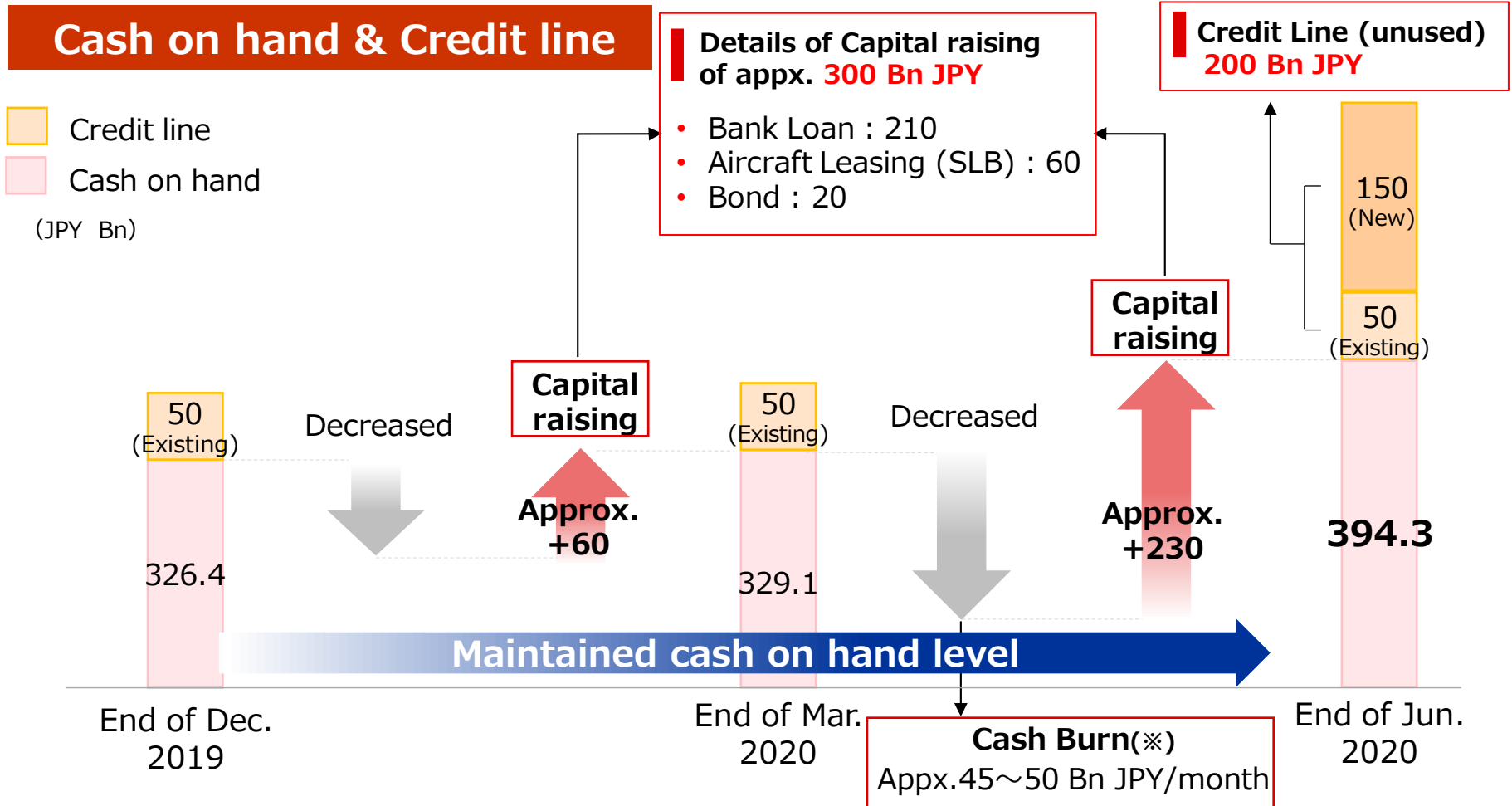
- ✓ Revenue- and capacity-linked costs decrease as approximately 40% of revenue reduction (108.4 Bn JPY)
- ✓ Fixed cost also steadily decreases more than estimated (Details on P.18)

