

JAPAN AIRLINES Co., Ltd. Financial Results Mar/2023 (FY2022)



JAPAN AIRLINES



FY2023 JAL Group Entrance Ceremony (April 3, 2023)

May 2, 2023



SKYTRAX

Covid-19 Safety Rating 5-Star



SKYTRAX

COVID-19 Excellence Award



SKYTRAX

World Airline Star Rating 5-Star



SKYTRAX

Best Economy Class Airline Seat 2022



APEX

Health Safety Powered by SimpliFlying Audit Diamond



BEST WIFI IN EASTERN ASIA WINNER 2023



APEX

WORLD CLASS



APEX

FIVE STAR

1. PERFORMANCE OVERVIEW FOR FY2022

2. FORECAST FOR FY2023 FULL-YEAR

3. DETAILS OF FINANCIAL RESULTS FOR FY2022

4. REFERENCES



2022 Award for Excellence in Corporate Disclosure – Industries –

SAAJ The Securities Analysts Association of Japan



work with Pride



Health and Productivity Management Brand



2023 健康経営優良法人 Health and productivity ホワイト500

ESG Indices



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

2022 CONSTITUENT MSCI 日本株 女性活躍指数 (WIN)

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Dow Jones Sustainability Asia Pacific Index



Climate Change 「A-」



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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 1,000%, “-” is shown.

(2) The 4th Quarter results (January to March) are calculated by deducting the results of 3rd Quarter (April to December) from the full year result.

(3) LCC=Low Cost Carrier (4) We introduced ESG-related index selections to evaluate executive officer’s compensations. ※ indicates the applicable index.

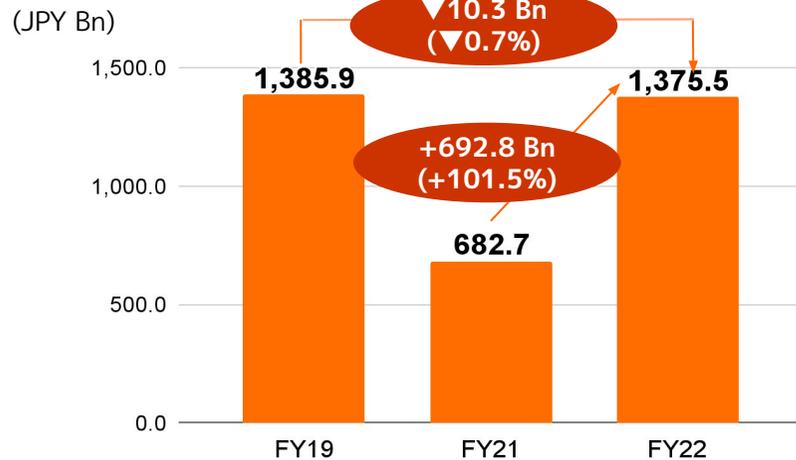
(5) Following the finalization of the provisional accounting processes for the consolidation of JALUX in FY22Q3, figures for the consolidated statement of financial position for FY21Q4 and consolidated profit and loss statement for FY22Q1 and Q2 have been retroactively adjusted.

Performance Overview for FY2022

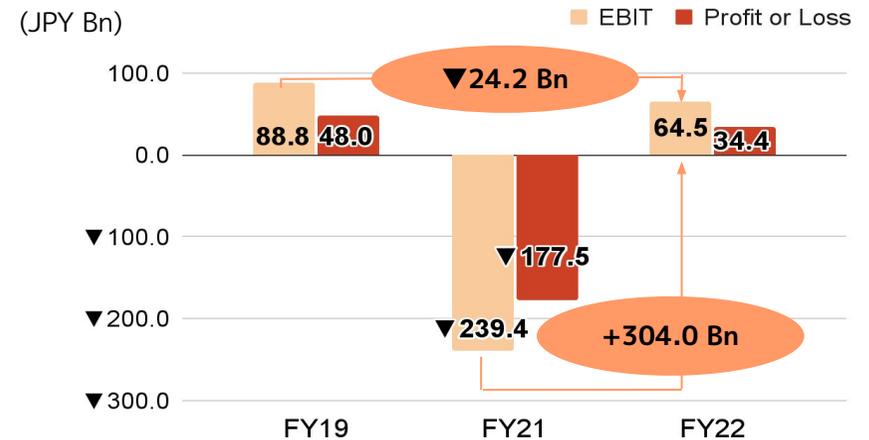


- ✓ Recovering passenger demand pushed up EBIT to 64.5 billion yen and Net Profit to 34.4 billion yen, exceeding the previous forecast of EBIT 50 billion yen
- ✓ Year end dividend forecast increased by 5 yen to 25 yen per share as Net Profit improved

