

JAPAN AIRLINES Co., Ltd.

Financial Results

1st Quarter Mar/2023 (FY2022)



JAPAN AIRLINES



AIRBUS A350-900 #16

August 1, 2022

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SKYTRAX

Covid-19 Safety
Rating
5-Star



SKYTRAX

COVID-19 Excellence Award



SKYTRAX

World Airline Star
Rating
5-Star



SKYTRAX

2021

World's Best Economy Class
Best Economy Class Airline Seat



APEX

Health Safety Powered
by SimpliFlying Audit
Diamond



BEST WIFI
IN EASTERN ASIA
WINNER 2022



APEX

WORLD CLASS



2021 Award for Excellence
in Corporate Disclosure

— Industries —



The Securities Analysts
Association of Japan



The 9th
IR Good Visual Award



2022
健康経営優良法人
ホワイト500

Health and Productivity
ManagementBrand

1. PERFORMANCE OVERVIEW FOR FY22Q1
2. RECENT OUTLOOK
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ESG Indices



FTSE Blossom[※]
Japan Index



FTSE Blossom[※]
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN[※]
EMPOWERING WOMEN INDEX (WIN)

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Note (1) 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 (2) LCC=Low Cost Carrier

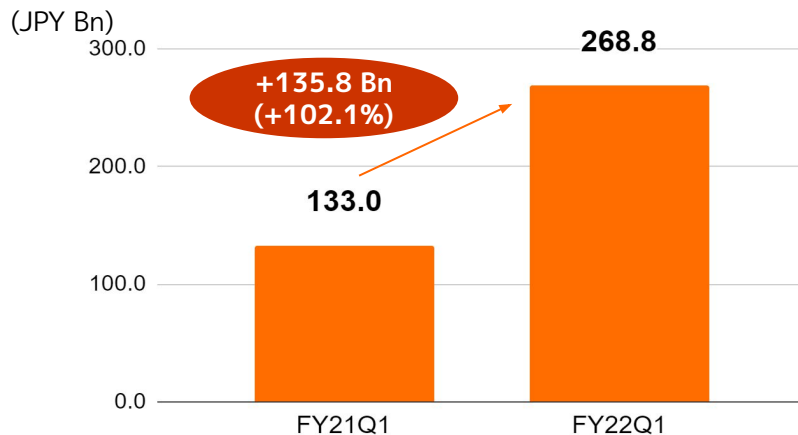
We introduced ESG-related index selections to evaluate executive officer's compensations. ※ indicates the applicable index.

PERFORMANCE OVERVIEW FOR FY22Q1

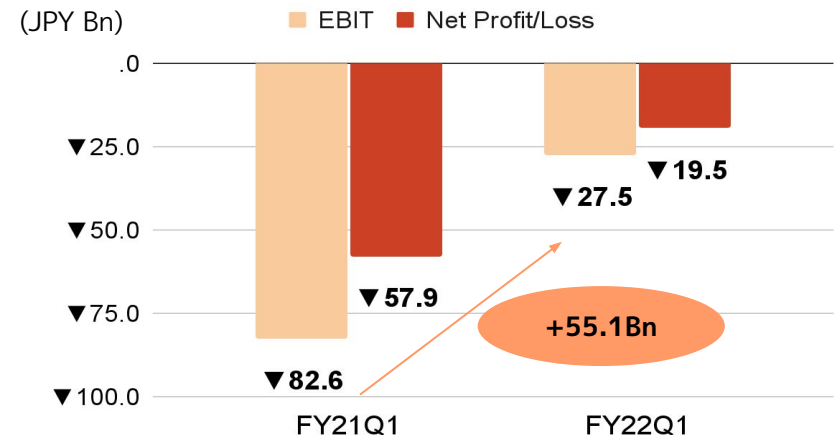


- ✓ Both Revenue and EBIT have improved. Demand has steadily recovered as society shifts toward a balance of social economic activities and preventing the infection.
- ✓ Although interim dividends will not be paid as it is necessary to further monitor our performance, we aim to resume dividends by the end of March 2023.

Revenue



EBIT ⁽¹⁾ / Profit or Loss ⁽²⁾



Fuel/FX Markets

	FY21Q1	FY22Q1	Vs. FY21Q1
Singapore Kerosene (USD/bbl)	68.4	136.9	+100.1%
Dubai Crude Oil (USD/bbl)	64.5	107.3	+66.4%
FX Rate (JPY/USD)	108.7	125.3	+15.3%

Operational Preconditions/ASK

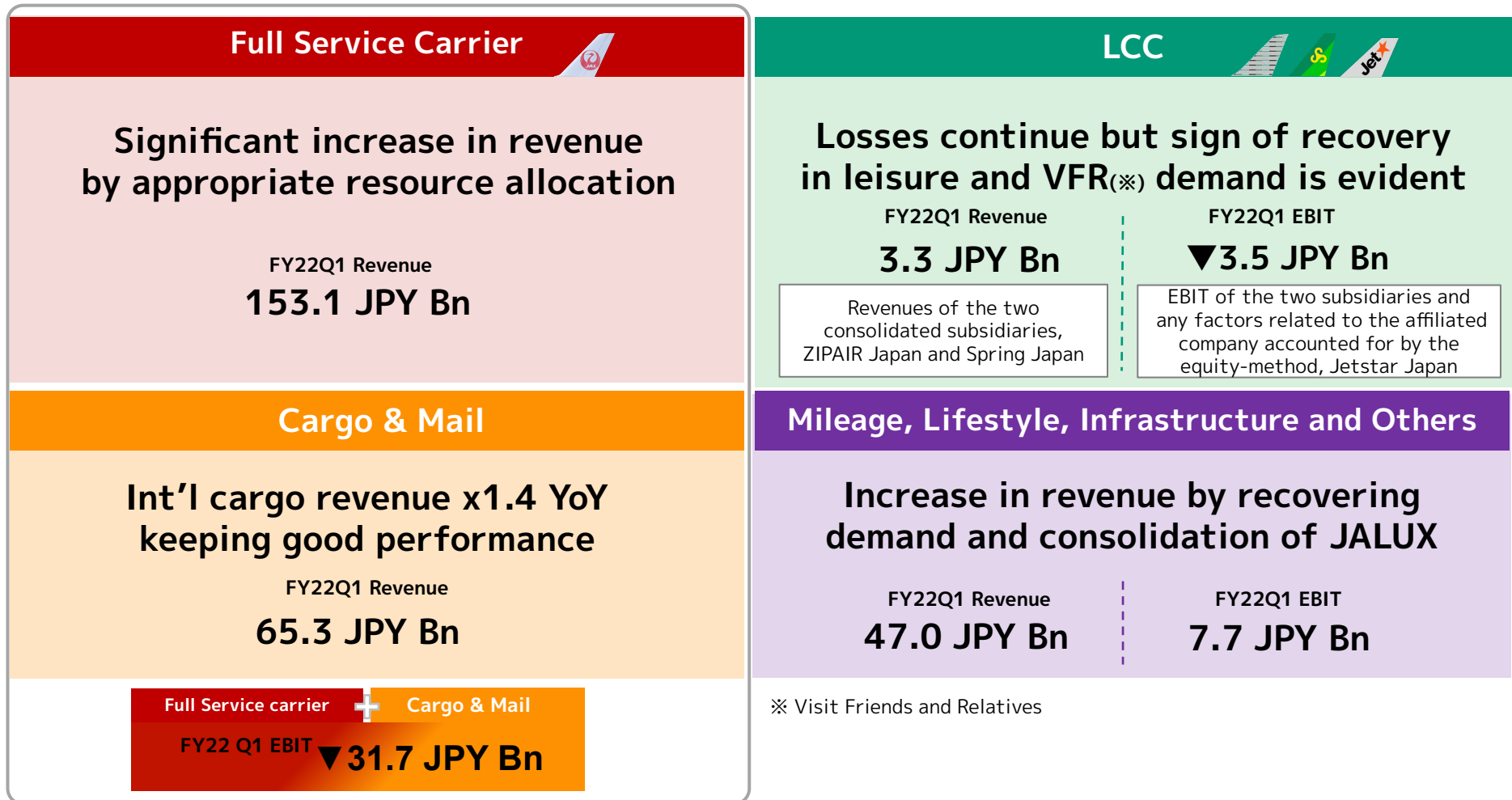
Vs. FY21Q1		
International Routes	Domestic Routes	Total
+47.4%	+66.4%	+56.4%