(JPY Bn)		1 <sup>st</sup> Quarter Mar/20	1 <sup>st</sup> Quarter Mar/21	Diff.	y/y	
Revenue		348.8	<b>76.3</b>	▲272.4	▲78.1%	
Revenue- and Capacity- linked Cost	Fuel	63.6	<b>19.4</b>	▲44.2	▲69.5%	Some portions are fixed costs
	Landing and navigation fees	21.4	<b>7.7</b>	▲13.6	▲63.6%	
	Maintenance	19.2	<b>18.5</b>	▲0.7	▲3.7%	
	Sales commissions (Air Transport)	4.6	<b>▲ 0.0</b>	▲4.7	-	
	Services <sup>(2)</sup>	11.3	<b>1.9</b>	▲9.3	▲82.3%	
	Other linked cost <sup>(3)</sup>	50.6	<b>14.8</b>	▲35.8	▲70.7%	
	Total revenue- and capacity-linked cost	170.9	<b>62.5</b>	▲108.4	▲63.4%	
Fixed Cost	Aircraft	31.7	<b>33.6</b>	+1.8	+6.0%	Some portions are revenue-and capacity-linked costs
	Personnel	76.0	<b>64.7</b>	▲11.2	▲14.8%	
	Other fixed cost	52.0	<b>44.8</b>	▲7.2	▲13.9%	Some portions are revenue-and capacity-linked costs
	Total fixed cost	159.9	<b>143.2</b>	▲16.6	▲10.4%	
Total Operating Expenses		330.9	<b>205.8</b>	▲125.0	▲37.8%	

(1)IFRS is adopted from FY20 and to the figures in the previous year to enable comparison analysis (2) Services= Expenses regarding inflight services, airport lounges, cargo equipment, etc. (3) Other linked cost = Traven agency, Mileage, Ground handling or etc.

# Liquidity at hand

- ✓ 394.3 Bn JPY Liquidity at hand remains as of the end of June by prompt capital-raising and reduction of capital expenditure
- ✓ Total capital-raising reached to appx. 500 Bn JPY level with unused credit line since Feb
- ✓ Cash burn rate is decreasing as cancelled tickets are decreases in and after Q2



※Operating CF + Repayment of Interest-bearing Debts in Financing CF

# Summary of Consolidated Statement of Financial Position and Cash Flow<sup>(1)</sup>

**BS**

- ✓ The 394.3 Bn JPY of Cash and 200 Bn JPY of Credit Line make our long-term fund enough, while the repayment within one year remains at 50.7 Bn JPY
- ✓ D/E Ratio is still at a sound level in spite of the increased interest-bearing debts

**CF**

- ✓ Capital expenditure decreased as investment was suppressed with the business environment rapidly changed

Balance Sheet	End of Mar/20	End of 1st Quarter Mar/21	Diff.
Total Assets	1,982.2	2,037.3	+55.1
Cash and Deposits	329.1	394.3	+65.1
Balance of Interest-bearing Debt	277.4	504.6	+227.2
Repayment within one year (※)	38.6 (11.0)	50.7 (14.0)	+12.1 (+2.9)
Shareholders' Equity <sup>(2)</sup>	1,014.2	934.4	▲79.8
Shareholders' Equity Ratio(%) <sup>(3)</sup>	51.2%	45.9%	▲5.3pt
D/E Ratio (x) <sup>(4)</sup>	0.3x	0.5x	+0.3x

(JPY Bn)

※Figures in brackets represent aircraft lease payment within one year

Cash Flow	1st Quarter Mar/20	1st Quarter Mar/21	Diff.
Cash Flow from Operating Activities	56.6	▲130.2	▲186.8
Depreciation and Amortization	40.2	43.1	+2.9
Cash Flow from Investing Activities	▲49.4	▲25.1	+24.3
Capital Investment	▲54.0	▲28.9	+25.0
Free Cash Flow <sup>(5)</sup>	7.1	▲155.3	▲162.4
Cash Flow from Financing Activities	▲37.1	220.4	+257.5
Total Cash Flow <sup>(6)</sup>	▲29.9	65.1	+95.0
EBITDA	60.1	▲87.8	▲148.0

(JPY Bn)

(1) IFRS is adopted from FY20 and to the figures in the previous year to enable comparison analysis

