

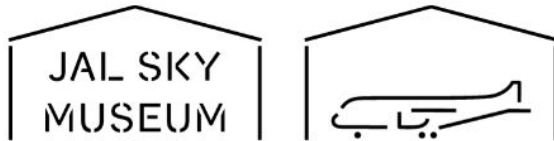
# JAPAN AIRLINES Co., Ltd.

## Financial Results

### 1st Half Mar/2023 (FY2022)



JAPAN AIRLINES



「JAL SKY MUSEUM」  
received the  
Kids Design Award  
2022



“JAL SKY MUSEUM” received the “Good Design Award” and “Kids Design Award” for 2022

November 1, 2022



SKYTRAX

Covid-19 Safety  
Rating  
5-Star



SKYTRAX

COVID-19 Excellence Award



SKYTRAX

World Airline Star  
Rating  
5-Star



SKYTRAX

World's Best Economy Class



APEX

Health Safety Powered  
by SimpliFlying Audit  
Diamond



BEST WIFI  
IN EASTERN ASIA  
WINNER 2022



APEX  
WORLD CLASS



APEX  
FIVE STAR



2022 Award for Excellence  
in Corporate Disclosure  
— Industries —

SAAJ The Securities Analysts  
Association of Japan



The 9th  
IR Good Visual Award



Local Revitalization  
Remote Working  
Promotion Campaign  
Action Declaration



2022  
健康経営優良法人  
ホワイト500  
Health and Productivity  
Management Brand

## 1. PERFORMANCE OVERVIEW FOR FY22Q2

## 2. FORECAST FOR FY22 FULL-YEAR

## 3. INITIATIVES FOR THE SECOND HALF

## 4. DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## 5. REFERENCES

### ESG Indices



FTSE Blossom  
Japan Index



FTSE Blossom  
Japan Sector  
Relative Index

### 2022 CONSTITUENT MSCI JAPAN ※ EMPOWERING WOMEN INDEX (WIN)

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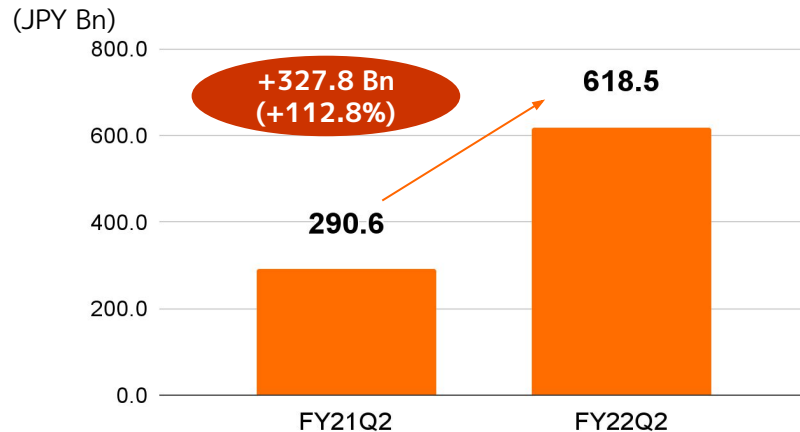
- Note (1) Regarding figures in tables of this material, amounts are rounded down to the nearest hundred million yen, and the second decimal point in ratios is rounded off to one decimal point. Regarding percentage or ratio compared to prior year, if changes exceed 1000%, “—” is shown.
- (2) The 2nd Quarter results (July to September) are calculated by deducting the results of 1st Quarter (April to June) from 1st Half (April to September).
- (3) LCC=Low Cost Carrier
- (4) We introduced ESG-related index selections to evaluate executive officer's compensations. ※ indicates the applicable index.

# PERFORMANCE OVERVIEW FOR FY22Q2

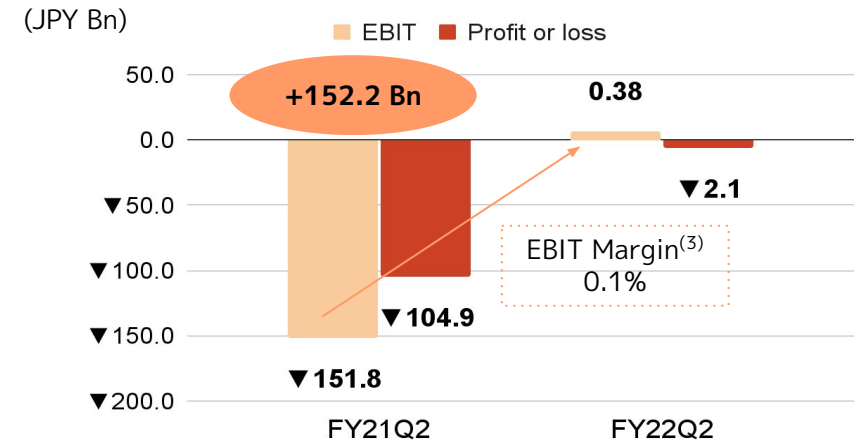


- ✓ Revenue · EBIT improved and EBIT turned into the black for this first half despite the increase in fuel prices and depreciation of the yen, as the shift toward balancing the infection prevention and socioeconomic activities gained momentum

## Revenue



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



## Fuel/FX Markets

	1st Half FY21	1st Half FY22	y/y
Singapore Kerosene (USD/bbl)	72.1	140.4	+94.7%
Dubai Crude Oil (USD/bbl)	67.9	105.8	+55.8%
FX Rate (JPY/USD)	109.5	130.8	+19.5%

## Operational Preconditions/ASK

Vs. 1st Half FY21		
International Routes	Domestic Routes	Total
+64.0%	+65.3%	+64.6%

(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

- In the 2nd quarter, EBIT was profitable on a quarterly basis for the first time after the pandemic. We achieved a cumulative profit of 300 million yen in the second quarter, improving by 152.2 billion yen year-on-year. The net loss was 2.1 billion yen, just one step away from turning into black.
- Despite being significantly affected by the “7th wave” of the pandemic’s spread in Japan, passenger demand has steadily recovered as the movement toward balancing social economic activities and the prevention of infection gained momentum. As a result, revenue was 618.5 billion yen, improving by 327.8 billion yen year-on-year.

# FY22Q2 Performance by Business Domain



## Full Service Carrier

Profitability steadily improved and turned into the black in 2nd quarter alone with demand at 40% for int'l & 75% for dom (vs. FY2019), despite soaring fuel prices

FY22Q2 Revenue  
**379.6 JPY Bn**

## Cargo & Mail

Achieved revenue increase amid declining aggregate demand by securing volume at a high unit price

FY22Q2 Revenue  
**126.2 JPY Bn**

Full Service carrier + Cargo & Mail

FY22 Q2 EBIT **▼15.0 JPY Bn**

## LCC

Flight restrictions for China and difficult environment for dom LCCs continue, but steady growth for mid-long int'l LCC

FY22Q2 Revenue  
**11.5 JPY Bn**

Revenues of the two consolidated subsidiaries, ZIPAIR and Spring Japan

FY22Q2 EBIT  
**▼3.8 JPY Bn**

EBIT of the two subsidiaries and any factors related to the affiliated company accounted for by the equity-method, Jetstar Japan

## Mileage, Lifestyle, Infrastructure and Others

Mileage business shows steady profits, consolidation of JALUX for expansion of commerce toward 2nd business pillar

