

# JAPAN AIRLINES Co., Ltd.

## Financial Results

### 2nd Quarter Mar/2021 (FY2020)



**JAPAN AIRLINES**



**October 30, 2020**

Boeing 767 (JA613J) Specially Painted Aircraft for Domestic Routes

In the midst of a gloomy atmosphere in our society, JAL Group employees (mechanics) wished to cheer up people in Japan and painted the bottom of the aircraft with a mythical Japanese spirit called "AMABIE", which is said to subside the plague

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# Today's Topics

**PERFORMANCE OVERVIEW OF 1<sup>st</sup> HALF FY2020**

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**EARNINGS FORECAST FOR FY2020**

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**LATEST INITIATIVES**

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**TOWARD THE NEW NORMAL**

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**DETAILS OF FINANCIAL RESULTS FOR 1<sup>st</sup> HALF FY2020**

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



Japan Institute of  
Information Technology  
IT Award



FTE  
Accessibility  
Leadership Award



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



SKYTRAX  
5-Star Airline



2020  
健康経営優良法人  
Health and productivity  
ホワイト500

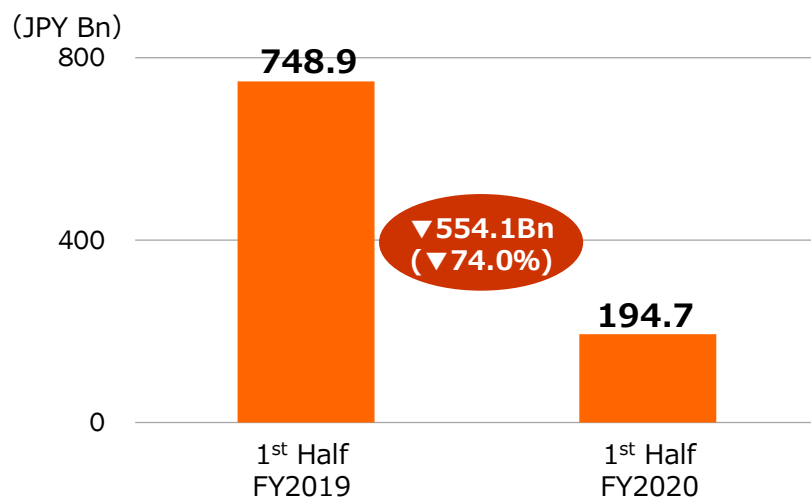
Health and Productivity  
Management Brand

(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.

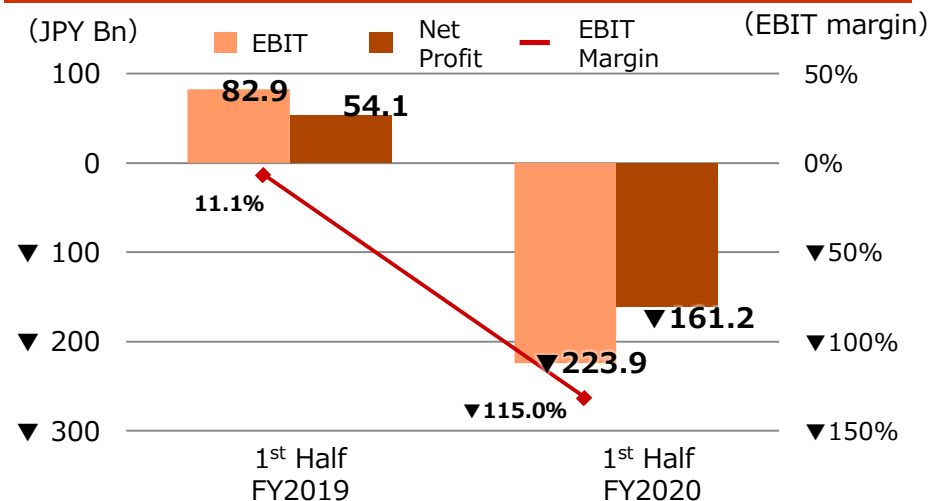
# Financial Results for the 1<sup>st</sup> Half of FY2020

- ✓ Large drop in revenue due to the COVID-19 pandemic
- ✓ Despite the cost reduction efforts, we were unable to cover the decline in revenue and posted a significant loss

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



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



## Fuel/FX Markets

	1 <sup>st</sup> Half FY2019	1 <sup>st</sup> Half FY2020	y/y
Singapore Kerosene (USD/bbl)	78.6	36.3	▼53.8%
Dubai Crude Oil (USD/bbl)	65.2	35.4	▼45.7%
FX Rate (JPY/USD)	109.2	107.5	▼1.6%

## Operational Precondition/ASK

	1 <sup>st</sup> Half FY2020(y/y)
International Routes <sup>(5)</sup>	▼88.1%
Domestic Routes	▼51.4%
Total	▼73.5%

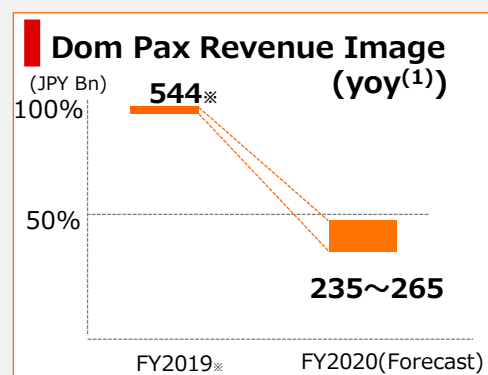
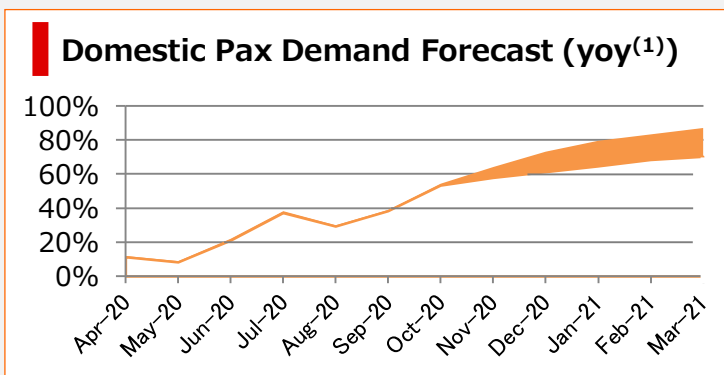
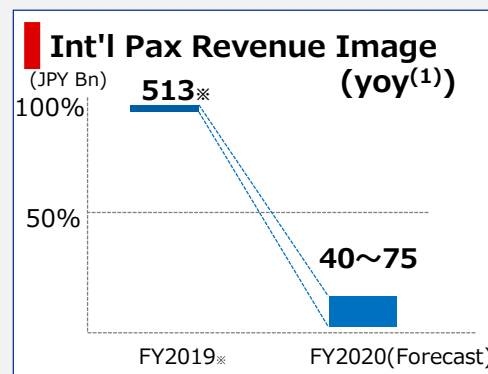
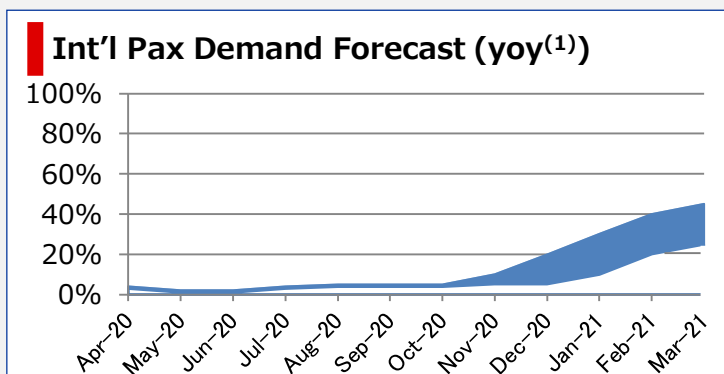
(1) IFRS is adopted from FY2020 and to the figures in the previous year to enable comparison analysis (2) EBIT = Profit/Loss before Financing and Income tax (Profit/Loss before Tax – Finance Income/Expenses) (3) Profit/Loss = Quarterly Profit Attributable to Owners of Parent (4) EBIT Margin = EBIT / 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

