

■ Evaluation of the second quarter financial results

Q1. How would you evaluate the financial results for this quarter regarding the loss?

A1. Compared with the first quarter, we have been successful in reducing the loss, however, due to the rapid spread of COVID-19 and the sharp decline in domestic demand, the improvement was smaller than we expected.

■ Full-year performance forecast

Q2. How much confidence do you have with respect to the passenger demand forecast for the domestic passenger demand?

A2. Regarding that the domestic passenger demand for October was approximately 50% of pre-COVID and taking current reservation into account, we estimate that the November demand will be around 65%. Business travels among Japanese companies have resumed, and the leisure demand is expected to increase strongly after easing the current travel restrictions. Therefore, we have confidence in our forecast at this moment.

Q3. The quarantine period after entering Japan for business travelers has been shortened to 3 days. What are you going to ask for the Japanese government toward further demand recovery?

A3. In order for the international passenger demand to recover, we think it is necessary for the Japanese government to ease one of the most restrictive boundary restrictions among many countries. Therefore, the major business industry groups, not airline industry alone, are requesting to ease the restrictions, provided that prevention measures are surely taken. The United States and most European countries no longer require quarantine for vaccinated passengers regardless of whether their travel purpose is business or leisure, so we would like to request an equivalent treatment to the Japanese government. Additionally, we have been requesting as an airline industry for early restart of demand stimulating measures.

■ Cost control

Q4. How are you going to control the Actual Fixed Cost for the second half of this year towards the full year target of 475 billion yen?

A4. We expect that the Actual Fixed Cost for the second half will be 244 billion yen. Although the aircraft expense will rise due to the introduction of Airbus 350s, we will make the utmost effort to maintain the same level for personnel expense, etc. as the first half. As a result of the decrease in the Actual Fixed Cost and the increase in the cargo revenue, the break-even point has shifted downward.

■ Making JALUX a consolidated subsidiary

Q5. What is the purpose for making JALUX a consolidated subsidiary?

A5. It is one of the measures to strengthen and increase non-aviation business domain profits as presented in our Mid-term Management Plan. Especially in Mileage, Life & Infrastructure business, utilizing the most out of JAL's customer base through consolidated JALUX as our subsidiary, we will pursue maximal synergy with JALUX's Retail business.