FY22Q2 Revenue  
**101.0 JPY Bn**

FY22Q2 EBIT  
**19.3 JPY Bn**

- 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 Transport Business 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 using internal management figures
- The full service carrier business domain posted an EBIT loss of 15 billion yen. The cargo business continued to perform strongly, but the recovery in passenger demand was delayed due to continued border restrictions and domestic infections making this business domain to result in a loss.
- However, both international and domestic passenger business have turned into black in the second quarter. In spite of the cost increase caused by FX and fuel price, we were able to turn into black. This was achieved with international passenger numbers at 40% compared to 2019 results, and domestic passenger number at 75%, which was 5 points less than our previous forecast of break-even. This clearly shows our profitability is steadily improving.
- A significant increase in sales has been achieved by capturing the recovering passenger demand through appropriate preparation of resources.
- As for the LCC business domain, it resulted in an EBIT loss of 3.8 billion yen. ZIPAIR is becoming widely recognized in the market and is steadily capturing tourism and VFR demands.
- On the other hand, it was a challenging period for Spring Japan due to the strict border control in China.
- Jetstar Japan also posted a loss.
- The Mileage, Lifestyle and Infrastructure business domain recorded an EBIT profit of 19.3 billion yen. The effect of the consolidation with JALUX and the sales of mileage to our partners recorded strong performance. This business domain plays a leading role as a future growth driver with stable profitability.

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- 2. FORECAST FOR FY22 FULL-YEAR**
3. INITIATIVES FOR THE SECOND HALF
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5. REFERENCES



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# FY22 Full-Year Performance Forecast

- ✓ To reflect the current situation, the forecast for revenue & operating expense is revised, while forecast for EBIT & Profit/Loss remains unchanged
- ✓ We will strive to achieve the profit forecast through rapid increase in int'l & dom demand and int'l unit revenue, as well as increased cargo revenue to offset market price increases

(JPY Bn)	FY2021	FY2022			
	Results	Previous Forecast	New Forecast	Diff. Forecast	Diff. y/y
Revenue	682.7	1,390.0	1,404.0	+14.0	+721.2
Full Service Carrier	528.2	1,110.0	1,128.0	+18.0	+599.7
International PAX	68.7	364.0	404.0	+40.0	+335.2
Domestic PAX	235.1	525.0	471.0	▼54.0	+235.9
Cargo / Mail	218.3	208.0	238.0	+30.0	+19.6
Other Revenue	6.0	13.0	15.0	+2.0	+8.9
LCC (1)	2.9	38.0	35.0	▼3.0	+32.0
Millage, Lifestyle and Infrastructure and others(2)	151.5	242.0	241.0	▼1.0	+89.4
Operating Expense	940.2	1,325.0	1,356.0	+31.0	+415.7
Fuel	145.4	290.0	322.0	+32.0	+176.5
Excluding Fuel	794.7	1,035.0	1,034.0	▼1.0	+239.2
Others(3)	18.0	15.0	32.0	+17.0	+13.9
EBIT	▼239.4	80.0	80.0	0.0	+319.4
Profit or loss	▼177.5	45.0	45.0	0.0	+222.5

EBIT by Business Domain		
(JPY Bn)	FY2022 Forecast	
	Previous	New
Full Service Carrier	40.0	47.0
Cargo / Mail		
LCC (1)	Balance	▼9.0
Millage, Lifestyle and Infrastructure and others(2)	40.0	42.0

Fuel/FX Markets			
	FY2021 Results	FY2022 Forecast	
		Previous	New
Singapore Kerosene (USD/bbl)	81.6	120.0	132.7 (2nd Half 125.0)
Dubai Crude Oil (USD/bbl)	74.3	95.0	102.9 (2nd Half 100.0)
FX Rate (JPY/USD)	111.6	120.0	137.9 (2nd Half 145.0)

- 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 Transport Business Segment or Others

(1) LCC = Passenger revenue and related charges or fees. Revenues of the two consolidated subsidiaries,

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

(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) The results for FY2021 in the FY22Q1 financial results presentation released on August 1, 2022 have been revised to reflect the change in the classification of fees recorded for LCC passengers.

- On this page, I will focus on some points regarding the revisions made to the earnings forecast announced this time.
- The full-year consolidated earnings forecast for EBIT of 80 billion yen and Net Profit of 45 billion yen is not changed. Regarding revenues, we expect an increase in international passenger revenues due to the long-awaited relaxation of border restrictions and international cargo revenues which remains strong, although there is a downturn in domestic passenger revenues due to the impact of the 7th wave of infections. In total, revenues are expected to exceed the initial forecast by 14 billion yen.
- The forecast for expenses has been increased from the initial forecast by 31.0 billion yen due to the impact of fuel and FX market conditions. We have revised our market assumptions; fuel is set at 125 dollars per barrel of Singapore kerosene, and FX rate is 145 yen per dollar. These market conditions causes a significant hike in both fuel and non-fuel costs, significantly exceeding the initial forecasts.
- Despite these headwinds, we will make every effort to maximize our profit through factors such as the rapid increase of Japan-bound passengers, boosted domestic tourism demand from the launch of the nationwide travel support program, and efforts to cut non-fuel costs.
- In addition, we expect additional profit from the sales of aircraft. We will achieve the EBIT of 80 billion yen and net income of 45 billion Yen by all means.

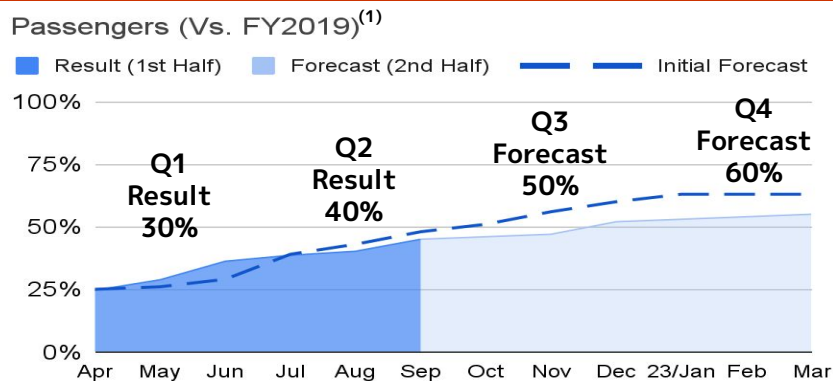
# Premises of Performance Forecast for FY22 Full-year Int'l & Domestic Passenger Operations (FSC)



- ✓ For Int'l, higher revenue than the initial forecast is expected through significant increase in unit revenue despite lower number of passengers than initial forecast
- ✓ For Dom, although rapid recovery is expected from the nationwide travel support subsidy program, downturn through October caused revenue to be lower than the initial forecast