Revenue



EBIT⁽¹⁾ / Profit or Loss⁽²⁾



Fuel/FX Markets

	FY21	FY22	y/y
Singapore Kerosene (USD/bbl)	81.6	128.3	+57.2%
Dubai Crude Oil (USD/bbl)	74.3	95.2	+28.1%
FX Rate (JPY/USD)	111.6	134.6	+20.6%

Operational Preconditions/ASK

	Vs. FY21		
	International Routes	Domestic Routes	Total
Full Service Carrier	+67.0%	+43.6%	+54.9%
LCC	+161.7%	+415.3%	+178.0%
Total	+74.0%	+45.5%	+59.8%

(1) EBIT= Profit or Loss before Financing and Income tax (Profit or Loss before Tax – Finance Income and Expenses)

(2) Profit or Loss = Profit or Loss Attributable to Owners of Parent

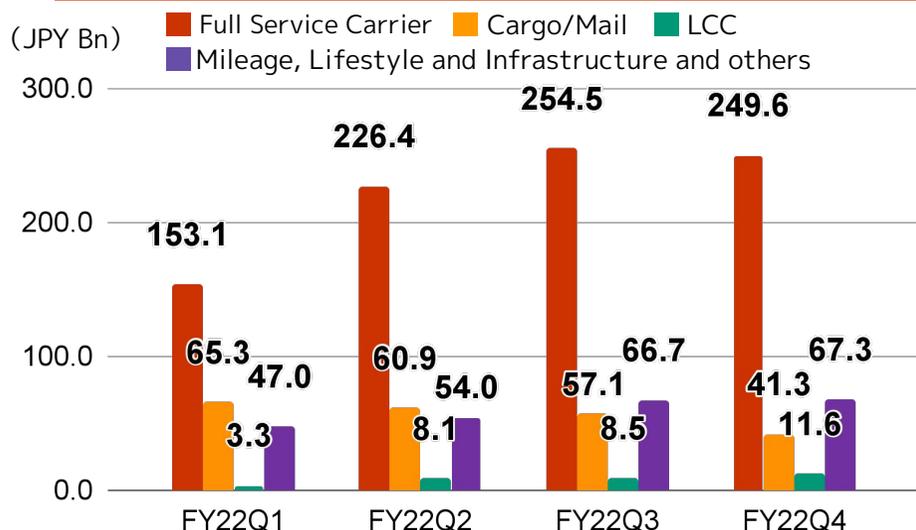
FY2022 Performance by Business Domain



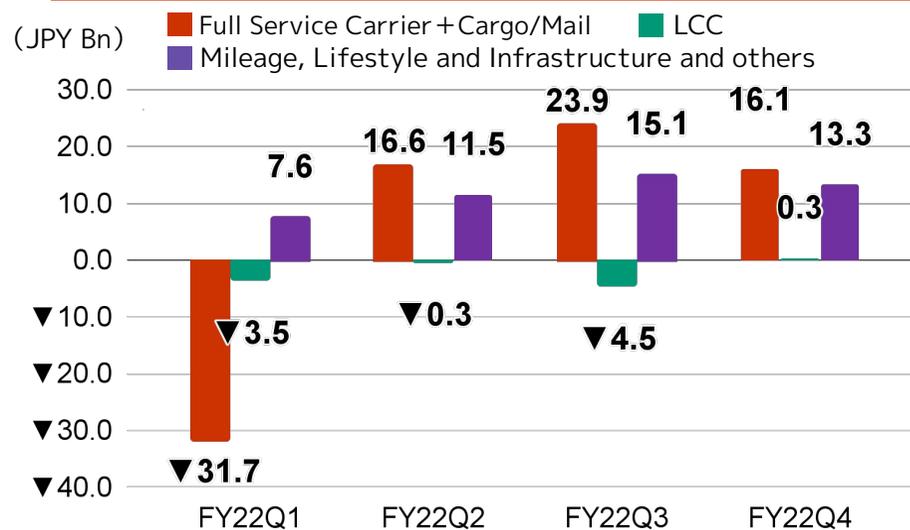
- ✓ Revenue and EBIT steadily improved as passenger demand recovered in line with expectations
- ✓ LCC's EBIT turned black on a quarterly basis for the first time. Mileage performed strongly

FY22 (JPY Bn)	Full Service Carrier	Cargo / Mail	LCC (1)	Mileage, Lifestyle and Infrastructure and others (2)
Revenue	883.8	224.7	31.7	235.1
EBIT	24.9		▼8.0	47.7

FY2022 Quarterly Revenue



FY2022 Quarterly EBIT



- 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 figures 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

(1) 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.