(1) EBIT= Profit/Loss before Financing and Income tax (Profit/Loss before Tax – Finance Income/Expenses) (2) Profit/Loss = Quarterly Profit Attributable to Owners of Parent

(3) EBIT Margin =EBIT / Revenue

- For the First Quarter, revenue was 268.8 Billion Yen, EBIT loss was 27.5 Billion Yen, and net loss was 19.5 billion yen.
- Passenger demand has steadily recovered, and EBIT has improved by 55.1 billion yen year-on-year as the society shifts toward a balance of social economic activities and the prevention of infection.
- In addition, EBIT exceeded our outlook for this quarter by about 20 billion yen, which we believe is a strong start.
- We sincerely regret to announce that the interim dividend will not be paid as we believe that it is necessary to further watch our situation. We will make all the efforts to record steady profits from the second quarter onward, and we will do everything to resume dividends at the end of this fiscal year.

FY22Q1 Performance by Business Domain



- The revenue and EBIT by each business domain shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT
- The criteria shown above does not match Air transportvBusiness Segment or Others
- The numbers may be changed because of the internal change of accounting rules ex post
- The criteria shown above has started from this fiscal year. There is no historical data available.

- On this page, I will explain the result of each business domain. From this fiscal year, we will show the result of each domain using internal management figures.
- The full-service carrier business has achieved a significant increase in sales by capturing the recovering passenger demand through appropriate preparation of our resources. For the cargo business, it also surpassed last year's strong performance. As a result, full service-carrier business posted an EBIT loss of 31.7 billion yen.
- LCCs have captured the recovering tourism and VFR demand. For example, ZIPAIR recorded full passenger flights during the Japanese holiday season in May. However, it was a challenging period for Spring Japan due to the strict border control in China. As a result, LCC area posted an EBIT loss of 3.5 billion yen, including Jetstar Japan as an affiliate company accounted for the equity method, which is also on the way of recovery.
- For the Mileage, Lifestyle and Infrastructure business, sales increased steadily due to the recovery of passenger demand and the effect of the consolidation with JALUX. It posted an EBIT profit of 7.7 billion yen, showing its stable profitability. This business domain plays a leading role as a future growth driver.
- We will steadily promote the business structural reforms shown in the medium-term management plan.

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- ## EBIT Changes
-
- The chart displays EBIT changes over time. The x-axis is divided into four fiscal years: FY19, FY20, FY21, and FY22. Each fiscal year is further divided into quarters (Q3, Q4 for FY19; Q1, Q2, Q3, Q4 for FY20, FY21, and FY22). The y-axis represents the change in EBIT. Most quarters show a decrease in EBIT, represented by grey bars below the zero line. However, FY22 Q2 shows a significant increase, represented by an orange bar above the zero line, with an orange arrow pointing to it.
- | Fiscal Year | Quarter | EBIT Change (Relative) |
|-------------|---------|------------------------|
| FY19 | Q3 | Positive |
| FY19 | Q4 | Negative |
| FY20 | Q1 | Negative |
| FY20 | Q2 | Negative |
| FY20 | Q3 | Negative |
| FY20 | Q4 | Negative |
| FY21 | Q1 | Negative |
| FY21 | Q2 | Negative |
| FY21 | Q3 | Negative |
| FY21 | Q4 | Negative |
| FY22 | Q1 | Negative |
| FY22 | Q2 | Positive |



- On this page, I will focus on some points of business performance.
- EBIT did not turn into the black on a monthly basis in the first quarter, but we expect EBIT to turn into the black in July.
- Contrary to some other airlines, there are no major resource-related concerns about our operations. While it is necessary to pay close attention to the impact of the spread of infection, we continue to aim for the forecasted, yearly EBIT of 80 billion yen by surely capturing the recovery of demand.
- In the case where passenger demand temporarily decreases, positive EBIT for the first half is achievable through increase in revenue of Mileage and Cargo, as well as further cost reduction.
- As for cash flow, we have taken off from long impact of pandemic. The cash flow from operating activities was an inflow of 78.7 billion yen. Our ability for cash flow creation has been steadily recovering. Our free cash flow was positive for the first time since the pandemic.

Recent Outlook

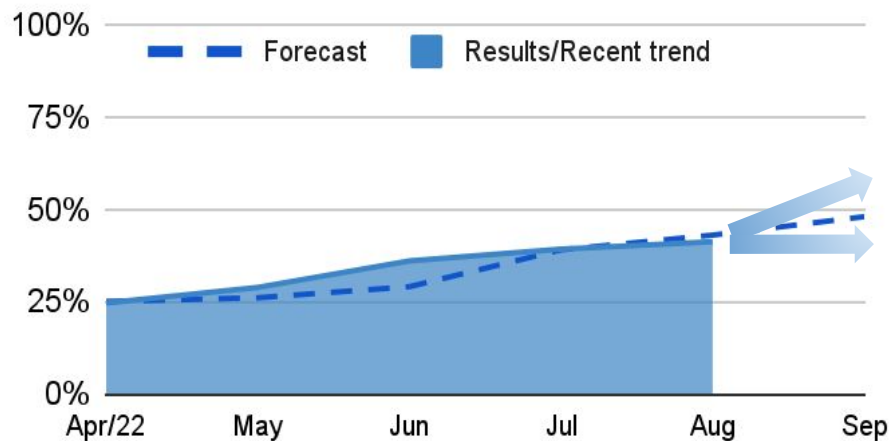
Int'l & Domestic Passenger Operations (Full Service Carrier)



- ✓ For Int'l, demand to/from Japan is recovering gradually; We will also capture the strong transit demand between Asia and North America.
- ✓ For Domestic, demand is recovering gradually as restrictions are eased
- ✓ We expect steady recovery toward the high season in summer, however, we will closely watch the effects of the current spread of infection
- ✓ Launched "JAL Carbon Offset" program for corporate travel