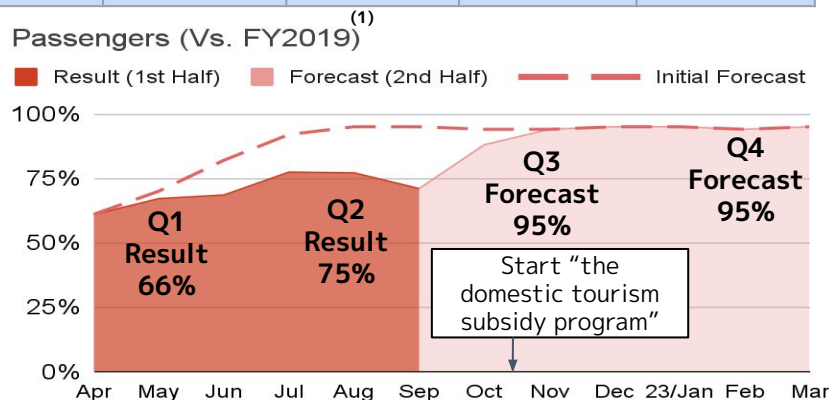
## Passenger Demand

### International



Initial Forecast	Approx. 25%	Approx. 45%	Approx. 55%	Approx. 65%
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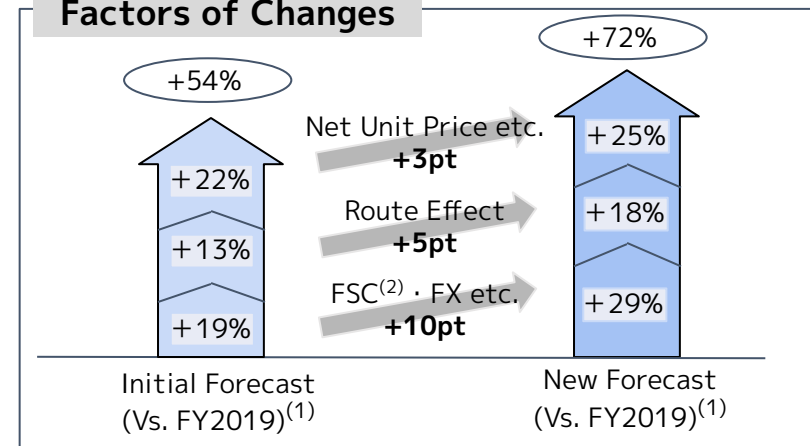
### Domestic



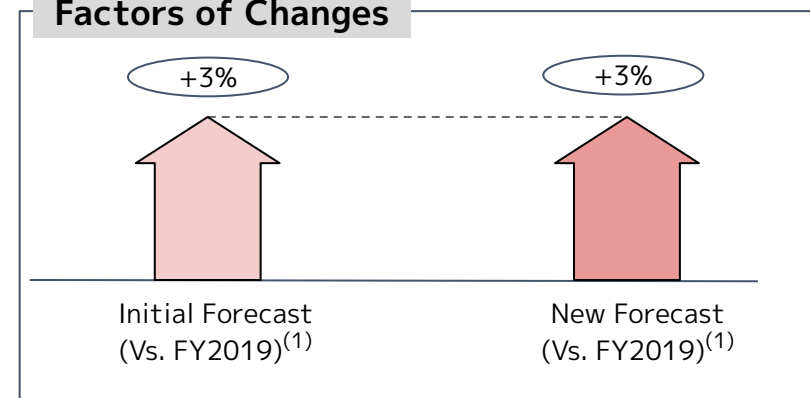
Initial Forecast	Approx. 75%	Approx. 95%	Approx. 95%	Approx. 95%
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## Revenue per Passenger

### Factors of Changes



### Factors of Changes



(1) vs FY2019 For January to March, based on demand estimation released in FY19 Q3 results (2) FSC=Fuel Surcharge

- On this page, I will explain the current trends in passenger demand for the full service carrier business.
- For international, due to factors such as the border restrictions in China, we do not expect the number of passengers to reach the initially-forecasted level for this fiscal year.
- On the other hand, the supply-demand balance continues to be tight, especially on European and North American routes. This factor and the depreciation of Yen has contributed to a significant improvement in unit prices, especially for flights departing from overseas. As a result, international passenger revenue in the second half is expected to exceed the initial forecast.
- For domestic, the recovery in demand was slower than initially expected due to the impact of the “seventh wave” of the pandemic, but with the launch of nationwide travel support program, domestic passenger demand is recovering rapidly.
- From November, we expect the number of passengers to recover to 95% of the pre-pandemic level, which is the initial forecast for this fiscal year. However, domestic passenger revenue in the second half is expected to fall slightly below the initial forecast due to the delayed recovery of demand in the first half of October.
- Contrary to some other airlines, there are no major resource-related concerns about our operations. Together with our employees, we will capture the opportunity of the rapidly recovering demand.

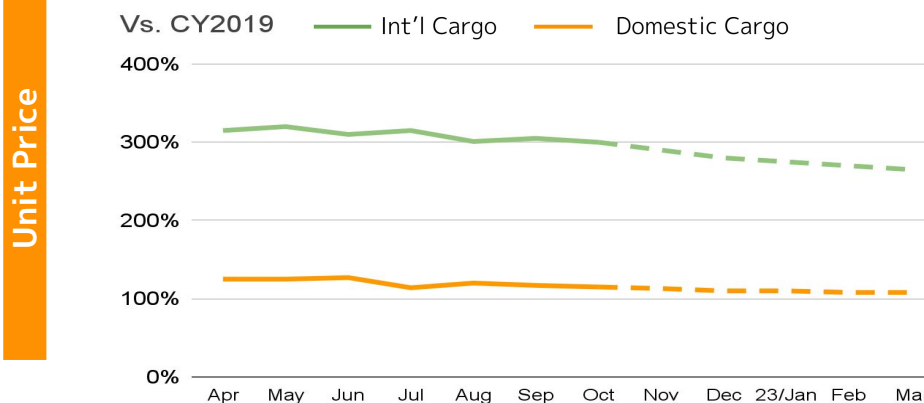
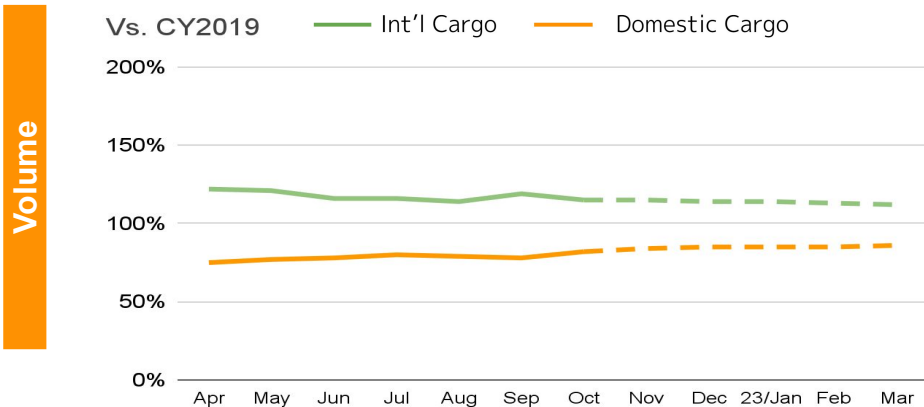
# Premises of Performance Forecast for FY22 Full-year

## Cargo, Fuel/FX Markets



- ✓ International cargo is expected to maintain high unit prices and revenues are expected to exceed the initial forecast, despite a loosening supply-demand balance.
- ✓ FX is set at 145 JPY per USD, fuel at 125 USD per barrel of Singapore Kerosene

### Cargo



### Impact on profit per month by Fuel and FX rate changes from FY22Q3 (Incl. hedging and Fuel surcharges)

(JPY Bn)	Fuel Proces (USD/bbl)	Dubai Crude	95USD	100USD	105USD	115USD
		Singapore Kerosene	120USD	125USD	130USD	140USD
FX (JPY/USD)	160JPY		▼0.5	▼1.0	▼2.0	▼3.0
	150JPY		±0	▼0.5	▼1.0	▼2.0
	145JPY		+0.5	Base	▼0.5	▼1.0
	140JPY		+1.0	+0.5	±0	▼1.0
	130JPY		+2.0	+1.0	+0.5	±0

### International Passenger Fuel Surcharge

	Oct. to Nov.	Dec. to Jan.	Feb. to Mar.
<b>Outbound</b>	Zone JPY20,000	Zone JPY17,000	Zone JPY18,000
<b>Inbound</b>	Zone USD150	Zone USD120	Zone USD120
<b>Remarks</b>	Already Determined		Depends on the market conditions of Oct. to Nov.