(2) Equity attributable to owners of the parent

(3) Ratio of equity attributable to owners of the parent to total assets

(4) Interest-bearing Debt/ Shareholders' Equity

(5) Cash Flow from Operating Activities + Cash Flow from Investing Activities

(6) Cash flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities

# Financial Results 1<sup>st</sup> Quarter Mar/2021

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## THE CURRENT OVERVIEW AND IMMEDIATE INITIATIVES

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### NEAR FUTURE INITIATIVES

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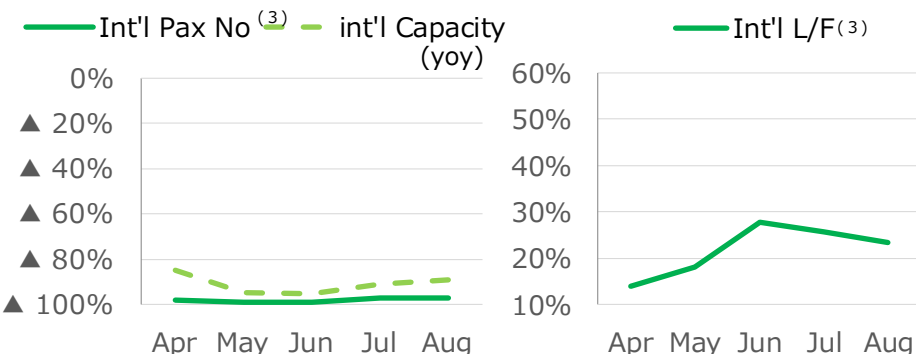
### TOWARD THE NEW NORMAL

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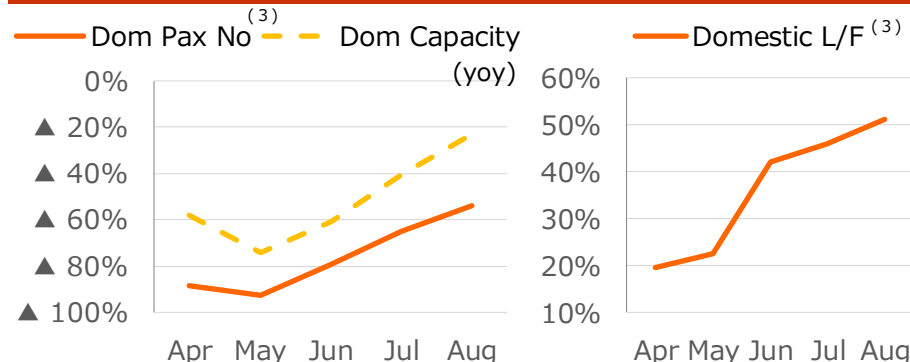
# Current Outlook (COVID-19 Impact)

- ✓ International Passenger Business remains unchanged due to travel restrictions
- ✓ Domestic Passenger Business recovers as leisure demand in addition to business demand gradually recovers to a 75% yoy level in capacity

## International Passenger <sup>(1)(2)</sup>



## Domestic Passenger <sup>(1)</sup>



Int'l

- Together with cargo demand, some capacity is added mainly to Europe and Southeast Asia routes for the Japanese returnees demand and expats demand as visa issuance is restarted, as well as the transit demand between North America and Southeast Asia

- More flights will be added as travel restrictions are eased

Dom

- Upon the lift of the state of emergency declaration, travel demand, especially urgent travel, is gradually coming back and summer vacation demand is also back from July
- Considering carefully the spread of COVID-19 in Japan and a demand outlook, appropriate measures will be taken at appropriate timing to capture a recovering demand

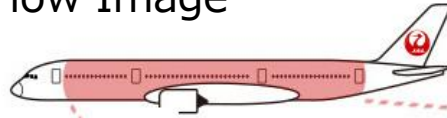
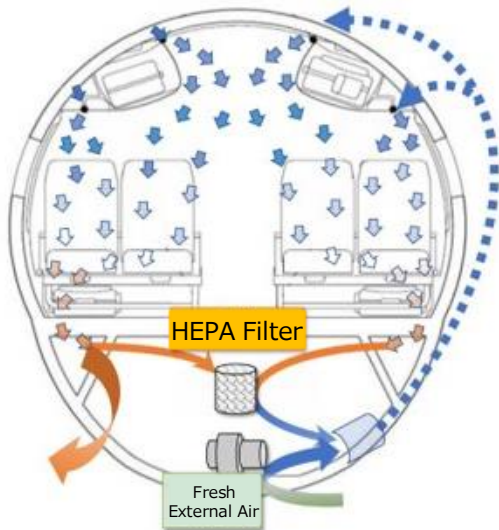
(1)As of July 27, 2020 (2) Changes in codeshare passengers on other airlines are reflected from FY20 and to the previous year's figures as well for comparison analysis (3) Passengers with mileage award tickets are included from FY20 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis