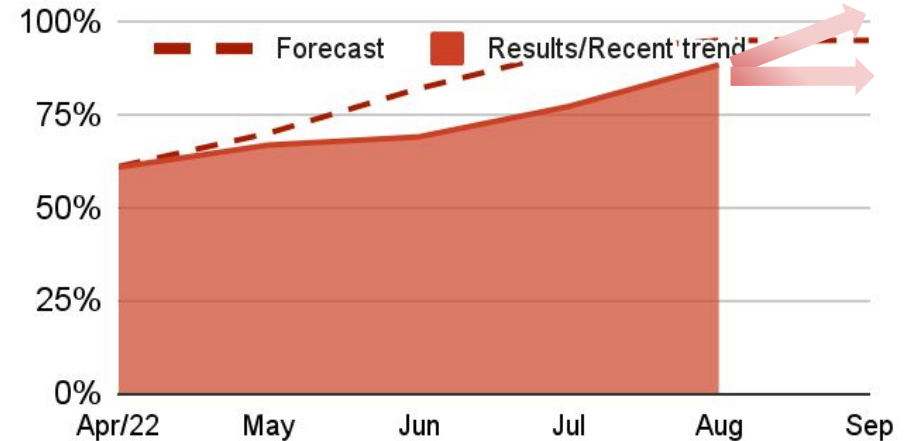
International Passenger ⁽¹⁾

Passengers (Vs. FY2019)



Domestic Passenger ⁽¹⁾

Passengers (Vs. FY2019)



- On this page, I will explain the current trends in passenger demand.
- For international, demand to and from Japan is gradually recovering, and we are also steadily capturing the strong transit demand between Asia and North America. Due to Japan's border controls which are significantly stricter than those of other countries, and PCR tests required before boarding flights to Japan, tourism in August and business trip from Japan in September are slightly sluggish. We continue to request the government to lift or relax these restrictions as an industry, and we are confident that the speed of recovery will increase dramatically if these easing are realized.
- For domestic, demand is slowly recovering since the lift of restrictions in March, and is expected to steadily recover toward the high demand season in summer. In July, It recovered to approximately 80% compared with pre-pandemic levels.
- On the other hand, reservation is slowing down from August and some cancellations are seen for the Okinawa routes. We will pay close attention to the situation and will be prepared to launch the profit recovery plan if we observe a steep drop in demand. As of today, we expect a 80-90% recovery compared with the pre-pandemic level in August and September.
- In July, we launched the "JAL Carbon Offset" plan for corporate passengers. Providing opportunities for corporate customers to reduce CO2, we will work to protect the environment and increase our sales at the same time.

Recent Outlook

Cargo & LCC

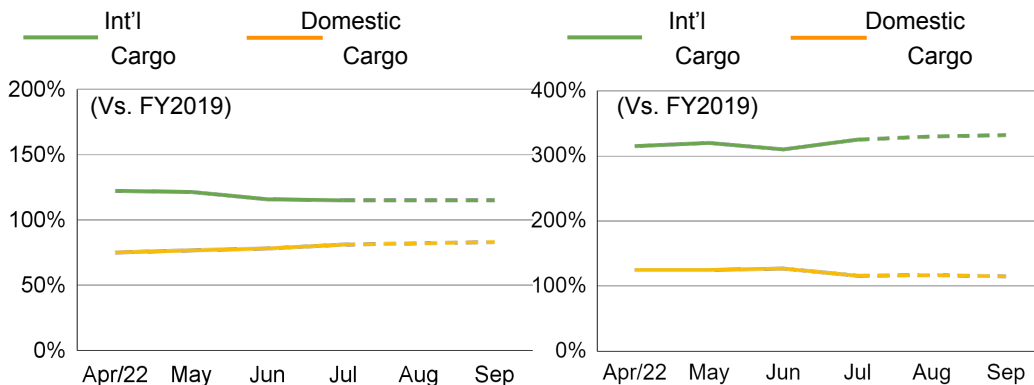


- ✓ Cargo business recorded significant increase in revenue, capturing strong Int'l cargo demand utilizing both own aircraft and other company's freighters. This trend is expected to continue for this year
- ✓ For LCC business, both int'l and domestic demand is recovering steadily. ZIPAIR will post profit in July.

Cargo ⁽¹⁾

Volume

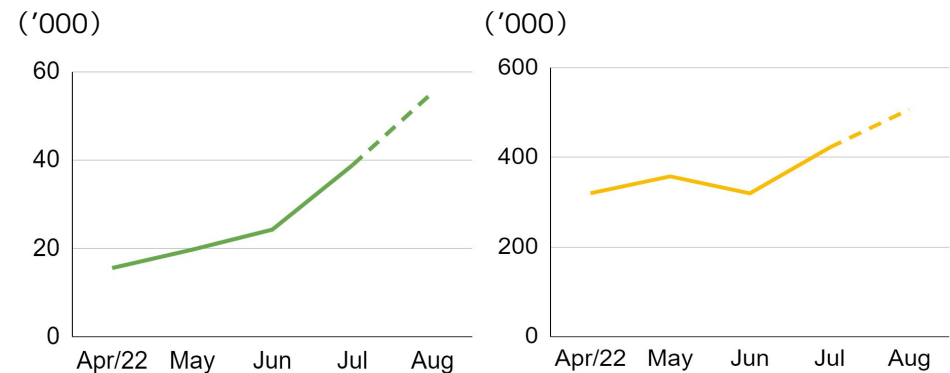
Unit Price



LCC ⁽¹⁾⁽²⁾

International Passenger

Domestic Passenger



(1) Forecast as of July 27, 2022 (2) Int'l includes ZIPAIR and Spring Japan, domestic includes Spring Japan and Jetstar Japan

- On this page, I will explain the current situation of the Cargo and LCC business.
- As for international Cargo demand, the industry-wide total demand from Japan decreased due to the lockdown in Shanghai. However, issues of marine transportation has not been resolved. Therefore, our demand continues to be strong especially for Asia to North America routes. In addition, unit prices especially for European routes are rising sharply. Thus, the trend for both demand and unit price continue to be favorable. We believe that this situation will continue for the time being.
- LCC shows the number of passengers of three companies, which includes two consolidated subsidiaries of ZIPAIR and Spring Japan, and Jetstar Japan. These three companies are still struggling, however, both international and domestic demand is recovering other than the China Routes, which still have strict border restrictions. Especially for ZIPAIR, its market awareness is increasing and plans to grow its number of passengers with the expansion of its network, which we hope you will look forward to.

