

■The early retirement of aged aircrafts

Q1 : How much are the restructuring cost of the retiring aircrafts and its cost reduction effect?

A1 : The one-time cost of the early retirement of 777s was 4.7 billion yen for the first half of FY20 and will be approximately 10.0 billion yen for FY20 full year. All these costs are already included in EBIT under IFRS. The cost reduction effect is expected to be approximately 60.0 billion yen in mainly maintenance for the four-year-period from FY20 to FY24.

■The outlook of International Passenger and Domestic Passenger Businesses

Q2 : What is the outlook of the international and the domestic demand as of the end of March, 2021 in FY2020 Earnings Forecast on Page 4?

A2 : Our demand forecast on Page 4 indicates the demands will return to approximately 25-45% year-on-year in International Passenger and approximately 72-87% year-on-year in Domestic Passenger as of March 2021, excluding the impact of COVID-19 from the previous year's figures. We expect to be profitable on a monthly basis when both the international and the domestic demand reaches to the upper limit of the range.

■International cargo business

Q3 : Is the unit price of international cargo business expected to remain at a high level?

A3 : The tonnage is approximately at a 65% level year-on-year but the average unit price remains around twice as high as last year. The cargo demand mainly for medical supplies was high in the 1st quarter, and the demand for semiconductor-related products, electronic components and automobiles have been recovering in the 2nd quarter. We expect to be able to obtain cargo revenue at a very high level under the tight supply-demand situation.

■The future business structure

Q4 : What do you think about how LLC business works and the future financial KPIs in the New Normal?

A4 : We think remote-working continues to be prevailing so that the business demand will not recover to the pre-COVID-19 level. On the other hand, we think the leisure and VFR demand will expand. Because of this change, strengthening LCC business, of which unit cost is low, is an important for us to maintain our profitability with the low yield demand expansion. Combining the three airlines, JAL's subsidiary ZIPAIR for medium to long haul flights, the LCC partners (Jetstar Japan and Spring Airlines Japan) will strengthen our LCC business in each market. For the future financial KPIs, we will disclose them in the new mid-term management plan by the end of this fiscal year.