# FY2020 Earnings Forecast

- ✓ Based on IATA's demand forecast, we assume demand recovery within a certain range, taking into account the recent passenger demand trends, the current status of COVID-19 and the gradual lifting of immigration restrictions
- ✓ Full-year EBIT for the fiscal year ending March 31, 2021 is expected to be within a range of ▼330.0 Bn JPY to ▼380.0 Bn JPY
- ✓ We will strive to minimize losses by flexibly adjusting capacity in response to latest demand trend and by further reducing fixed costs

【Market Assumption for 2<sup>nd</sup> Half】<sup>(3)</sup>

- Singapore Kerosene: 50 USD/bbl
- Dubai Crude Oil: 44 USD/bbl
- FX Rate: 110 JPY/USD



FY2020 Earnings Forecast	
(JPY Bn)	FY2020 Forecast
Revenue	530~600
EBIT <sup>(2)</sup> (▼:loss)	▼330~ ▼380
Profit or Loss (▼:loss)	▼240~ ▼270

(1) FY2019 numbers are based on the revised forecast that was disclosed at FY19Q3 Financial Results announced on January 31, 2020

(2) EBIT includes impairment loss

(3) Even if the assumptions remain unchanged, the actual passenger revenue results may not fall within the range described above

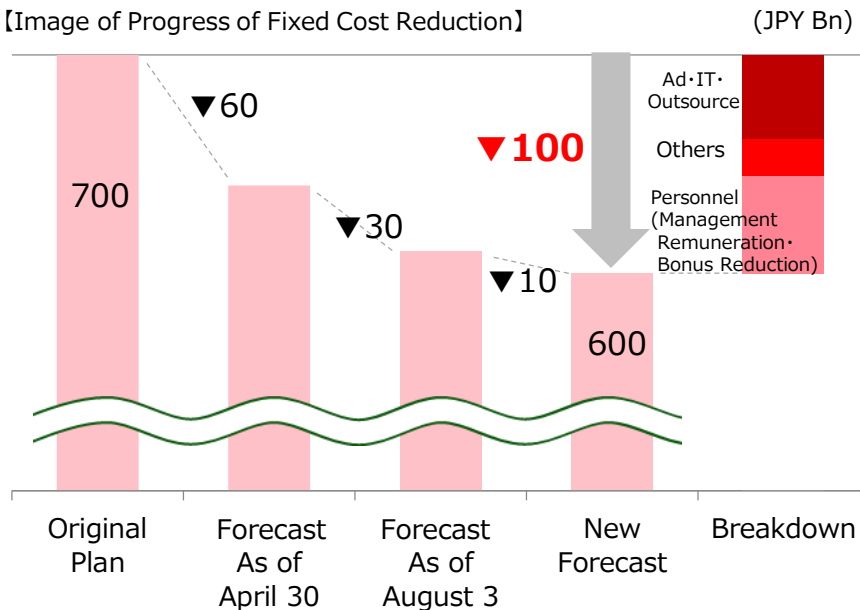
# Cost and CAPEX Reduction Initiatives

## Cost Reduction

### Fixed Cost

- We are targeting **100 Bn JPY** reduction by adding **10 Bn JPY** to the previous target (**90 Bn JPY** less than the initial projection)  
(Achieved **64 Bn JPY** reduction in 1st half of FY20)

[Image of Progress of Fixed Cost Reduction]



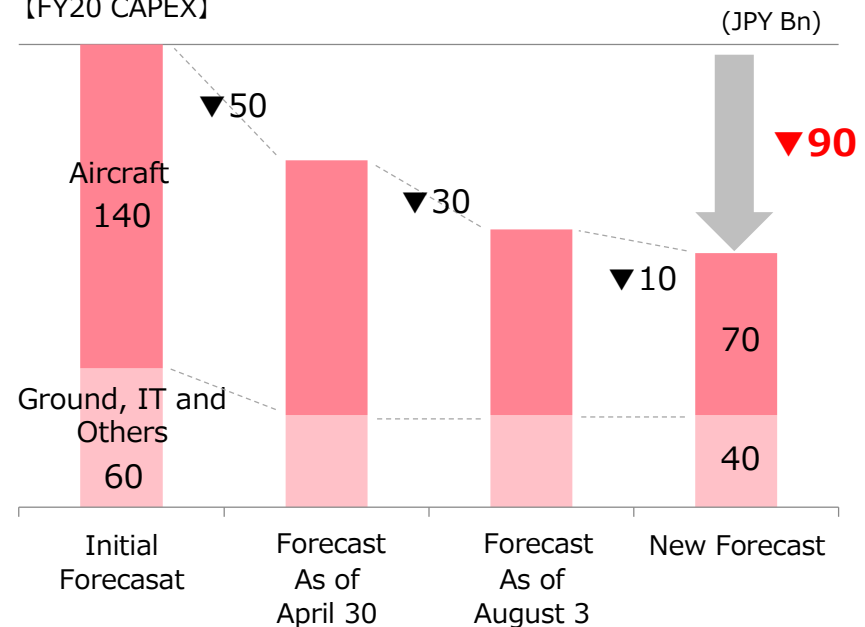
### Revenue- and Capacity-linked Cost Reduction

- Continue to aim for cost reduction equivalent to **40%** of reduced revenue (**Achieved** approximately **40% cost** reduction of decreased revenue as targeted for 1st half of FY2020)

## CAPEX Reduction

We are targeting **90 Bn JPY** reduction by adding **10 Bn JPY** to the previous forecast of **80 Bn JPY** reduction compared to the original plan

[FY20 CAPEX]



### ■ Aircraft Investment

- Negotiation for deferral of payment and delivery of aircraft
- Further scrutinization of investments in aircraft parts