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DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Consolidated Financial Results



(JPY : Bn)	FY19Q1	FY21Q1	FY22Q1	FY19Q1		FY21Q1	
				Diff.	y/y	Diff.	y/y
Revenue	348.8	133.0	268.8	▼79.9	▼22.9%	+135.8	+102.1%
Full Service Carrier	284.3	97.7	218.4	▼65.8	▼23.2%	+120.7	+123.5%
International PAX (Full Service Carrier)	130.6	11.2	62.4	▼68.1	▼52.2%	+51.2	+457.0%
Domestic PAX (Full Service Carrier)	127.1	38.0	88.0	▼39.0	▼30.7%	+49.9	+131.4%
Cargo / Mail	22.7	47.6	65.3	+42.5	+187.4%	+17.6	+37.1%
Full Service Carrier Other Revenue	3.8	0.8	2.6	▼1.2	▼31.7%	+1.8	+219.7%
LCC ⁽¹⁾	-	0.0	3.3	-	-	+3.3	-
Mileage, Lifestyle and Infrastructure and others ⁽²⁾	64.4	35.2	47.0	▼17.4	▼27.1%	+11.7	+33.5%
Operating Expenses	330.9	215.4	303.0	▼27.8	▼8.4%	+87.5	+40.7%
Fuel	63.6	26.5	69.8	+6.1	+9.7%	+43.2	+162.6%
Excluding Fuel	267.2	188.8	233.1	▼34.0	▼12.7%	+44.3	+23.5%
Others ⁽³⁾	2.0	▼0.2	6.6	+4.5	+222.9%	+6.8	-
EBIT	19.9	▼82.6	▼27.5	▼47.4	-	+55.1	-
EBIT Margin (%)	5.7%	-	-	-	-	-	-
Profit or Loss	12.9	▼57.9	▼19.5	▼32.5	-	+38.3	-
EBITDA Margin(%) ⁽⁴⁾	17.2%	-	5.4%	▼11.9pt	-	-	-

(1) LCC = Passenger revenue and related charges or fees (2) Mileage, Lifestyle and Infrastructure and others = Travel Agency, Mileage, Ground Handling etc.

(3) Others = Gain or Loss on Sales of Aircraft, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment

(4) EBITDA Margin = EBITDA/Revenue

- From this page, I will show you the result of the first quarter.
- Page 10 shows consolidated results.
- In order to make it easier to understand, we have categorized income into different business areas.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Changes in EBIT (Revenues / Expenses)

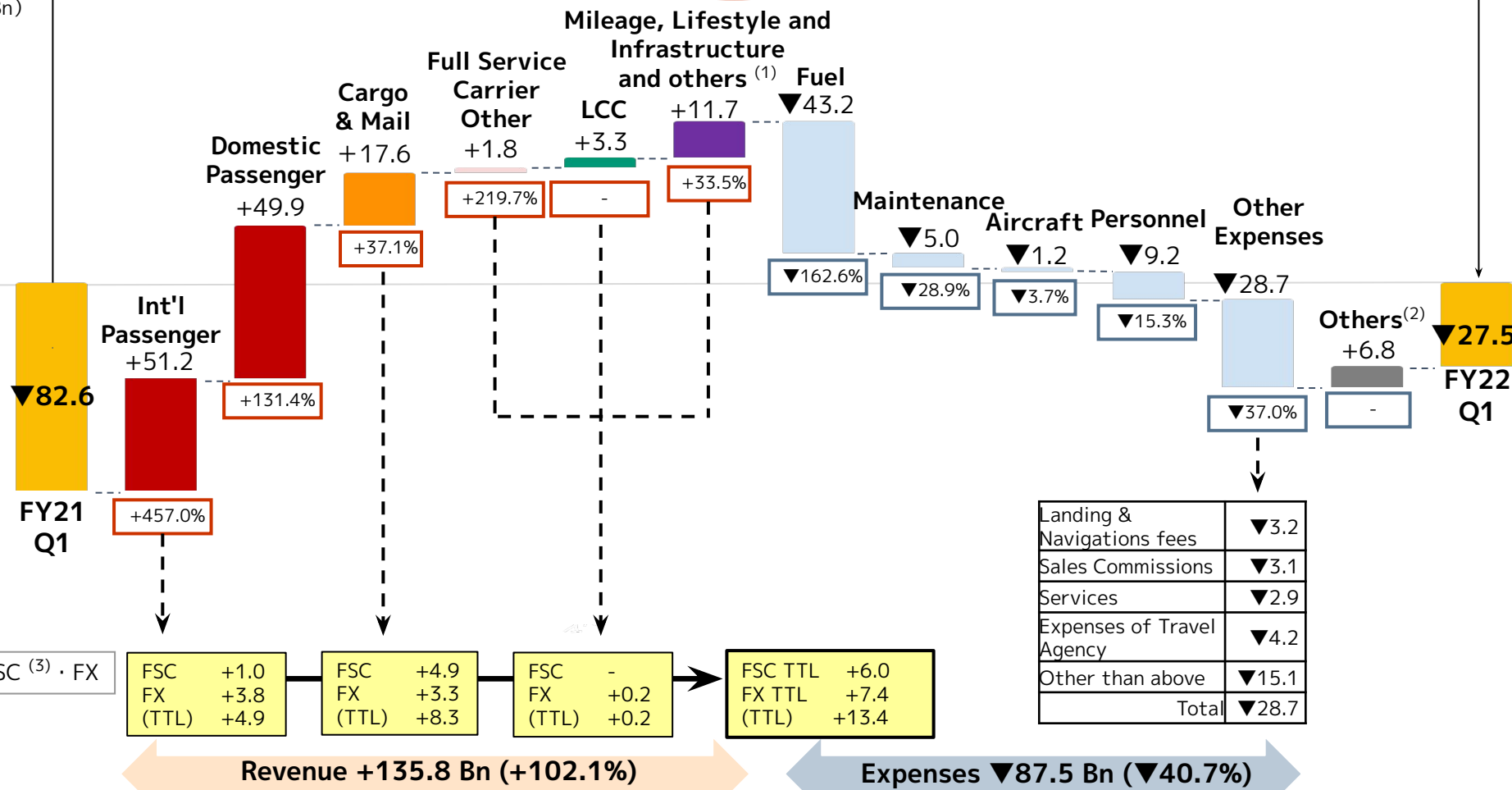


ASK y/y : +56.4%
RPK y/y : +218.8%

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

(JPY Bn)

+55.1 Bn



(1) Mileage, Lifestyle and Infrastructure and others = Travel Agency, Mileage, Ground Handling etc. (2) Others = Gain or Loss on Sales of Aircraft, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment (3) FSC=Fuel Surcharge

- This page shows the factors behind the improvement in EBIT through revenue and expense.
- Revenues increased in all areas, by 135.8 billion yen year-on-year due to the recovery of passenger demand and the continued strong performance of the cargo business.
- As for costs, fuel costs have increased significantly due to the soaring fuel market and depreciation of the yen, and costs linked to operations and number of passengers have increased. During this phase of gradually shifting from the defensive to the offensive, we have continued to take appropriate cost control measures, thus cost increase was suppressed to 87.5 billion yen.
- As a result, EBIT improved 55.1 billion yen year-on-year.