If fuel price and exchange rate remain at "USD125 per barrel of Singapore kerosene and JPY145 per USD" level, we expect fuel surcharge to be at "outbound Zone JPY18,000 and inbound Zone USD120"

- This page shows the performance of the Cargo business and the impact from the fuel and FX market situations.
- Regarding the international cargo business, although the extremely tight supply-demand situation has been gradually settling down, we will work to continue to maintain volume and unit price by capturing special cargo demand such as pharmaceuticals and utilizing long-term contracts. Thus, we expect the strong performance to continue.
- The table on the right side shows the monthly impact on profit of FX rate and fuel price fluctuations. This time we have reviewed our market assumptions. The current market conditions are very volatile, especially the FX rate, thus we are paying close attention to its impact on our earnings.
- Currently, the ratio of foreign currency-denominated income has increased due to the rapid recovery of Japan-bound demand, thus the negative impact of increasing costs has been mitigated to some extent.

1. PERFORMANCE OVERVIEW FOR FY22Q2
2. FORECAST FOR FY22 FULL-YEAR
- 3. INITIATIVES FOR THE SECOND HALF**
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5. REFERENCES





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# INITIATIVES FOR THE SECOND HALF



## Full Service Carrier



### International

- ❑ Increase supply for strong N. American routes
- ❑ Strengthen overseas revenue management

### Domestic

- ❑ Larger aircraft and increased flights for rising demand

## LCC



### ZIPAIR

- ❑ Strong sales toward San Jose flights
- ❑ Increased flights to capture inbound demand

### Spring Japan

- ❑ Proactive domestic flights while waiting for China's easing of border restrictions

## Cargo · Mail

- ❑ Securing volume & revenue maximization aimed by utilizing other carriers' capacity & flexible sale measures
- ❑ Expand volume of high-value cargo by utilizing "JAL MEDI PORT" - a storage facility for pharmaceuticals

## Mileage, Lifestyle, Infrastructre

### Mileage · Commerce

- ❑ Expand opportunities to utilize miles by expanding services like Rakuten/JALUX

### Air Mobility

- ❑ Advance discussions with Volocopter, a leader in equipment development

## Other

**Supply** Staffing secured to quickly recover flights and meet demand recovery

**Costs** Cost reduction will be continued primarily around actual fixed costs

**Regional** Code share of 5 companies<sup>(1)</sup> for regional revitalization through sustainable route operations

- On this page, we will explain our initiatives for this second half.
- For the full service carrier business domain, we will aim to increase revenues by expanding our supply in response to the rapidly recovering demand and by improving unit prices through appropriate revenue management.
- For the international cargo business, our demand remains strong while overall demand is settling down. We will expand the use of other carriers' capacity to compensate for the decrease in cargo space on passenger flights due to the impact of the situation in Russia and Ukraine, to maintain the volume and unit revenue that is significantly higher than pre-pandemic.
- As for the LCC business, ZIPAIR will launch its Narita - San Jose route in December, which is their second transpacific route, and the reservations have been very strong. Spring Japan faces challenging situations, but they plan to increase their revenue by shifting their resources to domestic flights.
- Regarding our mileage business, we are preparing for the new mileage program announced in our rolling plan. We will show details when we are ready. Also, we are currently considering the business model of the flying cars with Volocopter, aiming for launch at the Osaka/Kansai Expo in 2025.

1. PERFORMANCE OVERVIEW FOR FY22Q2
2. FORECAST FOR FY22 FULL-YEAR
3. INITIATIVES FOR THE SECOND HALF
- 4. DETAILS OF FINANCIAL RESULTS FOR FY22Q2**
5. REFERENCES



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# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## Consolidated Financial Results



(JPY Bn)	1st Half							2nd Quarter		
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2		Vs. FY21Q2		FY22Q2	Vs. FY21Q2	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Revenue	748.9	290.6	618.5	▼130.4	▼17.4%	+327.8	+112.8%	349.6	+192.0	+121.8%
Full Service Carrier	612.2	219.1	505.8	▼106.3	▼17.4%	+286.7	+130.9%	287.4	+166.0	+136.8%
International PAX	272.9	29.1	163.2	▼109.6	▼40.2%	+134.1	+460.3%	100.7	+82.8	+462.4%
Domestic PAX	285.8	89.7	208.6	▼77.1	▼27.0%	+118.9	+132.5%	120.6	+68.9	+133.4%
Cargo / Mail	45.1	98.3	126.2	+81.0	+179.5%	+27.8	+28.3%	60.9	+10.2	+20.1%
Other Revenue	8.3	1.8	7.6	▼0.6	▼7.7%	+5.8	+313.9%	5.0	+4.0	+389.4%
LCC (1)	-	0.8	11.5	-	-	+10.7	-	8.1	+7.3	+871.9%
Millage, Lifestyle and Infrastructure and others (2)	136.7	70.6	101.0	▼35.6	▼26.1%	+30.3	+43.0%	54.0	+18.6	+52.6%
Operating Expense	671.5	442.9	637.2	▼34.2	▼5.1%	+194.3	+43.9%	334.2	+106.7	+46.9%
Fuel	127.7	58.9	154.8	+27.0	+21.2%	+95.8	+162.5%	84.9	+52.6	+162.4%
Excluding Fuel	543.7	383.9	482.4	▼61.3	▼11.3%	+98.4	+25.6%	249.2	+54.1	+27.7%
Others (3)	5.5	0.4	19.1	+13.5	+245.9%	+18.6	-	12.4	+11.7	-
EBIT	82.9	▼151.8	0.3	▼82.5	▼99.5%	+152.2	-	27.9	+97.0	-
EBIT Margin(%)	11.1%	-	0.1%	▼11.0pt	-	-	-	8.0%	-	-
Profit or loss	54.1	▼104.9	▼2.1	▼56.2	-	+102.8	-	17.4	+64.5	-
RPK (MN passenger km)	39,419	7,062	23,144	▼16,275	▼41.3%	+16,081	+227.7%	13,466	+9,439	+234.4%
ASK (MN seat km)	46,222	22,072	36,338	▼9,884	▼21.4%	+14,266	+64.6%	19,968	+8,361	+72.0%
EBITDA Margin(%) (4)	21.7%	-	13.5%	▼8.2pt	-	-	-	19.7%	-	-

(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 page 12, I will show you the result of the second quarter.
- Page 12 shows consolidated results.



# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## Changes in EBIT (Revenues / Expenses)

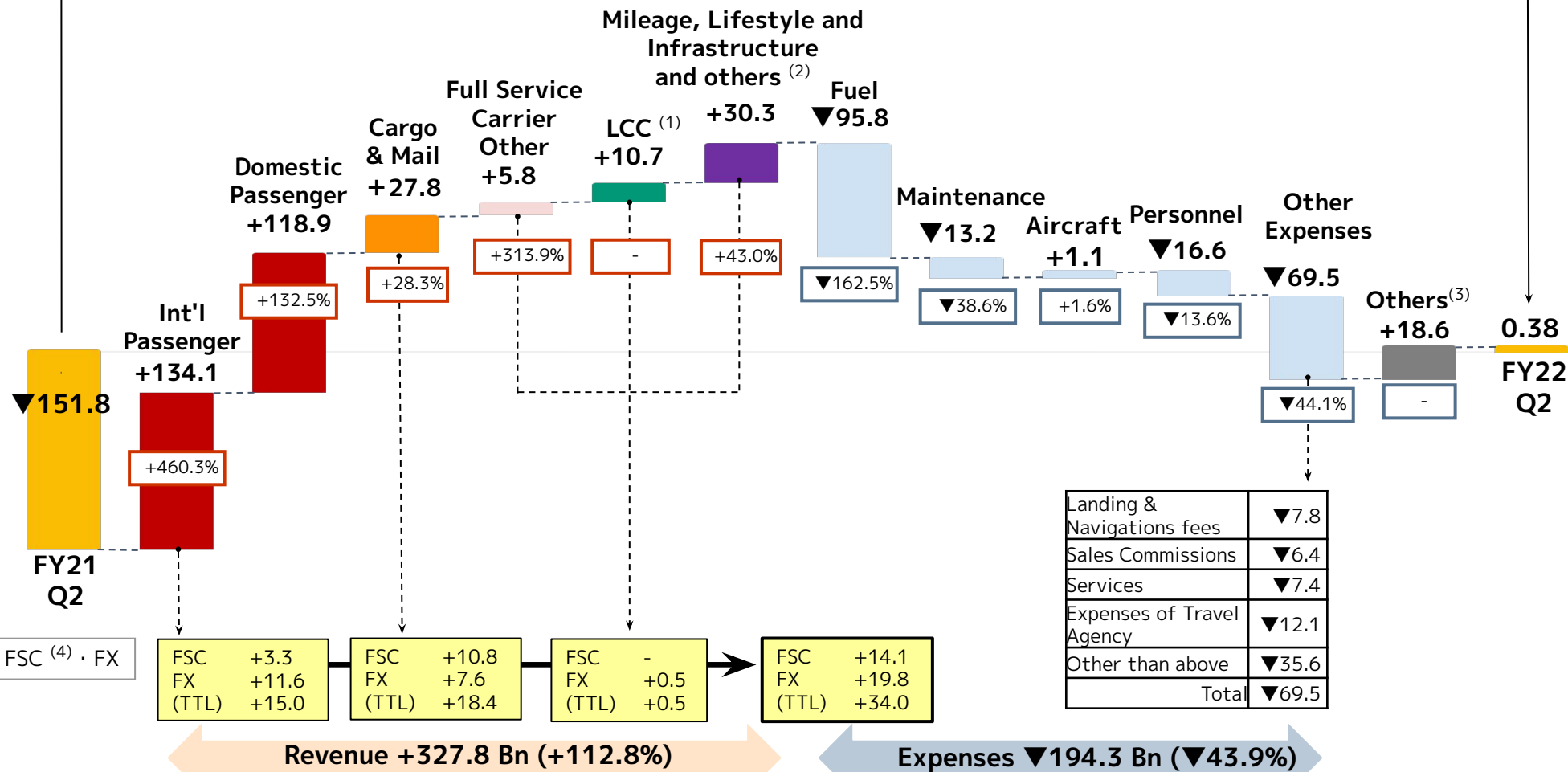


RPK y/y : +227.7%  
ASK y/y : +64.6%

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

**+152.2 Bn**

(JPY Bn)



(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) FSC = Fuel Surcharge

- This page shows the factors behind the improvement in EBIT through revenue and expense.
- Revenues increased in all areas, by 327.8 billion yen year-on-year. Due to the recovery in passenger demand, the increase in international passenger and domestic passenger revenues may stand out, but cargo revenues have also increased since last fiscal year, which recorded a significant increase in revenues, and are continuing to perform strongly.
- 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. We have continued to take appropriate cost control measures, thus cost increase was suppressed to 194.3 billion yen. Also, other income improved by factors such as the sales of aircraft.
- As a result, EBIT improved by 152.2 billion yen year-on-year, and we have achieved EBIT profitability on a cumulative quarterly basis for the first time since the pandemic.

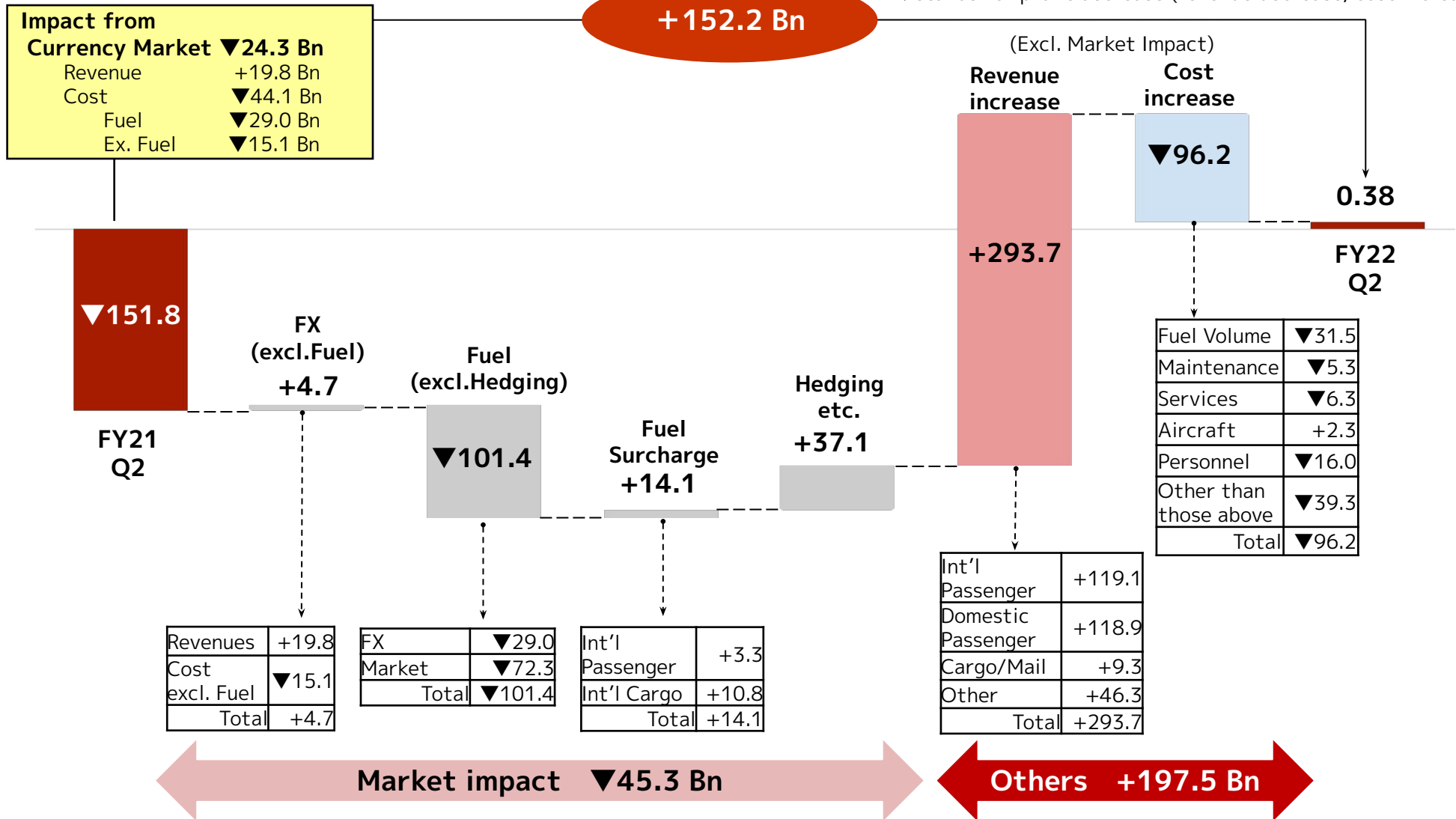
# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## 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)



- This page shows the improvement of EBIT divided into market impacts and other factors.
- The impact of market was a negative of 45.3 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 its 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 an improvement of 197.5 billion yen. We will continue to strive to improve profitability by offsetting the negative impact of market conditions caused by the unprecedented depreciation of the yen.
- The fuel market has been gradually settling down and the level of the fuel surcharges is going down. We will continue to pay close attention to the fuel market.

# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

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



International Passenger	1st Half					2nd Quarter	
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
Passenger Revenue (JPY Bn)	272.9	29.1	163.2	▼40.2%	+460.3%	100.7	+462.4%
Passengers ('000)	4,946	353	1,742	▼64.8%	+392.7%	1,013	+396.4%
RPK (MN passenger km)	24,716	2,442	11,574	▼53.2%	+373.9%	6,775	+375.9%
ASK (MN seat km)	27,835	10,742	16,402	▼41.1%	+52.7%	9,305	+68.6%
L/F (%)	88.8%	22.7%	70.6%	▼18.2pt	+47.8pt	72.8%	+47.0pt
Revenue per Passenger (JPY) (2)	55,175	82,392	93,707	+69.8%	+13.7%	99,437	+13.3%
Yield (JPY) (3)	11.0	11.9	14.1	+27.7%	+18.2%	14.9	+18.2%
Unit Revenue (JPY) (4)	9.8	2.7	10.0	+1.5%	+267.0%	10.8	+233.6%

Domestic Passenger	1st Half					2nd Quarter	
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
Passenger Revenue (JPY Bn)	285.8	89.7	208.6	▼27.0%	+132.5%	120.6	+133.4%
Passengers ('000)	19,409	6,155	13,717	▼29.3%	+122.9%	7,636	+121.6%
RPK (MN passenger km)	14,703	4,582	10,554	▼28.2%	+130.3%	5,984	+132.8%
ASK (MN seat km)	18,387	10,694	17,455	▼5.1%	+63.2%	9,267	+62.0%
L/F (%)	80.0%	42.9%	60.5%	▼19.5pt	+17.6pt	64.6%	+19.7pt
Revenue per Passenger (JPY) (2)	14,725	14,582	15,212	+3.3%	+4.3%	15,800	+5.3%
Yield (JPY) (3)	19.4	19.6	19.8	+1.7%	+1.0%	20.2	+0.2%
Unit Revenue (JPY) (4)	15.5	8.4	12.0	▼23.1%	+42.5%	13.0	+44.1%

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

- This page shows the performance of international and domestic passenger business.
- International passenger revenue was 163.2 billion yen, recovering to approximately 60% compared to fiscal year 2019.
- Domestic passenger revenue was 208.6 billion yen, recovering to approximately mid-70% of fiscal year 2019.
- While both international and domestic passenger demand is recovering, we have been able to maintain and achieve a high level of unit price compared to last year by implementing fare revisions and conducting appropriate revenue management measures.

# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## Cargo



International Cargo	1st Half					2nd Quarter	
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
Cargo Revenue (JPY Bn)	29.7	80.8	109.0	+267.2%	+35.0%	52.1	+24.3%
Available Ton Km (MN ton km)	2,233	1,616	1,857	▼16.8%	+14.9%	962	+16.1%
Revenue Ton Km (MN ton km)	1,212	1,509	1,446	+19.3%	▼4.2%	716	▼7.4%
Carried Cargo Weight (Thousand ton)	200	248	235	+17.4%	▼5.0%	117	▼7.5%
Revenue Ton (JPY/kg)	148	326	463	+212.7%	+42.0%	444	+34.3%

Domestic Cargo	1st Half					2nd Quarter	
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
Cargo Revenue (JPY Bn)	10.3	10.7	9.7	▼5.7%	▼9.1%	4.9	▼5.6%
Available Ton Km (MN ton km)	845	482	799	▼5.4%	+65.7%	427	+66.8%
Revenue Ton Km (MN ton km)	165	109	133	▼19.6%	+21.9%	69	+24.6%
Carried Cargo Weight (Thousand ton)	178	111	139	▼22.2%	+24.7%	72	+28.1%
Revenue Ton (JPY/kg)	58	96	70	+21.2%	▼27.1%	68	▼26.2%



- This page shows the performance of the Cargo business.
- The total weight of international cargo was slightly lower compared to last year due to the global decline in the demand. However, the decrease for JAL was smaller than other competitors, and high level of unit prices continue. As a result, revenue recorded 109.0 billion yen which is approximately 35% higher than the previous year's revenue, showing strong performance.
- For domestic cargo, performance was steady for the second quarter, while unit price has been normalized due to the recovery of domestic supply.

# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## LCC



LCC	ZIPAIR					Spring Japan <sup>(1)</sup>		
	1st Half			2nd Quarter		1st Half	2nd Quarter	
	FY21Q2	FY22Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2	FY22Q2	FY22Q2	Vs. FY21Q2
Passenger Revenue (JPY Bn)	0.1	7.4	-	5.3	-	3.6	2.4	+252.5%
Passengers ('000)	5	162	-	109	-	208	165	+617.7%
RPK (MN passenger km)	14	841	-	572	-	173	134	+495.8%
ASK (MN seat km)	578	2,155	+272.4%	1,171	+280.8%	325	223	+297.5%
L/F (%)	2.6%	39.1%	+36.5pt	48.9%	+45.5pt	53.4%	60.2%	+20.0pt
Revenue per Passenger (JPY) <sup>(2)</sup>	24,888	45,692	+83.6%	49,405	+86.5%	17,653	14,853	▼50.9%
Yield (JPY) <sup>(3)</sup>	8.6	8.8	+2.9%	9.4	+3.4%	21.2	18.3	▼40.8%
Unit Revenue (JPY) <sup>(4)</sup>	0.2	3.5	-	4.6	-	11.3	11.0	▼11.3%

(Reference) Jetstar Japan	1st Half			2nd Quarter	
	FY21Q2	FY22Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
Passengers ('000)	1,249	2,102	+68.2%	1,140	+49.6%
L/F (%)	69.6%	77.8%	+8.2pt	79.1%	+7.0pt

(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 our 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 turned into black in July. Their business model, which is specialized in the medium to long haul LCC is growing steadily.
- Spring Japan, which was consolidated last year, is having a time of patience as there is limited international flights due to China's continued strict border restrictions, and 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. They are showing significant improvement in their load factor, but are continuously making a loss at this moment. Therefore, we are currently working toward a profitable structure with our joint business partner, Qantas Airways.

# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## Expenses



- ✓ Actual fixed cost for FY22Q2 was 244.6 billion yen. Further cost control will be conducted to suppress increase in costs by the market & cut costs below the annual target of 500 bil.