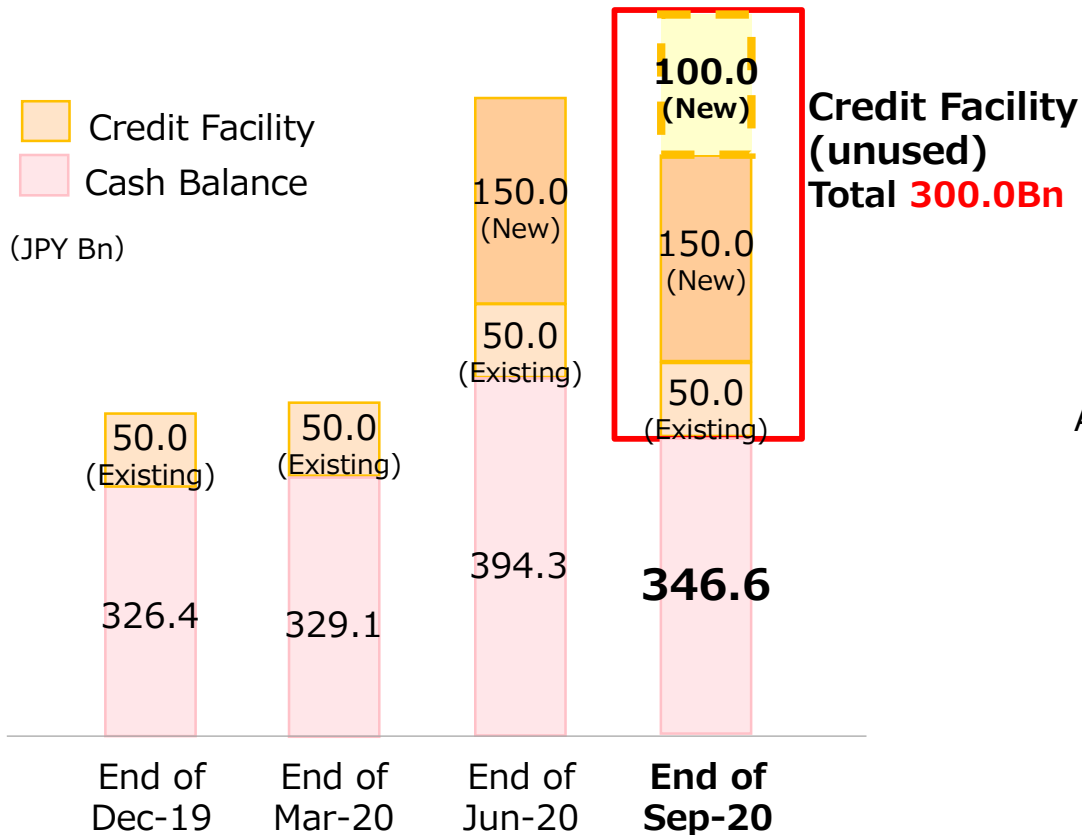
### ■ Ground, IT and Others

- Further scrutinization of necessity and timing

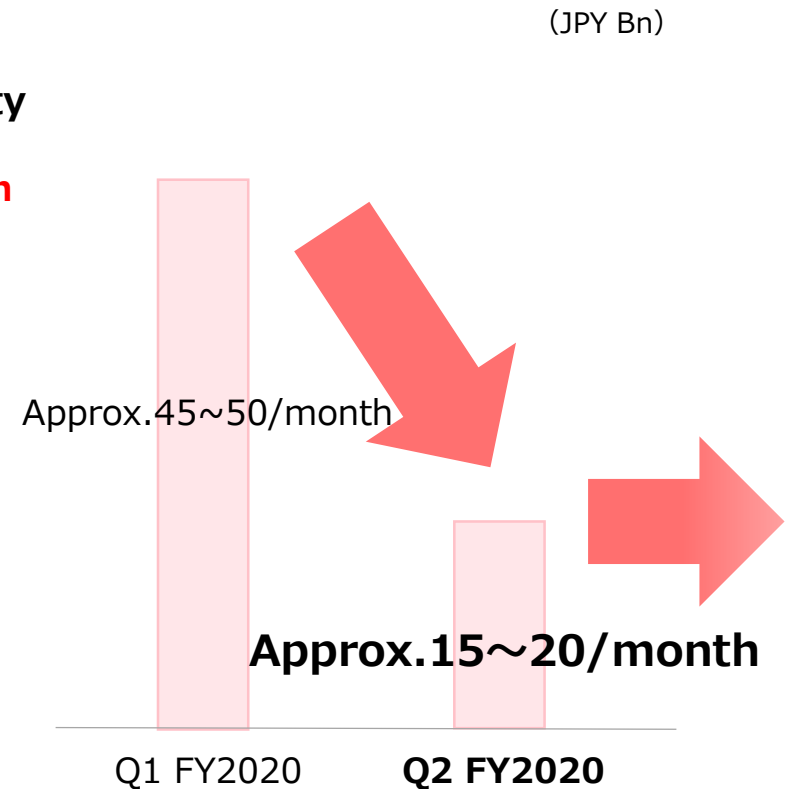
# Bolstering Liquidity

- ✓ Secured 346.6 Bn JPY cash at hand as of the end of September by prompt financing and reducing cash outflows
- ✓ Plan to set up additional 100 Bn JPY credit facility to secure further liquidity
- ✓ Cash burn keeps steadily declining in Q2

## Cash Balance & Credit Facility



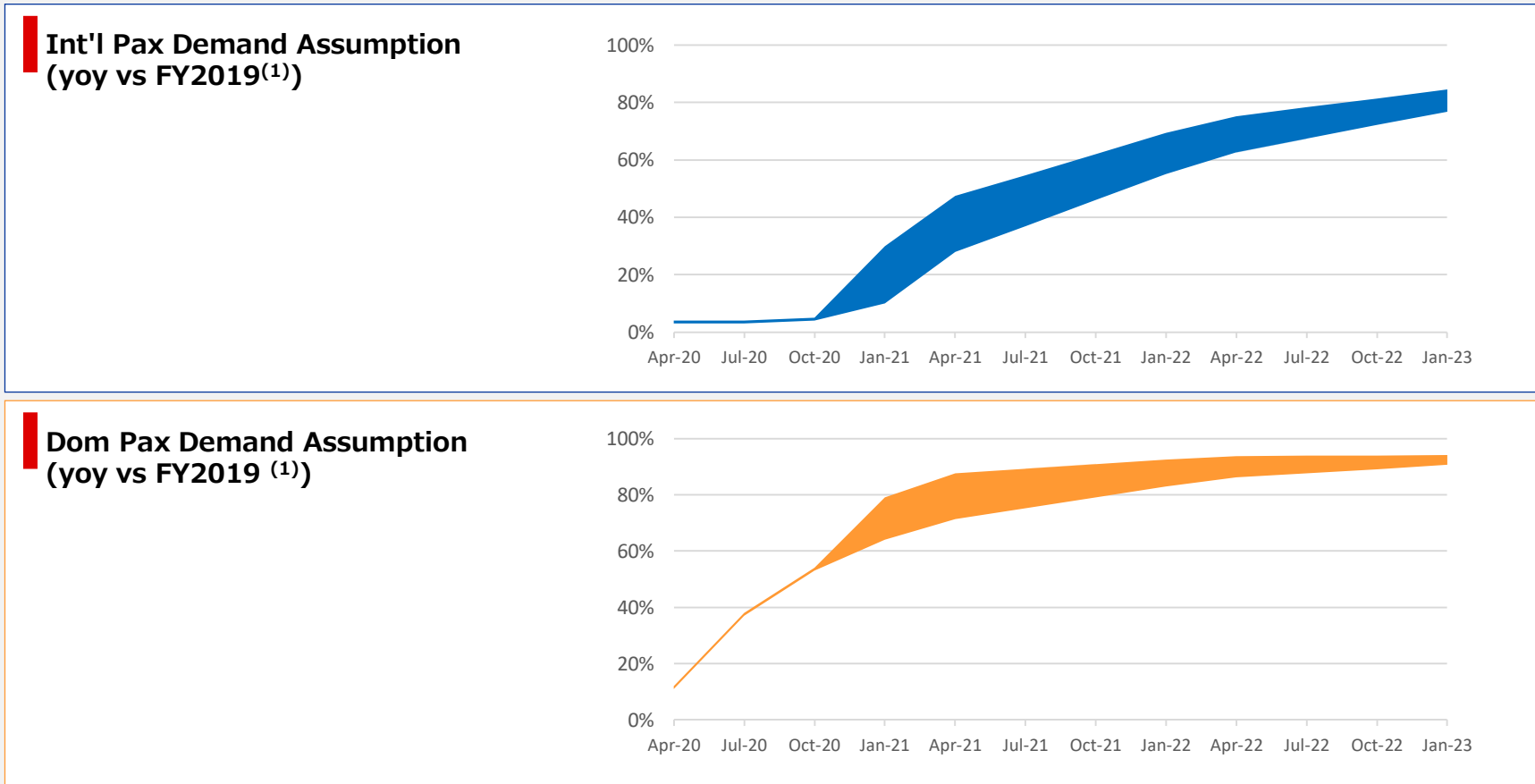
## Cash Burn<sup>(1)</sup>



(1) Operating CF + Repayment of Interest-bearing Debts

# Passenger Demand Assumption toward the New Normal

- ✓ Based on IATA's demand forecast, we have set the passenger demand assumptions considering the characteristics of our home market and other factors
  - Int'l Passenger: Assumed recovery to approx. 80% of the pre-COVID-19 level by the end of FY2022 and continued gradual recovery toward FY2024
  - Dom Passenger: Assumed recovery compared to international and return to near pre-COVID-19 level after FY2022