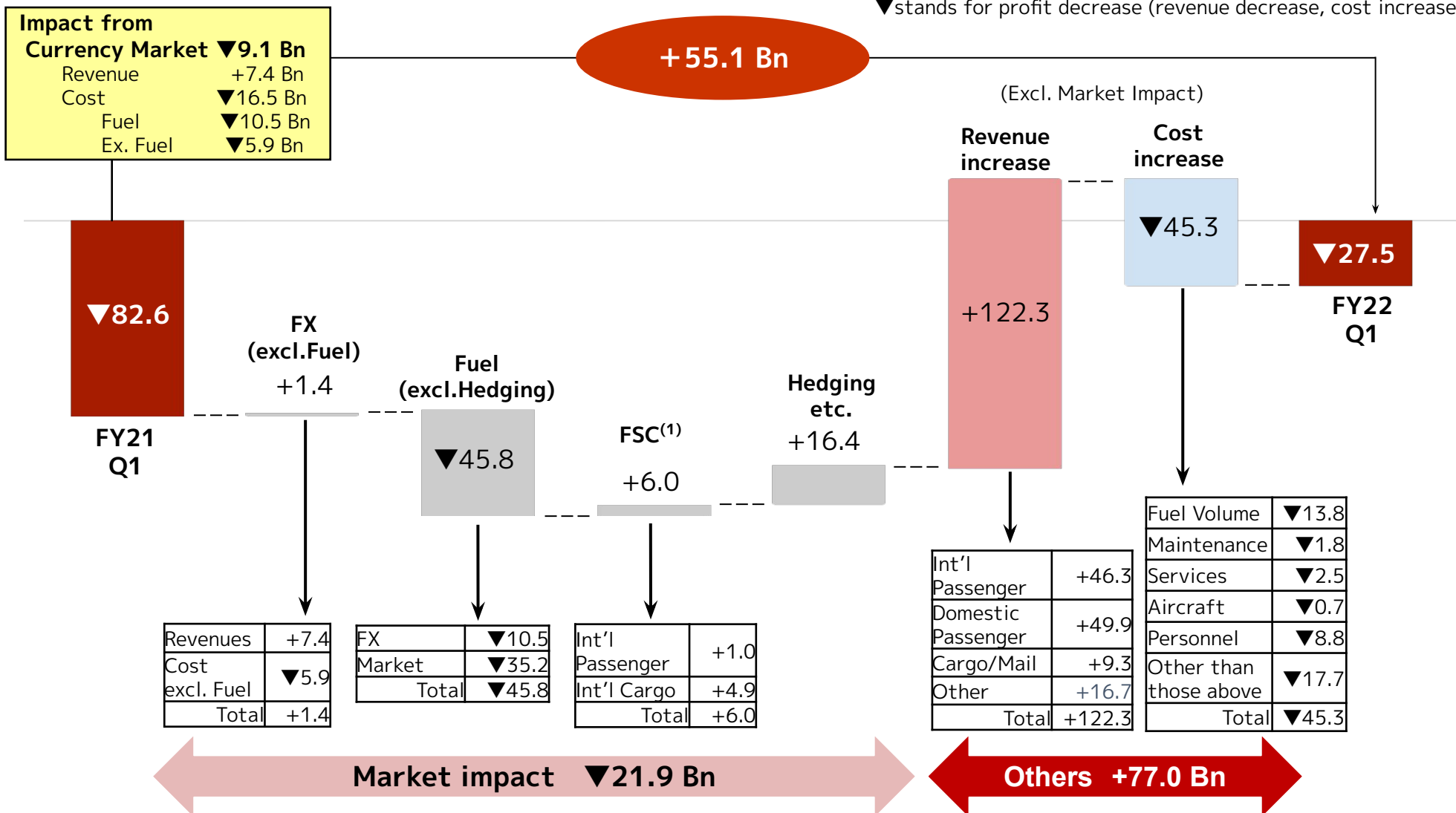
DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Changes in EBIT (Market and other impact)



(JPY Bn)

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



(1) FSC=Fuel Surcharge

- This page shows the improvement of EBIT by dividing it into market fluctuations and other factors.
- The impact of market was a negative of 21.9 billion yen year-on-year. Although the negative impact of the rapid rise in the fuel market and the depreciation of the yen is significant, we worked to reduce the impact by applying fuel surcharges, appropriately implementing hedging and receiving subsidies from the government.
- We would like to thank everyone involved from the government for their support in response to the soaring fuel costs.
- On the other hand, with the effects of these market impacts excluded, we have achieved 77 billion yen of improvement. I am confident that we have finally taken off from the impact of the pandemic.
- The fuel market has recently settled down a little. We hope that the market's adverse conditions will soon settle down.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Int'l & Domestic Passenger Operations (Full Service Carrier)



International Passenger	FY19Q1	FY21Q1	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
Passenger Revenue (JPY Bn)	130.6	11.2	62.4	▼52.2%	+457.0%
Passengers ('000)	2,429	149	728	▼70.0%	+387.5%
RPK (MN passenger km)	12,016	1,018	4,799	▼60.1%	+371.1%
ASK (MN seat km)	13,767	5,222	7,097	▼48.4%	+35.9%
L/F (%)	87.3%	19.5%	67.6%	▼19.7pt	+48.1pt
Revenue per Passenger (JPY) ⁽¹⁾	53,768	75,041	85,739	+59.5%	+14.3%
Yield (JPY) ⁽²⁾	10.9	11.0	13.0	+19.8%	+18.2%
Unit Revenue (JPY) ⁽³⁾	9.5	2.1	8.8	▼7.2%	+309.9%

Domestic Passenger	FY19Q1	FY21Q1	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
Passenger Revenue (JPY Bn)	127.1	38.0	88.0	▼30.7%	+131.4%
Passengers ('000)	9,272	2,708	6,081	▼34.4%	+124.5%
RPK (MN passenger km)	6,973	2,012	4,569	▼34.5%	+127.1%
ASK (MN seat km)	9,022	4,972	8,187	▼9.3%	+64.7%
L/F (%)	77.3%	40.5%	55.8%	▼21.5pt	+15.3pt
Revenue per Passenger (JPY) ⁽¹⁾	13,707	14,047	14,474	+5.6%	+3.0%
Yield (JPY) ⁽²⁾	18.2	18.9	19.3	+5.7%	+1.9%
Unit Revenue (JPY) ⁽³⁾	14.1	7.7	10.8	▼23.7%	+40.5%

(1) Revenue per Passenger = Passenger Revenue / Passengers

(2) Yield = Passenger Revenue / RPK (3) Unit Revenue = Passenger Revenue / ASK

- This page shows the international and domestic performance.
- International passenger revenue was 62.4 billion yen, about 5.6 times year on year.
- Domestic passenger revenue was 88 billion yen, about 2.3 times year on year.
- While both international and domestic passenger demand is recovering, we have been able to maintain and achieve a high unit price level compared to last year by implementing fare revisions and appropriate revenue management.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Cargo



International Cargo	FY19Q1	FY21Q1	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
Cargo Revenue (JPY Bn)	15.1	38.9	56.9	+277.1%	+46.5%
Available Ton Km (MN ton km)	1,097	787	895	▼18.4%	+13.7%
Revenue Ton Km (MN ton km)	589	735	729	+23.7%	▼0.7%
Carried Cargo Weight (Thousand ton)	99	121	118	+19.7%	▼2.3%
Revenue Ton (JPY/kg)	152	320	480	+215.0%	+49.9%

- ✓ Secured same level of weight as previous year while demand to/from Japan decreased approx. 10% mainly for auto-related demand due to reasons such as the lockdown in China
- ✓ Unit prices continue to rise due to tight supply-demand balance, especially for European routes

Domestic Cargo	FY19Q1	FY21Q1	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
Cargo Revenue (JPY Bn)	5.0	5.5	4.8	▼3.7%	▼12.4%
Available Ton Km (MN ton km)	410	226	372	▼9.4%	+64.5%
Revenue Ton Km (MN ton km)	80	53	64	▼20.6%	+19.2%
Carried Cargo Weight (Thousand ton)	86	54	66	▼23.4%	+21.2%
Revenue Ton (JPY/kg)	58	101	73	+25.8%	▼27.7%