# Safety and Comfort

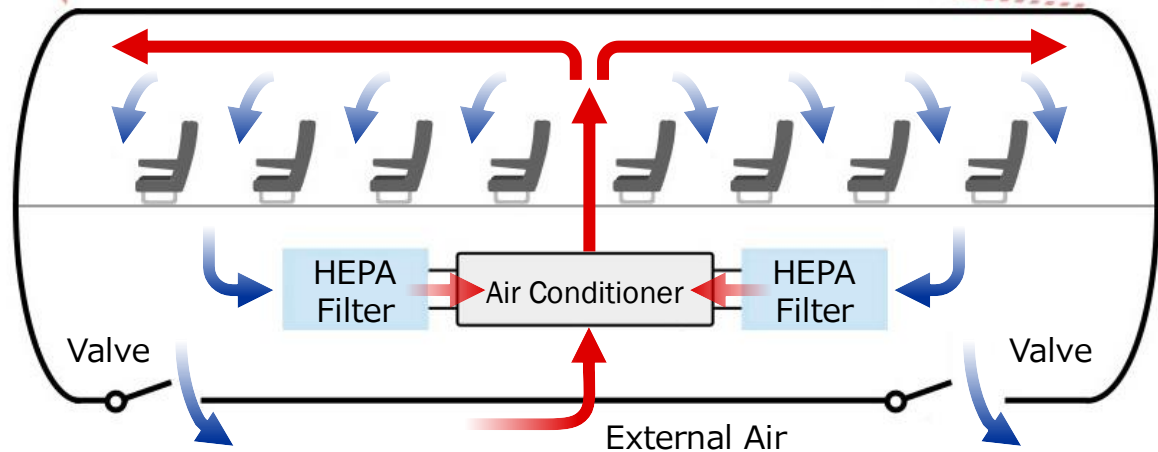
## Cabin

### Appeal of Flysafe Environment in Cabin

In-cabin Air Flow Image

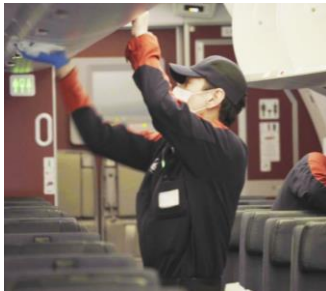


- In-cabin air is replaced in two to three minutes
- Air flows from top to bottom
- Passengers do not get on/off during cruise
- Passengers face to the same direction
- HEPA Filter is equipped

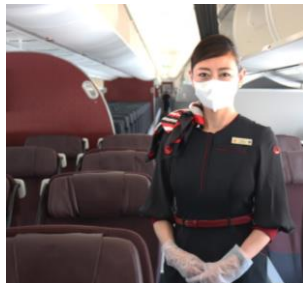


## Hygiene measures

### Thorough measures for Flysafe



Sanitization



Facial mask and gloves



Social Distancing



Partition



Less Contact with others

# Contribution as Social Infrastructure

## Supports logistic network



Domestic chartered flights for increasing parcel demand



Cabin loading of medical supplies



Special containers with temperature control for pharmaceuticals

## Chartered rescue flights

Completes social roles by providing travel supports to those who want to return their homeland

Destinations	Thailand, India, Russia, United States, China and Japan
Flight No.	More than 20 flights
PAX No.	More than 3,000 passengers

(As of the end of July 2020)

## Social Engagement

More engagement of JAL employees in social activities amid less workload for airline business

- Production and donation of face shields or facial mask
- Volunteer works for farms nearby airports
- Workforce to Ministry of Health, Labour and Welfare
- Approval of a side job at medical facilities for certified employees