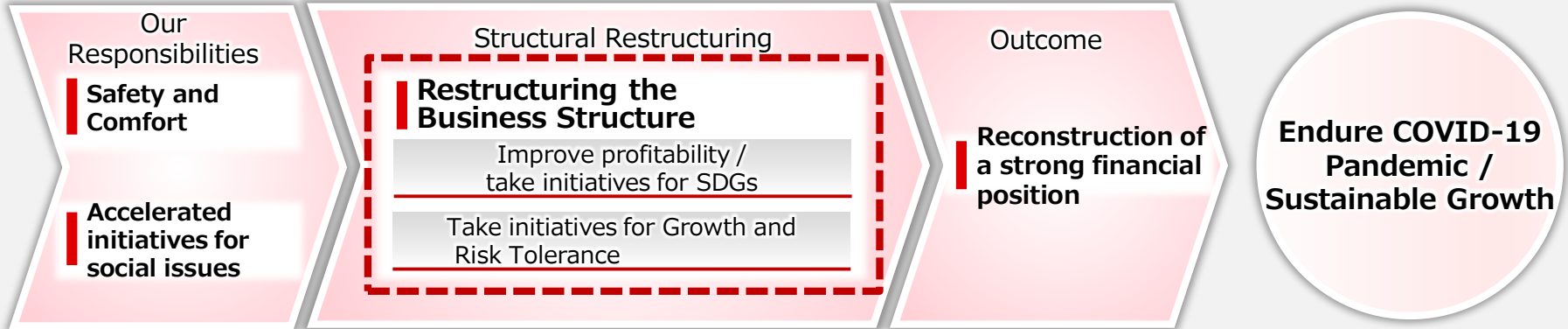


(1) FY2019 Results is the revised forecast that was disclosed at FY2019Q3 Financial Results announced on Jan. 31, 2020

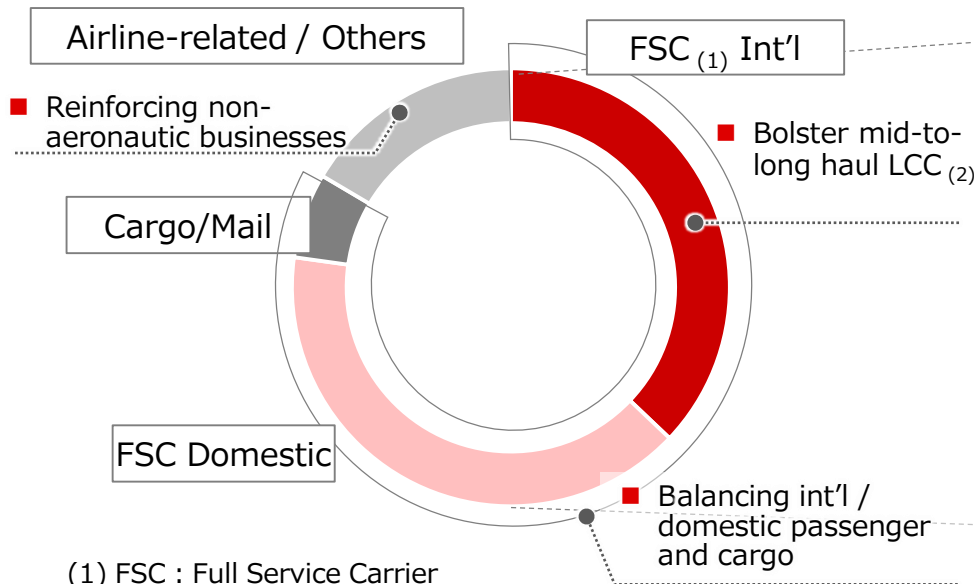


# Strategic Direction Toward New Normal

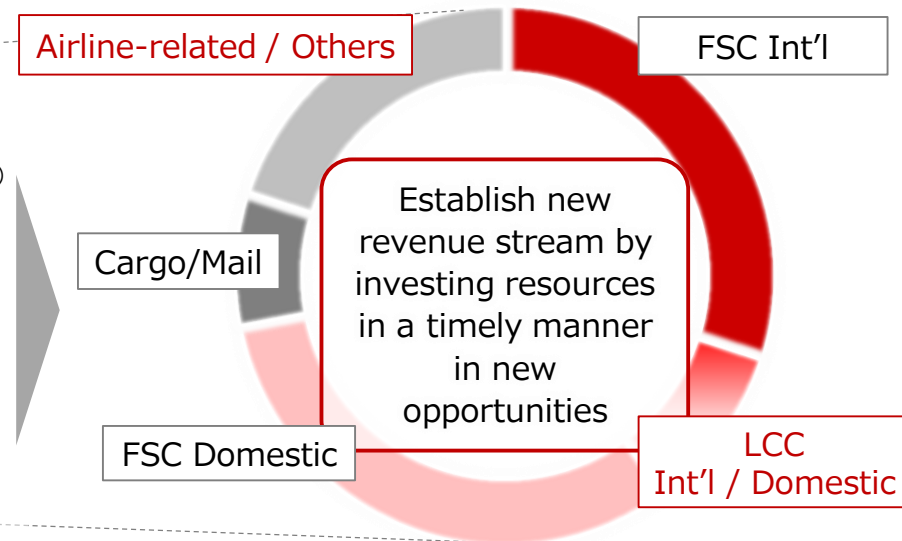
## Path to Recovery of Enterprise Value



## Revenue Breakdown in FY2019



## Illustrative Business Portfolio Tailored to New Normal





# Structural Review for the New Normal

## Restructuring of the Business Structure

Improve Profitability / Take Initiatives for SDGs

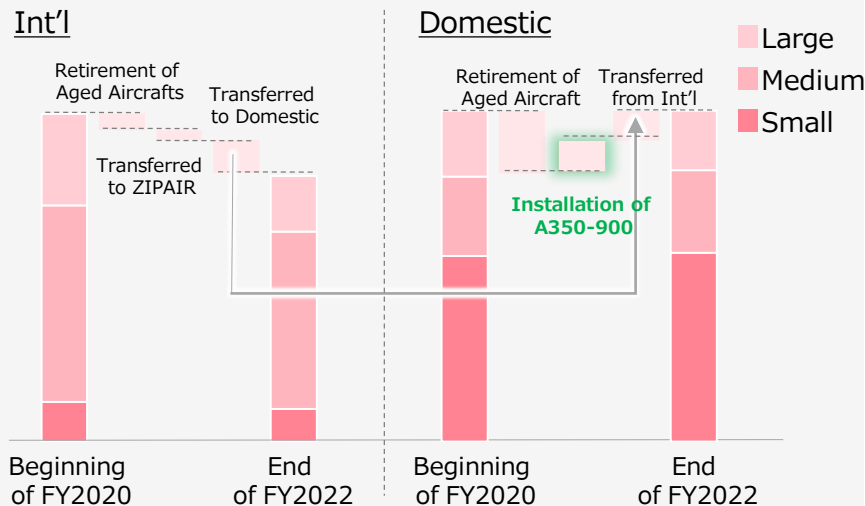
### ■ FSC Business

Flexible adjustments of fleets and retirement of aged aircrafts addressing temporary demand downturn due to COVID-19

⇒ Control aircraft-related cost and maintenance cost / reduce CO<sub>2</sub> emission

- ✓ All of the **11x** 777-200ERs for international services to be retired by the end of FY2020 (some to be used for domestic)
- ✓ All of the **13x** 777s for domestic services to be retired by the end of FY2022
- ✓ **5x** of the leased 737-800s to be returned by 1<sup>st</sup> half of FY2022