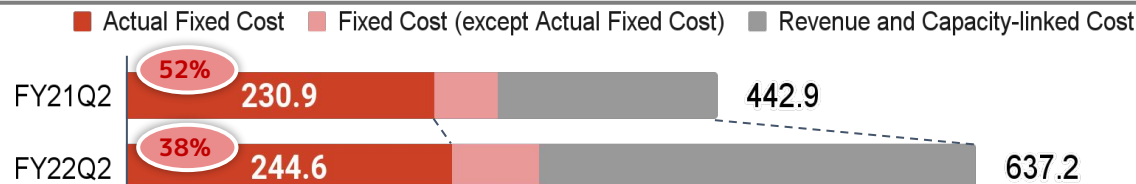
### Major Operating Expense Items

(JPY Bn)	1st Half							2nd Quarter		
	FY19Q2	FY21Q2	FY22Q2	Vs. FY19Q2		Vs. FY21Q2		FY22Q2	Vs. FY21Q2	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Fuel	127.7	58.9	154.8	+27.0	+21.2%	+95.8	+162.5%	84.9	+52.6	+162.4%
Landing and navigation fees	43.5	16.2	24.1	▼19.3	▼44.4%	+7.8	+48.5%	12.8	+4.6	+56.1%
Maintenance	39.1	34.4	47.7	+8.5	+21.7%	+13.2	+38.6%	25.0	+8.2	+48.8%
Sales commissions (Air Transport)	9.5	2.8	9.3	▼0.1	▼1.7%	+6.4	+225.4%	4.9	+3.3	+217.9%
Services(1)	23.4	6.5	13.9	▼9.4	▼40.3%	+7.4	+113.3%	8.0	+4.5	+130.3%
Other variable cost(2)	107.9	47.0	77.0	▼30.8	▼28.6%	+29.9	+63.7%	42.5	+18.2	+75.2%
Aircraft(3)	63.5	69.0	67.9	+4.4	+7.0%	▼1.1	▼1.6%	33.8	▼2.3	▼6.4%
Personnel(3)	151.1	122.5	139.2	▼11.9	▼7.9%	+16.6	+13.6%	69.1	+7.4	+12.0%
Other cost(3)	105.4	85.1	102.8	▼2.5	▼2.5%	+17.7	+20.9%	52.7	+10.0	+23.5%
Total Operating Expenses	671.5	442.9	637.2	▼34.2	▼5.1%	+194.3	+43.9%	334.2	+106.7	+46.9%

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.

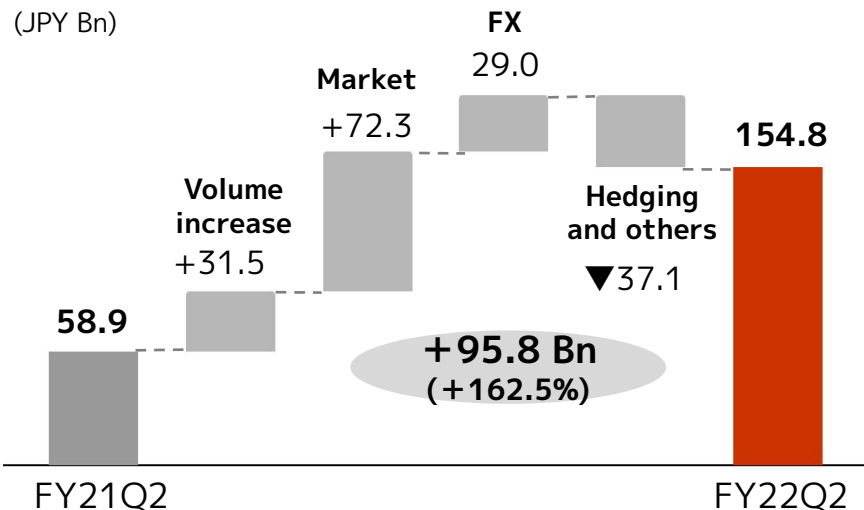
- This page shows the breakdown of the cost and our cost management initiatives.
- Due to the impact of the fuel exchange market and the recovery of demand, costs linked to the scale of operations and the number of passengers increased significantly compared to the previous fiscal year. On the other hand, the actual fixed cost was 244.6 billion yen, which is at a lower level than the annual fixed cost of 500 billion yen, promised in the medium-term management plan. We are confident that we will achieve the target of 500 billion yen throughout this year.
- We will continue to maintain appropriate cost control and make every effort to offset any expenses that may increase due to fuel and FX market conditions.

# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

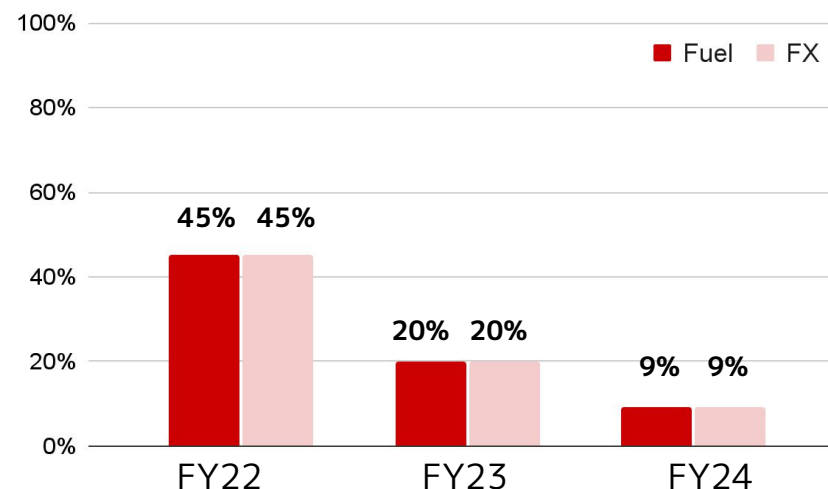
## Fuel Costs



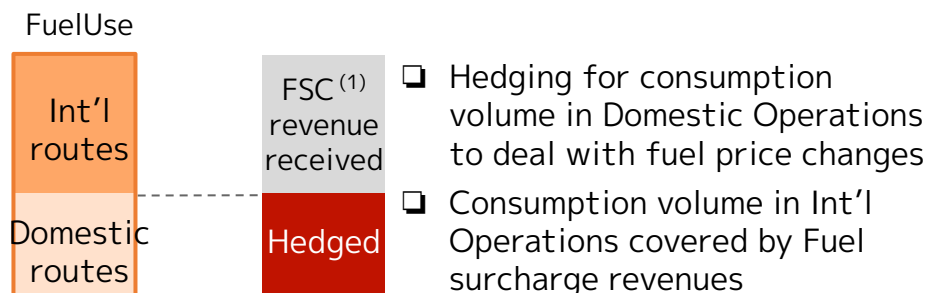
### Changes in fuel costs



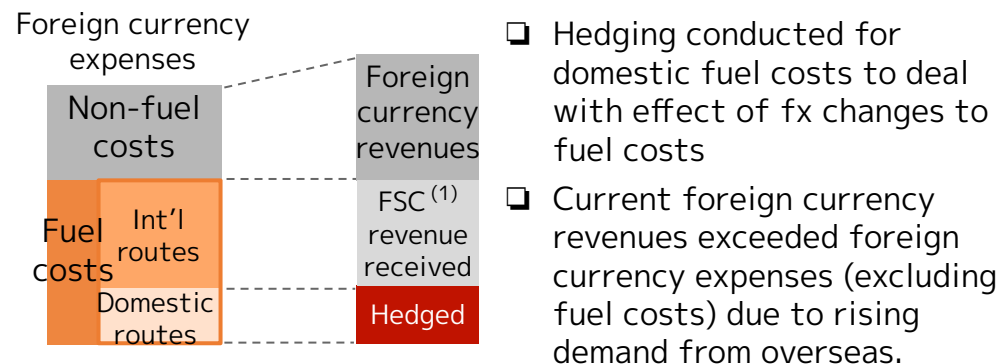
### Hedge Ratio (As of End of Oct/2022)



### Fuel Hedging



### FX Hedging



(1) FSC=Fuel Surcharge

- This page explains our fuel cost.
- Fuel costs for the second quarter was 154.8 billion yen, which increased by 95.8 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. However, the spread between crude oil and jet fuel is settling down.
- In terms of recent demand trends, as shown in the lower right column, foreign currency-denominated revenues in international passenger revenue and international cargo revenue have slightly exceeded the amount of foreign currency-denominated expenses other than fuel costs. When considering the impact of FX rates excluding fuel costs, revenues tend to be greater than costs. In the normal period, both were approximately at the same level.
- Of course, if fuel and FX markets stay at the unfavorable level, we will strive to counteract its negative impact by strengthening cost control for expenses other than fuel costs.