# Financial Results 1<sup>st</sup> Quarter Mar/2021

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THE CURRENT OVERVIEW AND  
IMMEDIATE INITIATIVES

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**NEAR FUTURE INITIATIVES**

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TOWARD THE NEW NORMAL

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# To Recover Demand

Immediate

2<sup>nd</sup> Half of FY20

FY21 or later

“Go To Travel Campaign” Promotion

## External Environments

Ease of Travel Restriction

COVID-19 Testing Expansion through Establishment of PCR Testing Center

Mid- & Long-haul LCC ZIPAIR Starts to Operate to Bangkok(※)・Seoul (※)・Honolulu  
※ starts as cargo flights

SMART AIRPORT to Five Domestic Airports ※Haneda, Sapporo(New Chitose)・Osaka(Itami)・Fukuoka・Naha

Cooperation with Local Governments and Tourism Authorities

Enhanced Training for Crew and Airport Staff to Improve their ability

## JAL's Initiatives

New Products as New Travel Style in the Era of the New Normal

Products with Focus on Safety and Comfort throughout Journey from Origin to Destination

**Initiatives for Safety & Comfort (Hygiene Measures and Less Contact with Others)**

**Flight Safety**

**Recover Demand as soon as possible through cooperation with concerned organizations**

# Cost and CAPEX Reduction Initiatives

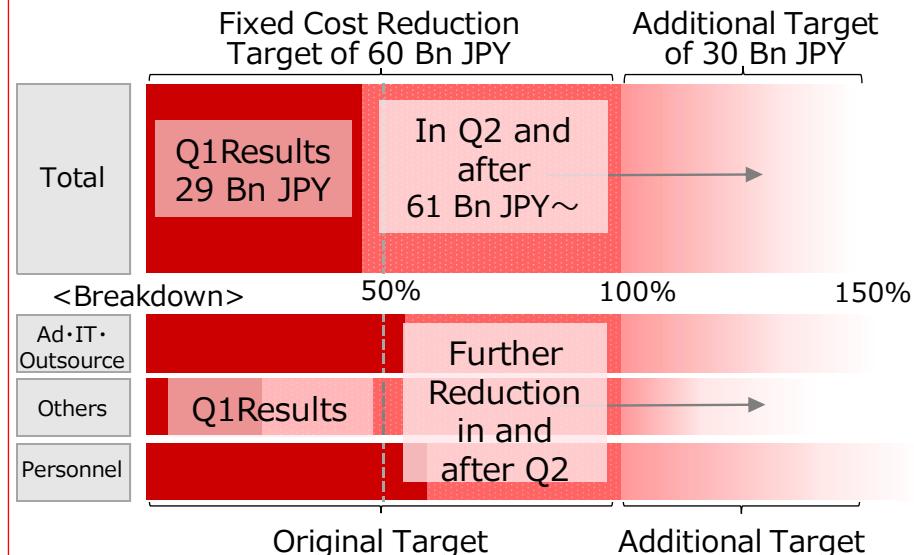
## Cost Reduction

The revenue- and capacity-linked costs were **steadily reduced by 40% of a rev. reduction level** (108.4 Bn JPY reduction from Apr to Jun<sup>(1)</sup>), and the fixed cost reduction is aimed at **90 Bn JPY<sup>(2)</sup>** for FY20

### Fixed Cost

- Total 90 Bn JPY reduction is aimed by adding 30 Bn JPY more to the previous forecast of 60 Bn JPY reduction compared to the original plan