### Illustrative Fleet Portfolio of FSC Business



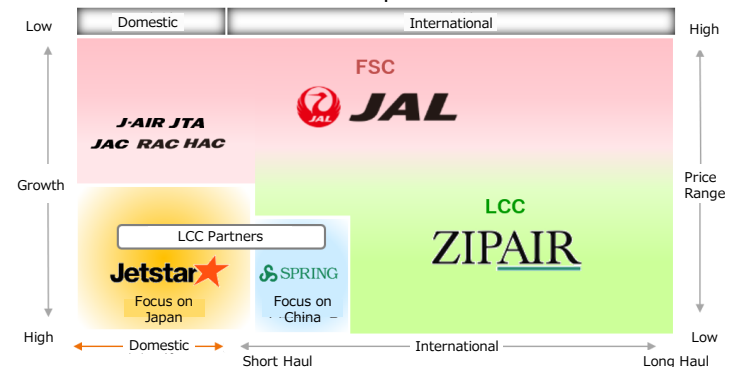
Take initiatives for Growth and Risk Tolerance

### ■ LCC Business

Strengthen LCC business to capture the growing demand

⇒ Capture the leisure and VFR passengers<sup>(1)</sup>

- ✓ Establish LCC network centered at Narita leveraging ZIPAIR and LCC partners
- ✓ ZIPAIR to aim for steady growth as the demand recovers
  - 3<sup>rd</sup> to 6<sup>th</sup> aircrafts to be installed (further addition could be considered)
  - Preparation for service to Honolulu almost completed



### ■ Airline-related / Others

- Further strengthen mileage / credit card related business
- Monetize revitalization of local economy
- ✓ Established Regional Vitalization Business Division (effective on November 1, 2020)

# **FINANCIAL RESULTS (DETAILS)**

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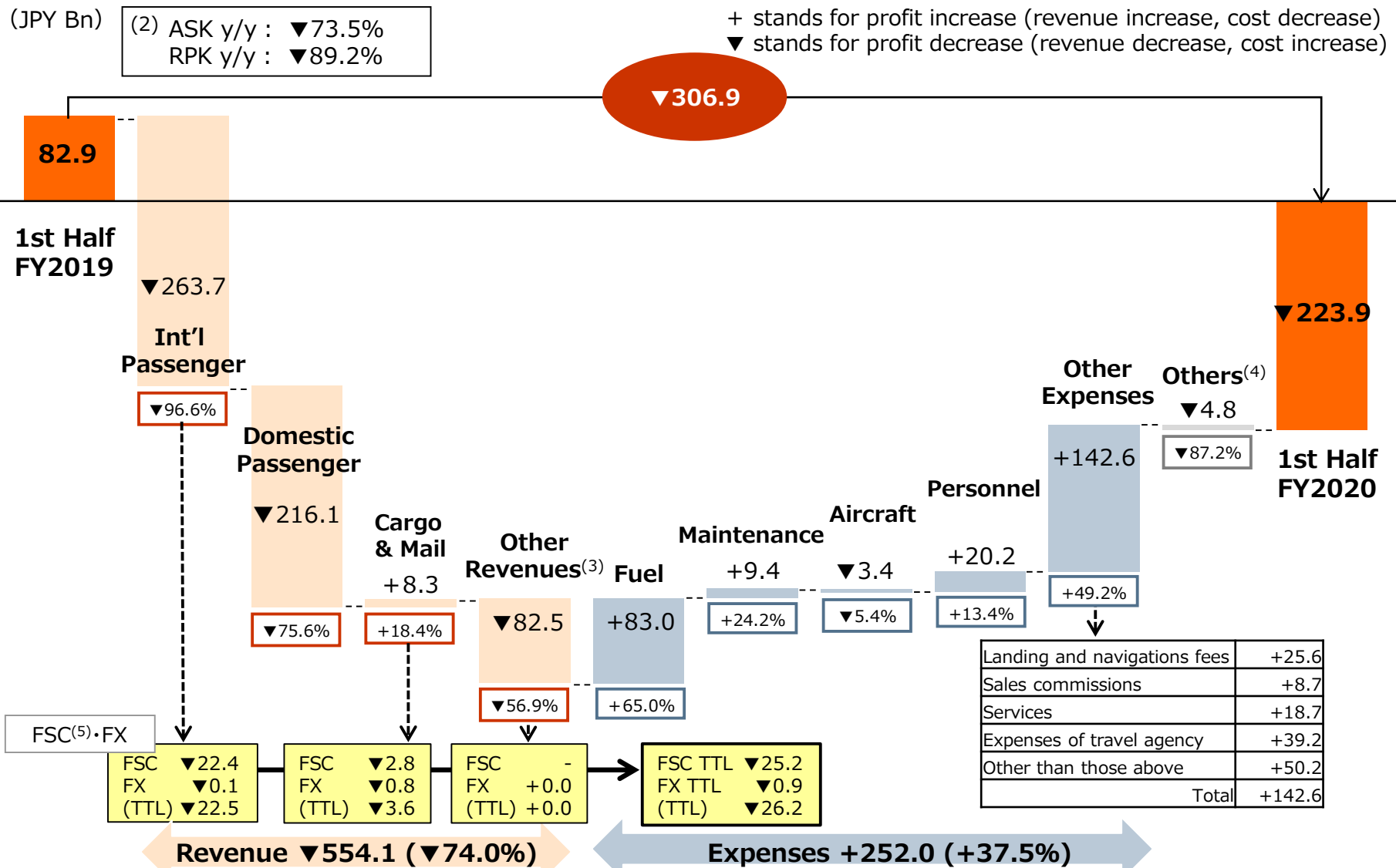
# Consolidated Financial Results for 1st Half FY2020<sup>(1)</sup>

(JPY Bn)	1st Half FY2019	1st Half FY2020	Diff.	y/y	2nd quarter FY2020 <sup>(6)</sup>	Diff.	y/y
Revenue	748.9	<b>194.7</b>	▼554.1	▼74.0%	118.4	▼281.7	▼70.4%
International Passenger	272.9	<b>9.1</b>	▼263.7	▼96.6%	6.4	▼135.8	▼95.5%
Domestic Passenger	285.8	<b>69.6</b>	▼216.1	▼75.6%	50.6	▼108.0	▼68.1%
Cargo / Mail	45.1	<b>53.4</b>	+8.3	+18.4%	26.8	+4.4	+19.9%
Other Revenue <sup>(2)</sup>	145.0	<b>62.5</b>	▼82.5	▼56.9%	34.3	▼42.2	▼55.2%
Operating Expense	671.5	<b>419.4</b>	▼252.0	▼37.5%	213.6	▼126.9	▼37.3%
Fuel	127.7	<b>44.6</b>	▼83.0	▼65.0%	25.2	▼38.8	▼60.6%
Excluding Fuel	543.7	<b>374.7</b>	▼168.9	▼31.1%	188.3	▼88.1	▼31.9%
Others <sup>(3)</sup>	5.5	<b>0.7</b>	▼4.8	▼87.2%	2.2	▼1.1	▼34.3%
EBIT	82.9	<b>▼223.9</b>	▼306.9	-	▼92.9	▼155.9	-
EBIT Margin (%)	11.1%	<b>▼115.0%</b>	▼126.1pt	-	▼78.5%	▼94.3pt	-
Profit or Loss	54.1	<b>▼161.2</b>	▼215.3	-	▼67.5	▼108.7	-
ASK (MN seat km) <sup>(4)</sup>	46,222	<b>12,242</b>	▼33,980	▼73.5%	7,875	▼15,556	▼66.4%
RPK (MN passenger km) <sup>(4)</sup>	39,419	<b>4,243</b>	▼35,176	▼89.2%	3,132	▼17,297	▼84.7%
EBITDA Margin (%) <sup>(5)</sup>	21.7%	<b>▼70.1%</b>	▼91.8pt	-	▼41.1%	▼66.7pt	-