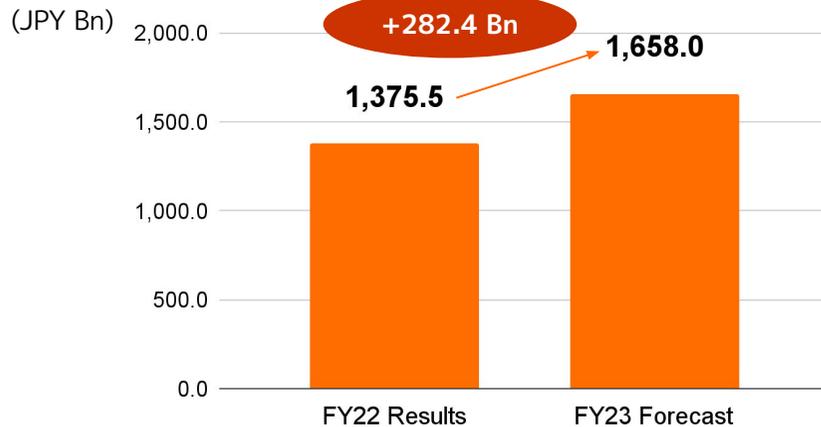
1. PERFORMANCE OVERVIEW FOR FY2022
- 2. FORECAST FOR FY2023 FULL-YEAR**
3. DETAILS OF FINANCIAL RESULTS FOR FY2022
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FY2023 Full-Year Performance Forecast

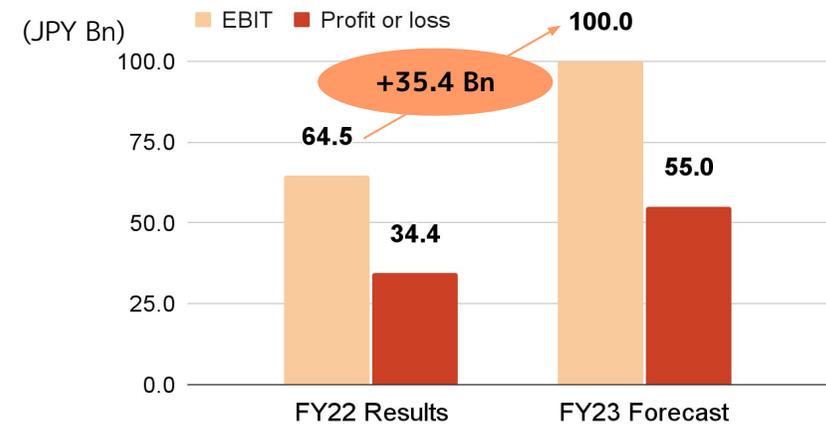


- ✓ Consolidated full-year forecast: Revenue 1,658 billion yen, EBIT 100 billion yen and Net Profit 55 billion yen due to further recovering passenger demand
- ✓ Full-year dividend forecast is 40 yen per share

Revenue



EBIT / Profit



Shareholder Return Forecast

	FY22 Results	FY23 Forecast
Dividends per share	25.0 JPY	40.0 JPY
Interim Dividend	-	20.0 JPY
Year-End Dividend	25.0 JPY	20.0 JPY
Payout Ratio (1)	31.7%	31.8%

(1) Payout Ratio = Total amounts of dividends / Profit Attributable to Owners of Parent

Fuel/FX Markets

	FY22 Results	FY2023 Forecast
Singapore Kerosene (USD/bbl)	128.3	115.0
Dubai Crude Oil (USD/bbl)	95.2	85.0
FX Rate (JPY/USD)	134.6	135.0