【 Image of Progress of Fixed Cost Reduction 】



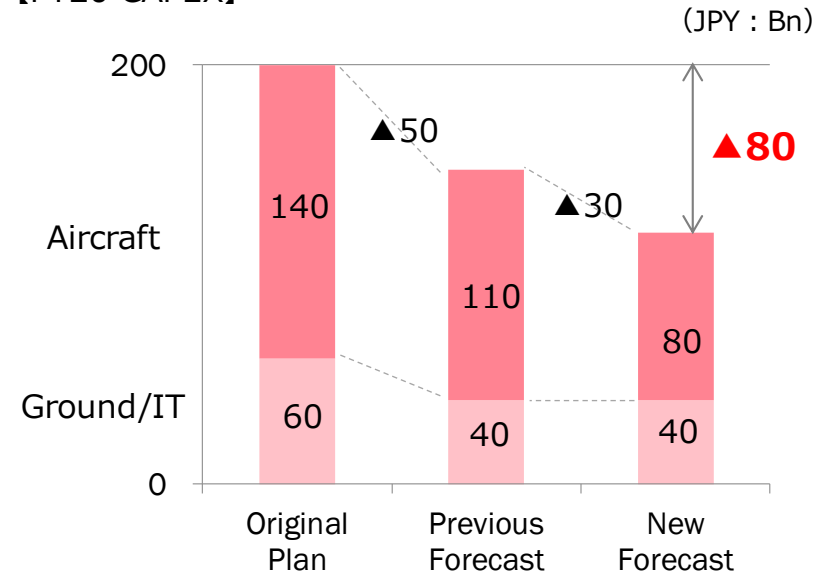
### Revenue- & Capacity-linked Cost

- Continue to Aim for 40% of rev. reduction

## CAPEX Reduction

Total **80 Bn JPY** reduction is aimed by adding **30 Bn JPY** more to the previous forecast of **50 Bn JPY** reduction compared to the original plan

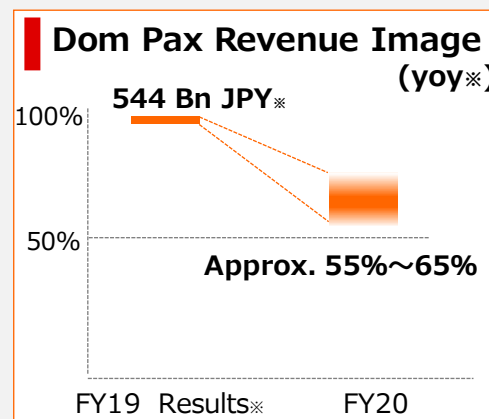
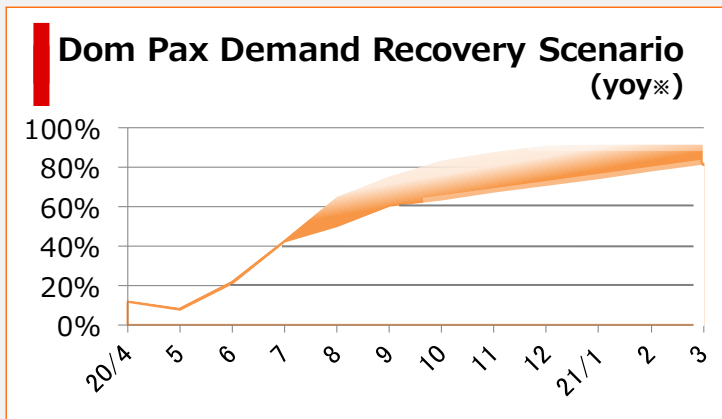
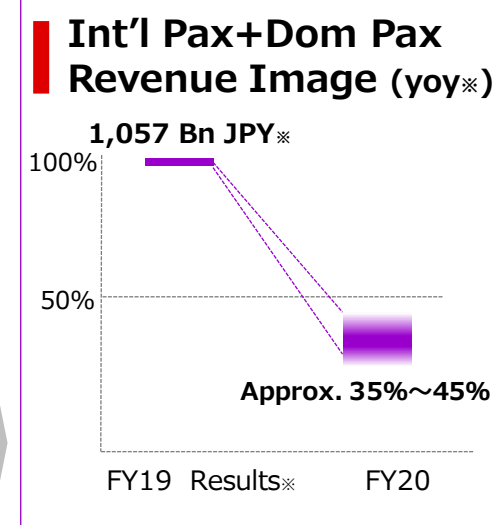
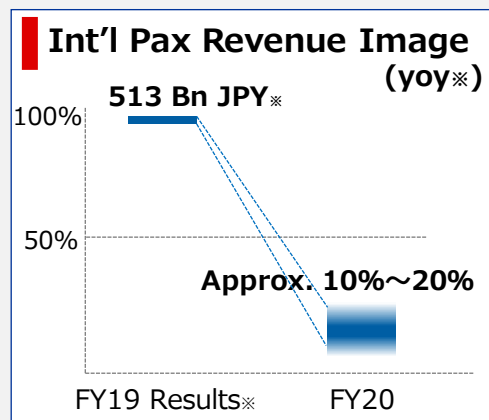
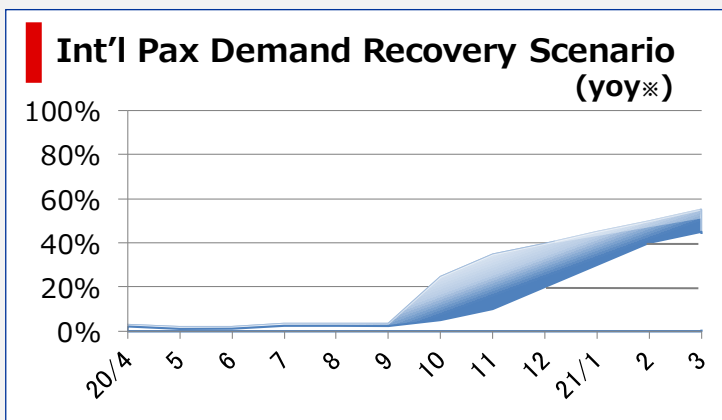
【FY20 CAPEX】