(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 FY2020 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 (6) 2nd quarter results (July to September) are calculated by deducting the results of 1Q (April to June) from 1H (April to September)

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

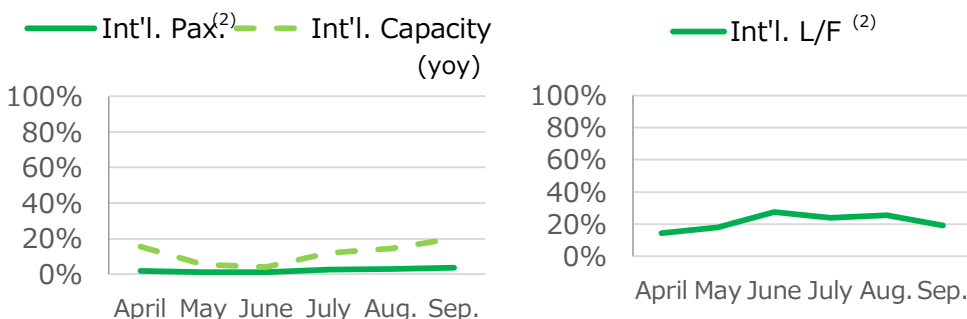


(1) IFRS is adopted from FY2020 and to the figures in the previous year to enable comparison analysis (2) Changes in codeshare passengers on other airlines are reflected from FY2020 and to the previous year's figures as well for comparison analysis (3) Other Revenue = Travel Agency, Mileage, Ground Handling or etc. (4) Others = Gain or Loss on Sales of Flight Equipment, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment (5) FSC = Fuel Surcharge

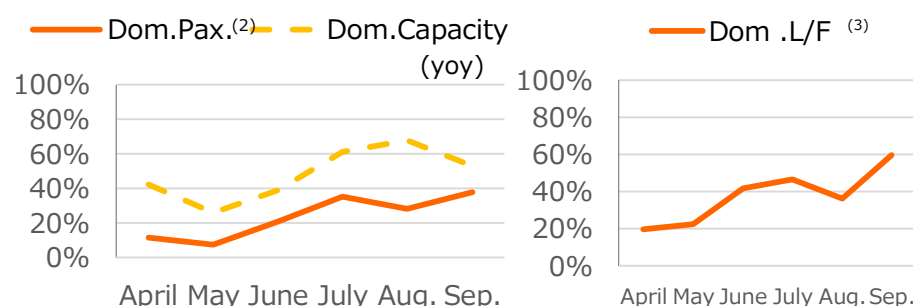
# International/ Domestic Passenger Operations

- ✓ Significantly reduced the capacity for international passengers as demand falls rapidly in COVID-19
- ✓ Domestic demand have gradually recovered since September after a temporary dip in August due to an increased cases of COVID-19. Unit price was down due to the sharp drop in demand just before the peak season and increased mileage usage

## International Passenger (1)(2)



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



## International Passenger (1)

## Domestic Passenger

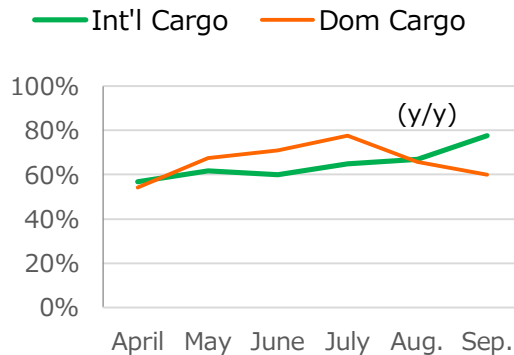
	1st Half FY2019	1st Half FY2020	Y/Y	Q2 FY2020 <sup>(6)</sup>	Y/Y	1st Half FY2019	1st Half FY2020	Y/Y	Q2 FY2020 <sup>(6)</sup>	Y/Y
Passenger Revenue (JPY Bn) <sup>(2)</sup>	272.9	9.1	▼96.6%	6.4	▼95.5%	285.8	69.6	▼75.6%	50.6	▼68.1%
Passengers ('000) <sup>(2)</sup>	4,946	112	▼97.7%	78	▼96.9%	19,409	4,644	▼76.1%	3,413	▼66.3%
ASK (MN seat km)	27,835	3,303	▼88.1%	2,165	▼84.6%	18,387	8,938	▼51.4%	5,710	▼39.0%
RPK (MN passenger km) <sup>(2)</sup>	24,716	687	▼97.2%	488	▼96.2%	14,703	3,555	▼75.8%	2,643	▼65.8%
L/F (%) <sup>(2)</sup>	88.8%	20.8%	▼68.0pt	22.6%	▼67.7pt	80.0%	39.8%	▼40.2pt	46.3%	▼36.2pt
Revenue per Passenger (JPY) <sup>(2) (3)</sup>	55,175	81,841	+48.3%	82,626	+46.2%	14,725	14,988	+1.8%	14,844	▼5.2%
Yield (JPY) <sup>(2) (4)</sup>	11.0	13.3	+20.8%	13.2	+18.0%	19.4	19.6	+0.7%	19.2	▼6.7%
Unit Revenue (JPY) <sup>(2) (5)</sup>	9.8	2.8	▼71.7%	3.0	▼70.5%	15.5	7.8	▼49.9%	8.9	▼47.6%

(1) Changes in codeshare passengers on other airlines are reflected from FY2020 and to the previous year's figures as well for comparison analysis (2) Passengers with mileage award tickets are included from FY2020 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 (6) 2nd quarter results (July to September) are calculated by subtracting the first quarter results (April to June) from 1st half total (April to September)

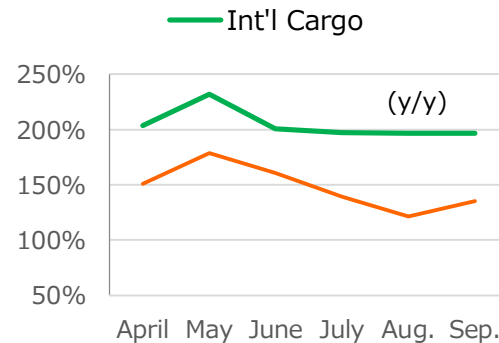
# Cargo / Mail

- ✓ Despite a significant decrease in volume, revenue exceeded the previous year (+18% yoy) due to price hike
- ✓ Tight supply-demand situation continues as capacity is being reduced worldwide
- ✓ Cargo flights utilizing passenger aircrafts totaled at 7,228 in 1<sup>st</sup> half of FY2020
- ✓ ZIPAIR also launched cargo flights on the Narita=Seoul route from September

## Volume



## Unit Price



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

	Apr	May	June	July	Aug.	Sep.	Total
America	63	289	345	300	262	223	1,482
Europe	86	136	177	101	89	90	679
Asia/Oceania	197	302	347	336	341	397	1,920
China	250	442	316	285	311	283	1,887
Int'l TOTAL	596	1,169	1,185	1,022	1,003	993	5,968
Domestic	155	339	310	255	56	145	1,260
Int'l+Dom TOTAL	751	1,508	1,495	1,277	1,059	1,138	7,228

(1) Including ZIPAIR cargo flights

## International

- Steady demand for medical supplies and semiconductor-related product
- Demand for automobiles, construction equipment and food products has bottomed out
- Volume has been recovering since mid-August

## Domestic

- Nesting consumption increased demand for parcel delivery

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

- ✓ **Reduced revenue- and capacity-linked costs, equivalent of approximately 40% of reduced revenue (217.8 Bn JPY)**
- ✓ **Fixed costs has also decreased more than estimated (Details on P.5)**