- ✓ Captured cargo demand that had flowed out to other transportation modes as passenger flights recovered
- ✓ Unit prices has decreased from previous year due to the easing of supply-demand balance


- This page shows the performance of the Cargo business.
- The total weight of international cargo was almost the same as last year due to the decline in the demand for cargo from Japan. Nevertheless, due to the rise in unit prices, revenue continued to be strong at about 1.5 times the previous year's revenue, which was 56.9 billion yen.
- For domestic cargo, performance was steady for the first quarter. Unit price has been normalized due to the recovery of domestic flights.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

LCC



LCC	ZIPAIR 			Spring Japan ⁽¹⁾ 
	FY21Q1	FY22Q1	FY21Q1比	FY22Q1
Passenger Revenue (JPY Bn)	0.0	2.0	-	1.2
Passengers ('000)	1	53	-	42
RPK (MN passenger km)	4	269	-	39
ASK (MN seat km)	270	983	+263.0%	101
L/F (%)	1.7%	27.4%	+25.7pt	38.5%
Revenue per Passenger (JPY) ⁽²⁾	21,208	38,121	+79.7%	28,431
Yield (JPY) ⁽³⁾	7.4	7.6	+29.9%	31.1
Unit Revenue (JPY) ⁽⁴⁾	0.1	2.1	-	12.0

Reference Jetstar Japan 	FY21Q1	FY22Q1	Vs. FY21Q1
Passengers ('000)	487	962	+97.3%
L/F (%)	66.0%	76.3%	+10.2pt

(1) No data for Spring Japan's FY21Q1 due to pre-consolidation. Summary of International and domestic passenger business

(2) Revenue per Passenger = Passenger Revenue / Passengers

(3) Yield = Passenger Revenue / RPK (4) Unit Revenue = Passenger Revenue / ASK

- This page shows the performance of the LCC business.
- ZIPAIR mainly contributed to Cargo transportation last year, but they started the full-scale LCC passenger business and contributed to a significant increase in passenger revenue with an unexpectedly high level of ancillary revenue this year. ZIPAIR is expected to turn into black in July. We are very confident about their medium to long distance specialized LCC business model.
- Spring Japan, which was consolidated last year, has been withstanding the limited operation of international flights due to the restrictions of the Chinese border, but is trying to maximize profit by temporarily shifting their resource to domestic flights.
- The recovery of Jetstar Japan, a domestic LCC, is slow due to the impact of the fuel and FX market. However, they are showing significant improvement in their load factor by actively capturing the recovering trend of tourism.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

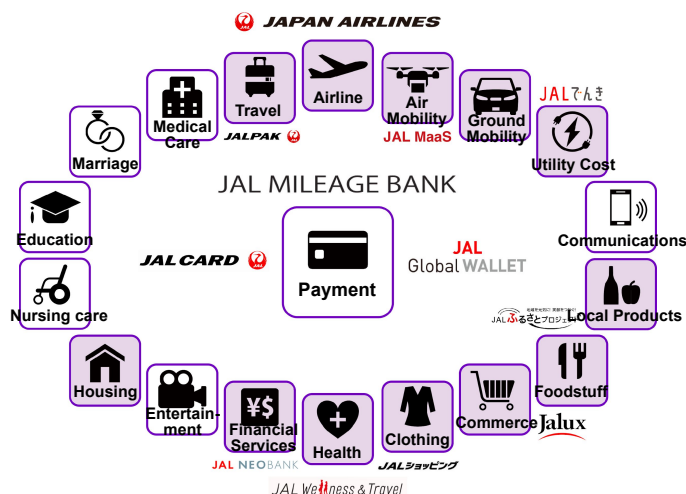
Mileage, Lifestyle and Infrastructure



JAL Mileage and Lifestyle Concept

~ Make Everyday life and life even better with miles

~ make everyday life and all life stages even better with miles ~



Provide diverse services
in everyday life and all life stages and
expand ways to earn and use miles

Recent Updates

■ Expanding alliances with other industries

- Launched mutual point and mileage exchange program with "Rakuten Point", one of the biggest point service providers
- Launched "JAL object-limited loan⁽²⁾" for "JAL NEOBANK⁽¹⁾"
- Launched "JAL Electric Power" which allows the earning of mileage with electric expense
- Started accepting "Children's Dream Support Miles" (Support for financially difficult families)

■ Expand synergies with JALUX

- Jointly developed new products such as Flight simulator experience and EC for products provided in JAL lounge

(1) JAL NEOBANK : A service that allows you to complete banking functions such as deposits and payments within the app with an online bank account exclusively for JAL Mileage Bank members that utilizes the latest IT technology of SBI Sumishin Net Bank

(2) As a bank agent of SBI Sumishin Net Bank, provide loans according to the purpose such as travel funds, education funds, purchase funds for automobiles and motorcycles. Able to earn miles according to your loan balance.

- On this page, I will explain our strategies and initiatives in the Mileage, lifestyle and infrastructure business.
- As shown on page 5, this area has steadily recorded profits this quarter, and we expect it to be one of the key areas of the JAL Group's business structural reforms.
- We are accelerating various efforts toward the realization of our concept shown in the medium-term plan.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Expenses



- ✓ Actual fixed cost for Q1FY22 was 120.7 billion yen, in difficult market conditions
- ✓ Implementation of appropriate cost control measures to maintain 500 billion yen for FY22

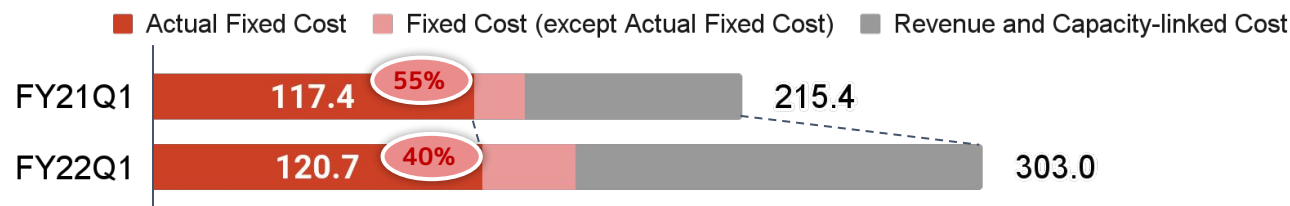
Major Operating Expense Items

(Bn Yen)	FY19Q1	FY21Q1	FY22Q1	FY19Q1		FY21Q1	
				Diff.	(%)	Diff.	(%)
Fuel	63.6	26.5	69.8	+6.1	+9.7%	+43.2	+162.6%
Landing and Navigation	21.4	8.0	11.2	▼10.1	▼47.3%	+3.2	+40.7%
Maintenance	19.2	17.5	22.6	+3.3	+17.5%	+5.0	+28.9%
Sales Commissions	4.6	1.3	4.4	▼0.2	▼5.0%	+3.1	+234.1%
Services ⁽¹⁾	11.3	3.0	5.9	▼5.3	▼47.2%	+2.9	+94.1%
Other Variable Costs ⁽²⁾	50.6	22.8	34.5	▼16.0	▼31.8%	+11.7	+51.6%
Aircraft ⁽³⁾	31.7	32.9	34.1	+2.3	+7.5%	+1.2	+3.7%
Personnel ⁽³⁾	76.0	60.7	70.0	▼6.0	▼7.9%	+9.2	+15.3%
Other Costs ⁽³⁾	52.0	42.3	50.0	▼1.9	▼3.8%	+7.7	+18.2%
Total	330.9	215.4	303.0	▼27.8	▼8.4%	+87.5	+40.7%