# DETAILS OF FINANCIAL RESULTS FOR FY22Q2

## Balance Sheet and Cash Flow



**BS** ✓ Equity ratio is 39.0% and Net D/E ratio is x0.2 both in terms of credit evaluation basis, keeping a healthy level

**CF** ✓ Cash flow from operating activities is 120.2 billion yen, Free cash flow is 67.7 billion yen of inflow, improving cash inflow significantly

Balance Sheet	End of FY21	End of 1st Half FY22	Diff.
Total Assets	2,371.6	2,448.5	+76.8
Cash and Deposits	494.2	542.9	+48.7
Balance of Interest-bearing Debt	928.4	923.8	▼4.6
Repayment within one year (※1)	86.7 (14.4)	108.1 (14.8)	+21.3 (+0.3)
Shareholders' Equity (1)	799.7	780.9	▼18.8
Shareholders' Equity Ratio(%) (2) (※2)	33.7% (41.1%)	31.9% (39.0%)	▼1.8pt (▼2.1pt)
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)	▼0.1x (▼0.1x)
Cash Flow	1st Half FY21	1st Half FY22	Diff.
Cash Flow from Operating Activities	▼95.8	120.2	+216.1
Depreciation and Amortization	89.3	83.0	▼6.2
Cash Flow from Investing Activities	▼104.0	▼52.5	+51.5
Capital Investment	▼111.4	▼59.7	+51.6
Free Cash Flow (5)	▼199.9	67.7	+267.6
Cash Flow from Financing Activities	163.9	▼26.6	▼190.6
Total Cash Flow (6)	▼35.9	41.0	+77.0
EBITDA (7)	▼62.5	83.4	+145.9

(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 continued to decline from the first quarter. 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 September was 542.9 billion yen, a 48.7 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 has increased its surplus, recording 83.4 billion yen. Cash flow from operating activities was 120.2 billion yen of inflow, which increased significantly by 216.1 billion yen year-on-year due to an increase in advance payments reflecting the recovery of passenger demand. Free cash flow was also in the black at 67.7 billion yen.

1. PERFORMANCE OVERVIEW FOR FY22Q2
2. FORECAST FOR FY22 FULL-YEAR
3. INITIATIVES FOR THE SECOND HALF
4. DETAILS OF FINANCIAL RESULTS FOR FY22Q2
- 5. REFERENCES**



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# [Reference]

## Operation Performance by Geographic Segment (Full Service Carrier)



### Passenger Revenue

(%)	1st Half			2nd Quarter	
	FY22Q2 Component Ratio	Vs. FY19Q2	Vs. FY21Q2	FY22Q2 Component Ratio	Vs. FY21Q2
America	41%	▼13.3%	+364.2%	41%	+358.5%
Europe	19%	▼31.9%	+587.7%	19%	+545.9%
Asia/Oceania	30%	▼40.0%	+593.1%	29%	+640.6%
China	3%	▼83.2%	+128.1%	3%	+104.1%
Hawaii/Guam	7%	▼70.8%	+1,259.9%	8%	+1,417.9%
Total	100%	▼40.2%	+460.3%	100%	+462.4%

### ASK

(MN seat km)	1st Half			2nd Quarter	
	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
America	7,264	▼14.9%	+36.4%	4,002	+46.3%
Europe	2,313	▼43.7%	+3.3%	1,355	+14.8%
Asia/Oceania	5,556	▼42.4%	+89.6%	3,045	+107.9%
China	103	▼94.3%	▼9.6%	57	▼1.7%
Hawaii/Guam	1,163	▼68.9%	+768.9%	844	+972.8%
Total	16,402	▼41.1%	+52.7%	9,305	+68.6%

### RPK

(MN passenger km)	1st Half			2nd Quarter	
	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
America	5,376	▼30.4%	+290.3%	3,089	+287.8%
Europe	1,581	▼57.3%	+337.9%	1,014	+316.3%
Asia/Oceania	3,769	▼54.7%	+533.8%	2,089	+564.5%
China	67	▼95.8%	+45.0%	37	+26.6%
Hawaii/Guam	779	▼76.9%	+1,148.7%	544	+1,281.5%
Total	11,574	▼53.2%	+373.9%	6,775	+375.9%

### Revenue Passengers Carried

('000)	1st Half			2nd Quarter	
	FY22Q2	Vs. FY19Q2	Vs. FY21Q2	FY22Q2	Vs. FY21Q2
America	577	▼29.5%	+293.6%	332	+291.4%
Europe	169	▼58.8%	+332.9%	108	+311.7%
Asia/Oceania	834	▼63.3%	+524.0%	464	+556.3%
China	33	▼96.1%	+41.0%	18	+19.4%
Hawaii/Guam	127	▼78.4%	+1,160.8%	88	+1,297.3%
Total	1,742	▼64.8%	+392.7%	1,013	+396.4%

### Load Factor

(%)	1st Half			2nd Quarter	
	FY22Q2	FY19Q2	FY21Q2	FY22Q2	FY21Q2
America	74.0%	90.5%	25.9%	77.2%	29.1%
Europe	68.4%	90.1%	16.1%	74.9%	20.6%
Asia/Oceania	67.8%	86.3%	20.3%	68.6%	21.5%
China	64.8%	88.0%	40.4%	64.9%	50.4%
Hawaii/Guam	67.0%	90.3%	46.6%	64.5%	50.1%
Total	70.6%	88.8%	22.7%	72.8%	25.8%

# [Reference]

## Fleet Information



			End of FY21 (March 31, 2022)				End of FY22Q2 (September 30, 2022)				Diff.
			Owened	Leased	Total1	Total2 Retired AircraftExcluded	Owened	Leased	Total1	Total2 Retired AircraftExcluded	Total2 of Sep/22 - Mar/22
Full Service Carrier	Large	Airbus A350-900	11	4	15	15	12	4	16	16	+1
		Boeing 777-300ER	13	0 <sup>(1)</sup>	13	13	13	0	13	13	0
		Boeing 777-300	4	0	4	0	0	0 <sup>(1)</sup>	0	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	33	4	37	34	+1
	Middle	Boeing 787-9	19	3	22	22	19	3	22	22	0
		Boeing 787-8	25	0	25	25	25	0	25	25	0
		Boeing 767-300ER	29	0	29	29	28	0	28	28	▼1
		Middle-sized Total	73	3 <sup>(1)</sup>	76	76	72	3 <sup>(1)</sup>	75	75	▼1
	Small	Boeing 737-800	47	12	59	58	48	10	58	56	▼2
		Small-sized Total	47	12	59	58	48	10	58	56	▼2
	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	203	18	221	216	▼1	
LCC	Boeing 787-8	4	0	4	4	4	0	4	4	0	
	Boeing 737-800	0	6	6	6	0	6	6	6	0	
	LCC Total		4	6	10	10	4	6	10	10	0
Full Service Carrier + LCC Total			213	26	239	227	207	24	231	226	▼1

(1) The difference between Total 1 and Total 2 is retired aircraft.

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