(JPY Bn)		1st Half FY2019	1st Half FY2020	Diff.	y/y	2nd quarter FY2020 <sup>(4)</sup>	Diff.	y/y	
Revenue		748.9	<b>194.7</b>	▼554.1	▼74.0%	118.4	▼281.7	▼70.4%	
Revenue- and Capacity- linked Cost	Fuel	127.7	<b>44.6</b>	▼83.0	▼65.0%	25.2	▼38.8	▼60.6%	Some portions are fixed costs
	Landing and navigation fees	43.5	<b>17.8</b>	▼25.6	▼59.0%	10.0	▼12.0	▼54.5%	
	Maintenance	39.1	<b>29.7</b>	▼9.4	▼24.2%	11.1	▼8.7	▼44.0%	
	Sales commissions (Air Transport)	9.5	<b>0.8</b>	▼8.7	▼91.3%	0.9	▼3.9	▼81.4%	
	Services <sup>(2)</sup>	23.4	<b>4.7</b>	▼18.7	▼79.9%	2.7	▼9.3	▼77.6%	
	Other linked cost <sup>(3)</sup>	107.9	<b>35.7</b>	▼72.2	▼66.9%	20.8	▼36.4	▼63.6%	
	Total revenue- and capacity-linked cost	351.3	<b>133.4</b>	▼217.8	▼62.0%	70.9	▼109.4	▼60.7%	
Fixed Cost	Aircraft	63.5	<b>66.9</b>	+3.4	+5.4%	33.3	+1.5	+4.8%	Some portions are revenue-and capacity-linked costs
	Personnel	151.1	<b>130.8</b>	▼20.2	▼13.4%	66.0	▼8.9	▼12.0%	
	Other fixed cost	105.4	<b>88.1</b>	▼17.3	▼16.4%	43.3	▼10.0	▼18.9%	Some portions are revenue-and capacity-linked costs
	Total fixed cost	320.1	<b>285.9</b>	▼34.1	▼10.7%	142.6	▼17.5	▼11.0%	
Total Operating Expenses		671.5	<b>419.4</b>	▼252.0	▼37.5%	213.6	▼126.9	▼37.3%	

(1)IFRS is adopted from FY2020 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. (4) 2nd quarter results(July to September) are calculated by subtracting the first quarter results (April to June) from 1st half total(April to September)



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

**BS**

- ✓ Have secured sufficient long-term funding with the cash balance of 346.6 Bn JPY and the credit facility of 300 Bn JPY, while the repayment within one year is only 50.9 Bn JPY
- ✓ D/E Ratio is still at a sound level of 0.6x in spite of the increased interest-bearing debts

**CF**

- ✓ Operating cash flow significantly improved from ▼130.2 Bn JPY in Q1 to ▼19.7 Bn JPY in Q2

Balance Sheet	End of FY2019	End of 1st half FY2020	Diff.
Total Assets	1,982.2	1,994.3	+ 12.1
Cash and Deposits	329.1	346.6	+ 17.5
Balance of Interest-bearing Debt	277.4	501.1	+223.7
Repayment within one year (※)	38.6 (11.0)	50.9 (13.9)	+12.2 (+2.8)
Shareholders' Equity <sup>(2)</sup>	1,014.2	870.3	▼143.9
Shareholders' Equity Ratio(%) <sup>(3)</sup>	51.2%	43.6%	▼7.5pt
D/E Ratio (x) <sup>(4)</sup>	0.3x	0.6x	+0.3x

(JPY Bn)

※Figures in brackets represent aircraft lease payment within one year

Cash Flow	1st Half FY2019	1st Half FY2020	Diff.
Cash Flow from Operating Activities	38.1	▼149.9	▼188.0
Depreciation and Amortization	79.7	87.4	+7.7
Cash Flow from Investing Activities	▼103.9	▼39.2	+64.7
Capital Investment	▼109.9	▼44.6	+65.3
Free Cash Flow <sup>(5)</sup>	▼65.8	▼189.2	▼123.3
Cash Flow from Financing Activities	▼60.3	206.8	+267.2
Total Cash Flow <sup>(6)</sup>	▼126.2	17.6	+143.8
EBITDA	162.6	▼136.4	▼299.1

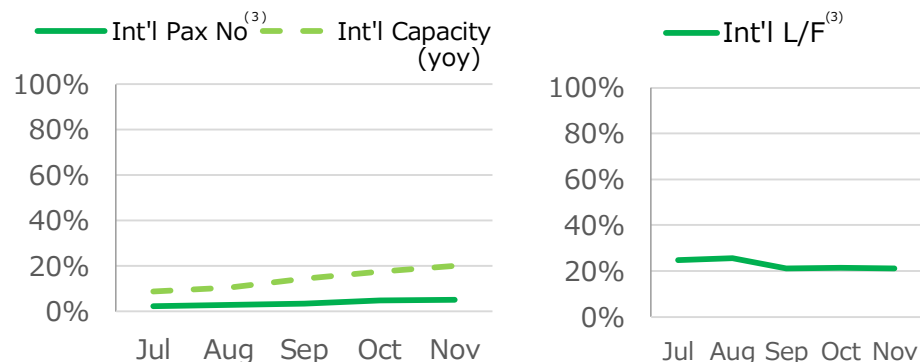
(JPY Bn)

- (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

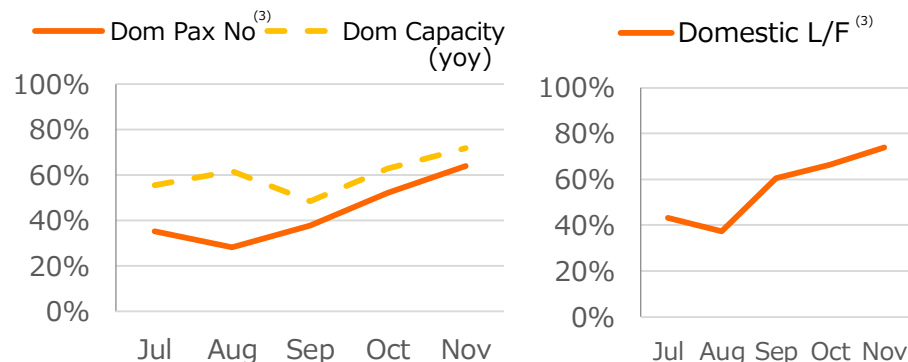
# Current Outlook (COVID-19 Impact)

- ✓ International passenger business is showing signs of recovery backed by ease of travel restrictions mainly for business trips among some countries
- ✓ Domestic passenger business is steadily recovering as a mood of self-restraint in traveling has been eased since late September

## International Passenger (1)(2)



## Domestic Passenger (1)



Int'l

- Gradual moves toward the lifting of border closure backed by enhanced quarantine capacity, lowering of travel alert, and progress in bilateral negotiations between countries
- PCR testing center to open at Narita Airport
- Expected tailored easing of the required 14-day quarantine according to the status of the number of new COVID-19 cases in each country

Dom

- Accelerating recovery in leisure demand by the inclusion of trips to/from Tokyo in "Go To Travel Campaign" from October
- Travels under COVID-19 gradually taking root

(1) Results / forecasts As of October 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 FY2020 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis

# Approach Toward Demand Recovery

## New Type of Trip Under “New Normal” / the revitalization of local communities



Reasonable  
Self-PCR Test



温泉 Biz  
(Workation)



JAL Online Trip



Regional Vitalization Division  
(Homeland Ambassador)

## LCC : ZIPAIR

ZIPAIR

- ✓ Launched passenger services to/from Tokyo-Seoul and from Bangkok to Tokyo in October
- ✓ “Contactless” inflight service corresponding to “New Normal”



LCC's First Inflight Self-ordering System



Free Inflight Wi-Fi

## Leverage Talent



Ancillary operation for PCR  
testing commissioned  
from MHLW<sup>(1)</sup>

**Various approaches toward a recovery in demand,  
closely coordinating with internal/external parties**

# REFERENCES

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# Operation Performance by Geographic Segment