Excludes temporal costs and variable factors, etc

Actual Fixed Costs ⁽⁴⁾

Expense Breakdown



- (1) Services = Expenses regarding inflight services, airport lounges, cargo equipment, etc. (2) Other linked cost = Travel agency, Mileage, Ground handling etc. (3) Includes costs that have variable factors such as the number of flights and passengers, and temporary and additional costs associated with business structural reforms. (4) Actual Fixed Costs excludes the variable factors such as the number of flights and passengers, and temporary and additional costs associated with business structural reforms.

- This page shows our cost management initiatives.
- The actual fixed cost was 120.7 billion yen. We are implementing appropriate cost control within the level to achieve the annual fixed cost of 500 billion yen, promised in the medium-term management plan.

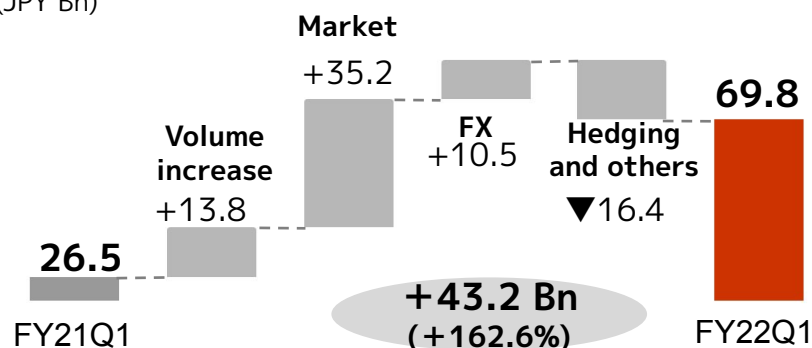
DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Fuel Costs



Changes in fuel costs

(JPY Bn)



FUEL/FX Markets

	FY21Q1	FY22Q1	Vs FY21Q1
Singapore Kerosene (USD/bbl)	68.4	136.9	+100.1%
Dubai Crude (USD/bbl)	64.5	107.3	+66.4%
FX rate (USDJPY)	108.7	125.3	+15.3%

Impact on profit per month by Fuel and FX rate changes from FY22Q2

(Incl. hedging and Fuel surcharges)

(JPY Bn)	Fuel Proces (USD/bbl)	Dubai Crude	95USD	105USD	115USD	125USD
		Singapore Kerosene	120USD	130USD	140USD	150USD
FX (USD/JPY)	140JPY		▼2.0	▼2.5	▼3.5	▼4.0
	135JPY		▼1.5	▼2.0	▼3.0	▼3.5
	130JPY		▼1.0	▼1.5	▼2.0	▼3.0
	125JPY		▼0.5	▼1.0	▼1.5	▼2.5
	120JPY		±0	▼0.5	▼1.0	▼1.5
Base						

• Hedging Ratio is 45% as of AUG 1, 2022.

- On this page, we will explain the fuel costs.
- Fuel costs for the first quarter was 69.8 billion yen, which increased by 43.8 billion yen year-on-year. While consumption did increase, this is mainly due to market situations. In addition to soaring crude oil prices and a significant depreciation of the yen, the difference between crude oil and jet fuel has been widened, making strong headwinds.
- The lower row shows the simulated impact by the market fluctuations after July.
- For example, if the FX is 130 yen and Singapore kerosene is 130 dollar per barrel, the impact on profit is minus 1.5 billion yen per month.
- As I mentioned at the beginning, the result of EBIT for the first quarter exceeded 20 billion yen compared with the initial forecast. We recognize that this level of impact to our profit is within our manageable level.
- Of course, if market conditions continue to be high, we will strive to counteract its negative impact by strengthening cost control for expenses other than fuel costs.

DETAILS OF FINANCIAL RESULTS FOR FY22Q1

Balance Sheet and Cash Flow



BS

✓ Equity ratio is 39.2% for credit evaluation basis, Net D/E ratio is x0.2, keeping a healthy level

CF

✓ Cash flow from operating activities is 78.7 billion yen for Q1FY22, Free cash flow is 46.3 billion yen of inflow

Consolidated Balance Sheet	End of FY21	End of FY22Q1	Diff.
Total Assets	2,371.6	2,444.9	+73.3
Cash and Deposits	494.2	530.3	+36.1
Balance of interest-bearing Debt	928.4	921.1	▼7.3
Repayment within one year (※1)	86.7 (14.4)	99.5 (13.5)	+12.7 (▼0.8)
Shareholders' Equity ⁽¹⁾	799.7	783.0	▼16.6
Shareholders' Equity Ratio (%) ⁽²⁾ (※2)	33.7% (41.1%)	32.0% (39.2%)	▼1.7pt (▼1.9pt)
D/E Ratio (x) ⁽³⁾	1.2x	1.2x	+0.0x
Net D/E Ratio (x) ⁽⁴⁾ (※3)	0.5x (0.3x)	0.5x (0.2x)	▼0.0x (▼0.0x)
Cash Flow	FY21Q1	FY22Q1	Diff.
Cash flow from Operating Activities	▼45.8	78.7	+124.6
Depreciation and Amortization	43.3	41.9	▼1.3
Cash Flow from Investment Activities	▼47.3	▼32.4	+14.8
Capital Investment	▼49.6	▼35.4	+14.2
Free Cash Flow ⁽⁵⁾	▼93.2	46.3	+139.5
Cash Flow from Financing Activities	41.5	▼15.0	▼56.6
Total Cash Flow ⁽⁶⁾	▼51.7	31.2	+82.9
EBITDA ⁽⁷⁾	▼39.2	14.4	+53.7

(JPY Bn)

※1 Figures in brackets represent aircraft lease payment within one year

※2 Figures in brackets represent Equity Ratio based on credit rating evaluation considering Hybrid Finance

※3 Figures in brackets represent Net D/E Ratio based on credit evaluation considering Hybrid Finance

(1) Equity attributable to owners of the parent

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

(3) Interest-Bearing Debt/Shareholders' Equity

(4) (Interest-Bearing Debt - Cash and Deposits) / Equity

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

(6) Cash flow from Operating Activities + Cash flow from Investment Activities + Cash Flow from Financial Activities

(7) EBITDA=EBIT+Depreciation

- This page shows our balance sheet and cash flow.
- The balance of interest-bearing debt has begun to decline. The net D/E ratio on a rating evaluation basis is 0.2 times, kept at a healthy level.
- Our cash position at the end of June was 530.3 billion yen, 36.1 billion yen increase from the previous fiscal year due to the accumulation of cash flow from operating activities. A safe level of cash position is secured with an unused credit line of 250 billion yen,.
- EBITDA achieved positive, and cash flow from operating activities was 78.7 billion yen of inflow, which increased significantly by 124.6 billion yen year-on-year due to an increase in advance payments reflecting the recovery of passenger demand. Free cash flow was 46.3 billion yen of inflow.
- Page 21 and beyond are for your reference.
- Thank you.