- Aircraft Investment
  - Negotiation for deferral of delivery
- IT, Ground and Others
  - Scrutinization of necessity and Timing

# Future Demand Scenarios

- ✓ The consolidated financial results forecast for Mar/21 cannot be provided at this moment but will be provided as soon as the COVID-19 effect becomes foreseeable
- ✓ For references, some demand and revenue scenarios and their impact on profits are shown as below



**Impact on Profit:**  
**Approx. 50%** of Consolidated Revenue Reduction including Int'l Pax and Dom Pax Revenue

(Note) The results may not fall into the above scenarios even if the assumption remains unchanged in order to eliminate the COVID-19 impact

※FY19 Results is the revised forecast that was disclosed at FY19Q3 Financial Results disclosed on Jan. 31, 2020

# Financial Results 1<sup>st</sup> Quarter Mar/2021

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THE CURRENT OVERVIEW AND  
IMMEDIATE INITIATIVES

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NEAR FUTURE INITIATIVES

---

**TOWARD THE NEW NORMAL**

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# Toward the New Normal①

## Changes in Business Environments

### Industry

- Slow Recovery on International Travel
- Changes in Business Demand
- Industry Reform

### Society

- New Normal and Work Style Reform
- Changes in Society and the Local Economy
- Environmental Issues

### JAL Group

- Increase of interest-bearing Debts



## Directions JAL Group should head

**Reconstruction of a firm financial Structure**

**Improvement of Safety and Comfort Measures**

**Accelerated Initiatives for Social Issues facing Society**

**Restructuring the Business Structure**

# Toward the New Normal ②

## JAL's Measures

### Reconstruction of a firm financial Structure

- Structural Reform
  - Fixed cost reduction and transformation to variable costs
- Improve Efficiency
- Reduce investments

### Improve Safety and Comfort Measures

- Heightened hygiene standards and promoting minimal contact during travel
  - Cleaner Airport and Cabin
  - Further enhance mobile products through technology

### Accelerated Initiatives for Social Issues facing Society

- Measures for Environmental Issues
  - ⇒ **Zero CO2 Emissions by 2050 on an actual basis**
- Revitalization of local economy
  - Satellite Office

## Restructuring the Business Structure

#### Unclear **Business Demand**

- Optimization of Full Service Carrier Business Scale
  - Temporary review of International Passenger Business
    - ⇒ **Network and Fleet Optimization** in accordance with demand trend (especially business demand)
      - ✓ Early retirement of aged fleet (ex. 777)
  - Enhanced Partnership with other airlines

#### Steady recovery of **leisure demand**

- Enhanced LCC Business
  - Utilization of ZIPAIR
  - Enhanced Partnership with LCCs
- Enhanced Risk Resilience
  - Development of non-airline business opportunities
  - Selection and Concentration of Business opportunities

New Mid-term Management Plan will be disclosed by the end of FY20

# REFERENCES

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# Revenue of International Routes by Geographic Segment

## Passenger Revenue

(%)	y/y	Component Ratio	
	1Q Mar/21	1Q Mar/20	1Q Mar/21
America	▲98.4%	29%	22%
Europe	▲97.3%	16%	21%
Asia/Oceania	▲96.8%	31%	49%
China	▲98.7%	12%	7%
Hawaii/Guam	▲99.8%	12%	1%
Total	▲97.9%	100%	100%