## Passenger Revenue

(%)	1st Half y/y	2nd quarter y/y	1st Half %		%
			FY2019	FY2020	
<b>America</b>	▼96.7%	▼95.0%	28%	28%	30%
<b>Europe</b>	▼95.3%	▼93.6%	17%	23%	24%
<b>Asia/Oceania</b>	▼96.3%	▼95.8%	30%	34%	27%
<b>China</b>	▼96.1%	▼93.8%	12%	13%	16%
<b>Hawaii/Guam</b>	▼99.4%	▼99.1%	13%	2%	3%
<b>Total</b>	▼96.6%	▼95.5%	100%	100%	100%

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

('000)	1st Half			2nd quarter	
	FY2019	FY2020	y/y	FY2020	y/y
<b>America</b>	819	29	▼96.4%	21	▼95.0%
<b>Europe</b>	411	17	▼95.7%	13	▼93.6%
<b>Asia/Oceania</b>	2,271	51	▼97.7%	33	▼97.1%
<b>China</b>	856	10	▼98.7%	8	▼98.0%
<b>Hawaii/Guam</b>	587	1	▼99.7%	1	▼99.5%
<b>Total</b>	4,946	112	▼97.7%	78	▼96.9%

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

(MN seat km)	1st Half			2nd quarter	
	FY2019	FY2020	y/y	FY2020	y/y
<b>America</b>	8,531	1,450	▼83.0%	984	▼77.2%
<b>Europe</b>	4,108	820	▼80.0%	589	▼72.0%
<b>Asia/Oceania</b>	9,639	977	▼89.9%	553	▼88.6%
<b>China</b>	1,815	31	▼98.2%	23	▼97.4%
<b>Hawaii/Guam</b>	3,740	23	▼99.4%	14	▼99.3%
<b>Total</b>	27,835	3,303	▼88.1%	2,165	▼84.6%

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

(%)	1st Half			2nd quarter	
	FY2019	FY2020	y/y	FY2020	y/y
<b>America</b>	90.5%	19.4%	▼71.1pt	20.4%	▼71.2pt
<b>Europe</b>	90.1%	19.5%	▼70.7pt	21.3%	▼71.2pt
<b>Asia/Oceania</b>	86.3%	22.0%	▼64.2pt	24.8%	▼62.5pt
<b>China</b>	88.0%	59.5%	▼28.5pt	64.3%	▼23.5pt
<b>Hawaii/Guam</b>	90.3%	52.6%	▼37.7pt	72.5%	▼21.2pt
<b>Total</b>	88.8%	20.8%	▼68.0pt	22.6%	▼67.7pt

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

(MN passenger km)	1st Half			2nd quarter	
	FY2019	FY2020	y/y	FY2020	y/y
<b>America</b>	7,722	281	▼96.4%	200	▼94.9%
<b>Europe</b>	3,703	159	▼95.7%	125	▼93.6%
<b>Asia/Oceania</b>	8,315	215	▼97.4%	137	▼96.8%
<b>China</b>	1,597	18	▼98.8%	15	▼98.1%
<b>Hawaii/Guam</b>	3,377	12	▼99.6%	10	▼99.4%
<b>Total</b>	24,716	687	▼97.2%	488	▼96.2%

(1) Passengers with mileage award tickets are included from FY2020 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 FY2020 and to the previous year's figures as well for comparison analysis

	End of FY2019 (March 31, 2020)			End of 2nd Quarter FY2020 (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	9	0	9	▼2
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	39	4	43	▼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>212</b>	<b>26</b>	<b>238</b>	<b>▼3</b>

# 《Reference》 Accounting Impact 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 adjustment coming from the different accounting standards and there is no substantial change in our actual financial position

## Cash Flow

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

## Traffic Performance

- Passengers with mileage award tickets are included to revenue passengers (Increase in 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

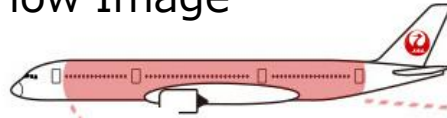
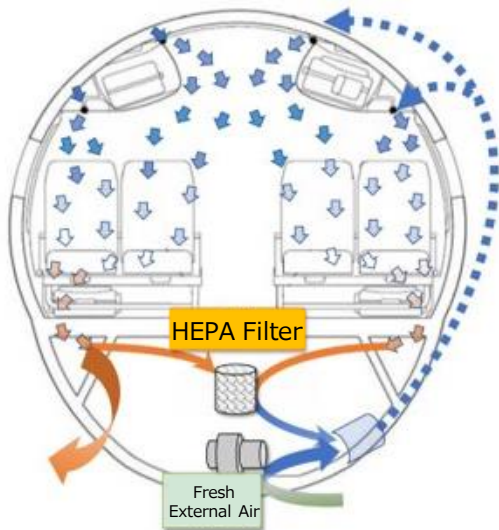


# Anti-COVID-19 Measures

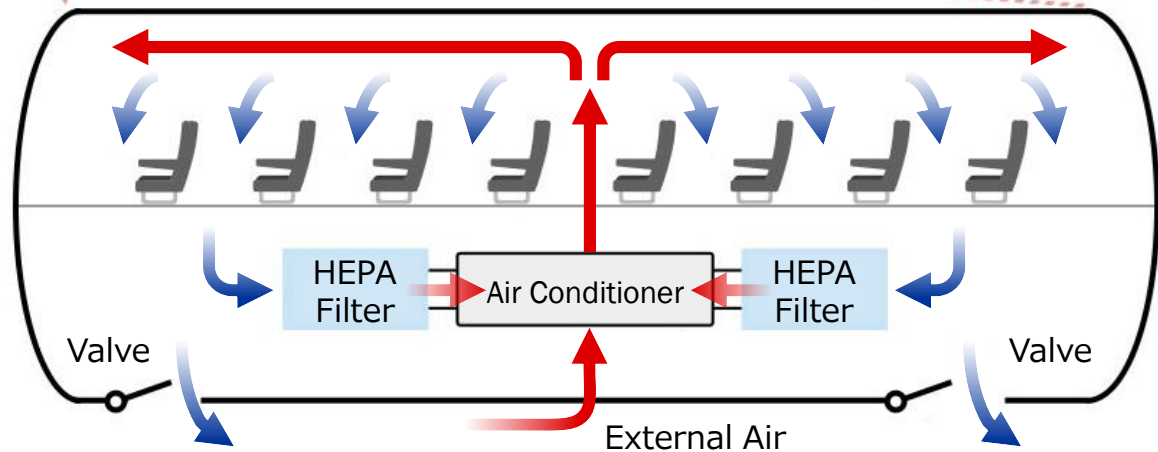
## Cabin

### Appeal of Flysafe Environment in Cabin

In-cabin Air Flow Image

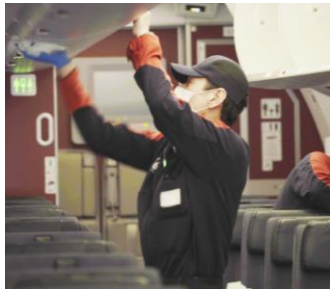


- In-cabin air is replaced in two to three minutes
- Air flows from top to bottom
- Passengers do not get on/off during the flight
- Passengers face to the same direction
- HEPA Filter is equipped

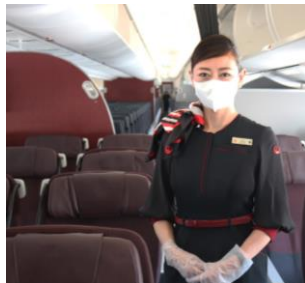


## Hygiene measures

### Thorough measures for Flysafe



Sanitization



Facial mask and gloves



Social Distancing



Partition



Less Contact with others

**Fly into tomorrow.**



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