1. PERFORMANCE OVERVIEW FOR FY22Q1
2. RECENT OUTLOOK
3. DETAILS OF FINANCIAL RESULTS FOR
FY22Q1
4. **REFERENCES**

[Reference]

Mar/2023 Full-Year Performance Forecast



Consolidated Full-Year Forecast ※

(JPY Bn)	FY2021	FY2022		
	Result	Forecast	Diff.	(%)
Revenue	682.7	1,390.0	+707.2	+103.6%
Full Service Carrier	528.2	1,110.0	+581.7	+110.1%
Int'l Passenger	68.7	364.0	+295.2	+429.1%
Doms Passenger	235.1	525.0	+289.8	+123.3%
Cargo & Mail	218.3	208.0	▼10.3	▼4.7%
Full service carrier Other revenue	6.0	13.0	+6.9	+115.9%
LCC	2.7	38.0	+35.2	-
Mileage, Lifestyle, Infrastructure and others ⁽¹⁾	151.6	242.0	+90.3	+59.5%
Operating Expenses	940.2	1,325.0	+384.7	+40.9%
Fuel	145.4	290.0	+144.5	+99.4%
Excluding Fuel	794.7	1,035.0	+240.2	+30.2%
Others ⁽²⁾	18.0	15.0	▼3.0	▼16.7%
EBIT	▼239.4	80.0	+319.4	-
Profit or Loss	▼177.5	45.0	+222.5	-

Full Service Carrier

**Significant increase
in sales capturing
recovering demand**

FY22 Revenue
902.0 JPY Bn

Cargo & Mail

**Maintain good
performance from
previous fiscal year**

FY22 Revenue
208.0 JPY Bn

Full Service Carrier + Cargo & Mail

FY22 EBIT **40.0JPY Bn**

LCC (※)

**Improve EBIT by
recovering demand in
tourism**

FY22 Revenue
38.0 JPY Bn

FY22 EBIT
Balance

Mileage, Lifestyle and Infrastructure and others

**Take aggressive
challenges in addition
to sustainable growth**

FY22 Revenue
242.0JPY Bn

FY22 EBIT
40.0JPY Bn

※Revenues of the two consolidated subsidiaries, ZIPAIR Japan and Spring Japan. EBIT of the two subsidiaries and any factors related to the affiliated company accounted for by the equity-method, Jetstar Japan

- The Revenue and EBIT by each business area shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT
- The criteria shown above does not match Air Transport Business Segment or Others

※The forecast on the Full-year 2022 Earnings Forecast announced on May 6, 2022 has been rearranged according to the disclosure items on page 10 of this financial results briefing document.

(1) Mileage, Lifestyle and Infrastructure and others = Travel Agency, Mileage, Ground Handling etc.

(2) Others = Gain or Loss on Sales of Aircraft, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment

[Reference]

Operation Performance by Geographic Segment (Full Service Carrier)



Passenger Revenue

(%)	Component Ratio	Vs. FY19Q1	Vs. FY21Q1
	FY22Q1		
America	41%	▼32.0%	+373.4%
Europe	18%	▼47.0%	+677.9%
Asia/Oceania	33%	▼50.0%	+535.1%
China	4%	▼84.9%	+170.4%
Hawaii/Guam	4%	▼82.3%	+951.0%
Total	100%	▼52.2%	+457.0%

Revenue Passengers Carried

('000)	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
America	245	▼38.6%	+296.6%
Europe	60	▼69.0%	+377.0%
Asia/Oceania	369	▼67.2%	+487.7%
China	15	▼96.5%	+81.6%
Hawaii/Guam	38	▼86.2%	+927.1%
Total	728	▼70.0%	+387.5%

ASK

(MN seat km)	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
America	3,261	▼22.5%	+26.0%
Europe	958	▼52.2%	▼9.4%
Asia/Oceania	2,511	▼47.6%	+71.4%
China	46	▼94.9%	▼17.9%
Hawaii/Guam	319	▼82.7%	+478.5%
Total	7,097	▼48.4%	+35.9%

Load Factor

(%)	FY22Q1	Vs. FY19Q1	Vs. FY21Q1
America	70.1%	89.4%	22.5%
Europe	59.1%	87.7%	11.1%
Asia/Oceania	66.9%	85.2%	19.1%
China	64.7%	88.2%	30.0%
Hawaii/Guam	73.5%	86.8%	41.7%
Total	67.6%	87.3%	19.5%

RPK

(MN passenger km)	FY22Q1	Vs. FY19Q1	Vs. FY20Q1
America	2,287	▼39.2%	+293.6%
Europe	566	▼67.8%	+382.9%
Asia/Oceania	1,680	▼58.9%	+499.3%
China	29	▼96.3%	+77.3%
Hawaii/Guam	235	▼85.3%	+921.3%
Total	4,799	▼60.1%	+371.1%

[Reference]

Fleet Information



			End of FY21 (March 31, 2022)				End of FY22Q1 (June 30, 2022)				Diff. Total2 of Jun/22 - Mar/22
			Owned	Leased	Total 1	Total 2 retired aircraft excluded	Owned	Leased	Total 1	Total 2 retired aircraft excluded	
Full Service Carrier	Large	Airbus A350-900	11	4	15	15	12	4	16	16	+1
		Boeing 777-300ER	13	0 ⁽¹⁾	13	13	13	0 ⁽¹⁾	13	13	0
		Boeing 777-300	4	0	4	0	3	0	3	0	0
		Boeing 777-200ER	8	0	8	5	6	0	6	5	0
		Boeing 777-200	4	0	4	0	2	0	2	0	0
		Large-sized Total	40	4	44	33	36	4	40	34	+1
	Middle	Boeing 787-9	19	3	22	22	19	3	22	22	0
		Boeing 787-8	25	0	25	25	25	0 ⁽¹⁾	25	25	0
		Boeing 767-300ER	29	0	29	29	29	0	29	28	▼1
		Middle-sized Total	73	3 ⁽¹⁾	76	76	73	3	76	75	▼1
	Small	Boeing 737-800	47	12	59	58	48	10	58	58	0
		Small-sized Total	47	12	59	58	48	10	58	58	0
	Regional	Embraer 170 / Embraer 190	32	0	32	32	32	0	32	32	0
		De Havilland DHC-8-400CC	5	0	5	5	5	0	5	5	0
		ATR42-600 / ATR72-600	12	1	13	13	13	1	14	14	+1
		Regional Total	49	1	50	50	50	1	51	51	+1
Full Service Carrier Total			209	20	229	217	207	18	225	218	+1
LCC	Boeing 787-8		4	0	4	4	4	0	4	4	0
	Boeing 737-800		0	6	6	6	0	6	6	0	
LCC Total			4	6	10	10	4	6	10	10	0
Full Service Carrier + LCC Total			213	26	239	227	211	24	235	228	+1

(1) The difference between Total 1 and Total 2 is retired aircraft as of the end of June

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