## Revenue Passengers Carried <sup>(1) (2)</sup>

('000)	1Q Mar/20	1Q Mar/21	y/y
America	399	8	▲97.8%
Europe	195	3	▲98.1%
Asia/Oceania	1,126	18	▲98.3%
China	431	2	▲99.5%
Hawaii/Guam	276	0	▲99.9%
Total	2,429	33	▲98.6%

## ASK <sup>(2)</sup>

(MN seat km)	1Q Mar/20	1Q Mar/21	y/y
America	4,206	465	▲88.9%
Europe	2,005	230	▲88.5%
Asia/Oceania	4,797	424	▲91.2%
China	913	8	▲99.1%
Hawaii/Guam	1,845	9	▲99.5%
Total	13,767	1,138	▲91.7%

## Load Factor <sup>(1) (2)</sup>

(%)	1Q Mar/20	1Q Mar/21	y/y
America	89.4%	17.3%	▲72.2pt
Europe	87.7%	14.8%	▲72.9pt
Asia/Oceania	85.2%	18.4%	▲66.8pt
China	88.2%	46.4%	▲41.8pt
Hawaii/Guam	86.8%	22.0%	▲64.7pt
Total	87.3%	17.5%	▲69.8pt

## RPK <sup>(1) (2)</sup>

(MN passenger km)	1Q Mar/20	1Q Mar/21	y/y
America	3,762	80	▲97.9%
Europe	1,758	34	▲98.1%
Asia/Oceania	4,089	78	▲98.1%
China	805	3	▲99.5%
Hawaii/Guam	1,601	2	▲99.9%
Total	12,016	198	▲98.3%

(1) Passengers with mileage award tickets are included from FY20 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis

(2) Changes in codeshare passengers on other airlines are reflected from FY20 and to the previous year's figures as well for comparison analysis

# Number of Aircraft

	End of Mar/20 (March 31, 2020)			End of 1st Quarter Mar/20 (June 30, 2020)			Diff.
	Owned	Leased	Total	Owned	Leased	Total	
Airbus A350-900	4	1	5	2	4	6	+1
Boeing 777-200	11	0	11	11	0	11	-
Boeing 777-200ER	11	0	11	11	0	11	-
Boeing 777-300	4	0	4	4	0	4	-
Boeing 777-300ER	13	0	13	13	0	13	-
Large-sized Total	43	1	44	41	4	45	+1
Boeing 787-8	29	0	29	29	0	29	-
Boeing 787-9	17	3	20	17	3	20	-
Boeing 767-300	5	0	5	4	0	4	▲1
Boeing 767-300ER	29	0	29	29	0	29	-
Middle-sized Total	80	3	83	79	3	82	▲1
Boeing 737-800	43	19	62	43	18	61	▲1
Small-sized Total	43	19	62	43	18	61	▲1
Embraer 170	18	0	18	18	0	18	-
Embraer 190	14	0	14	14	0	14	-
Bombardier D8-400CC	5	0	5	5	0	5	-
SAAB340B	5	0	5	5	0	5	-
ATR42-600	7	1	8	7	1	8	-
ATR72-600	2	0	2	2	0	2	-
Regional Total	51	1	52	51	1	52	-
<b>Total</b>	<b>217</b>	<b>24</b>	<b>241</b>	<b>214</b>	<b>26</b>	<b>240</b>	<b>▲1</b>

# 《Reference》 Major Changes by IFRS Adoption

## Profit/Loss Statement

- Due to changes in accounting rules for mileage points, revenue allocated to mileage points is deferred as a liability, and recognized when miles are redeemed (The impacts to Profit/loss are limited)
- Our main index for performance will be EBIT<sup>(1)</sup> instead of Operating Profit/Loss

## Balance Sheet

- As liabilities increase <sup>(2)</sup> due to transition to IFRS , an equity ratio decreases, but this is a technical phenomenon and there is no substantial change

## Cash Flow

- Payments regarding operating lease is classified to a cash flow from financing activities instead of a cash flow from operating activities

## Traffic Results

- Passengers with mileage award tickets are included to revenue passengers  
(Increase or decrease of revenue passenger number, revenue passenger-load factor and RPK)

(1) EBIT = Profit/Loss before Financing and Income tax (Profit/Loss before Tax – Finance Income/Expenses)

(2) Includes operating lease or reevaluation of mileage liabilities

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