Details of FY2023 Full-Year Performance Forecast



(JPY Bn)	FY22	FY23		
	Results	Forecast	Diff.	y/y
Revenue	1,375.5	1,658.0	+282.4	+20.5%
Full Service Carrier	1,108.6	1,281.0	+172.3	+15.5%
International PAX	417.5	557.0	+139.4	+33.4%
Domestic PAX	451.1	538.0	+86.8	+19.3%
Cargo / Mail	224.7	172.0	▼52.7	▼23.5%
Other Revenue	15.1	14.0	▼1.1	▼7.9%
LCC (1)	31.7	81.0	+49.2	+154.8%
Mileage, Lifestyle and Infrastructure and others(2)	235.1	296.0	+60.8	+25.9%
Operating Expense	1,344.6	1,571.0	+226.3	+16.8%
Fuel	323.3	387.0	+63.6	+19.7%
Excluding Fuel	1,021.3	1,184.0	+162.6	+15.9%
Others(3)	33.6	13.0	▼20.6	▼61.4%
EBIT	64.5	100.0	+35.4	+54.9%
Profit or Loss	34.4	55.0	+20.5	+59.8%

EBIT by Business Domain		
(JPY Bn)	FY22	FY23
	Results	Forecast
Full Service Carrier	24.9	45.0
Cargo / Mail		
LCC (1)	▼8.0	0.0
Mileage, Lifestyle and Infrastructure and others(2)	47.7	55.0

- 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

Impact on profit by Fuel and FX rate (Incl. hedging and Fuel surcharges)

(JPY Bn)	Fuel Proce (USD/bbl)	Dubai Crude	65USD	75USD	85USD	95USD
		Singapore Kerosene	95USD	105USD	115USD	125USD
FX (JPY/USD)	125JPY	+10.0	+11.0	+4.0	▼4.0	
	135JPY	+11.0	+8.0	Base	±0.0	▼9.0
	145JPY	+11.0	+5.0	▼4.0	▼9.0	

- (1) 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 on Sales of Aircraft, Other Income, Share of Profit or Loss of Investment and Income/Expenses from Investment

Hedge Ratio (As of May 2)
FY2023 full-year : 35% FY2023 Q1 : 40%

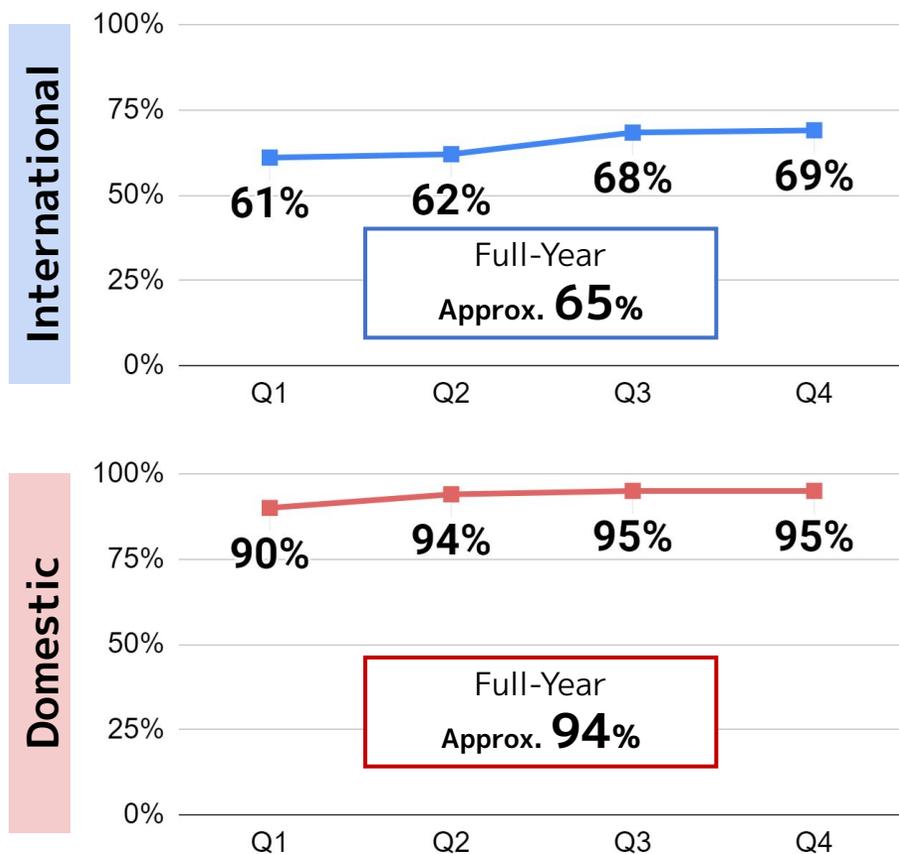
Premises of Performance Forecast for FY2023

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

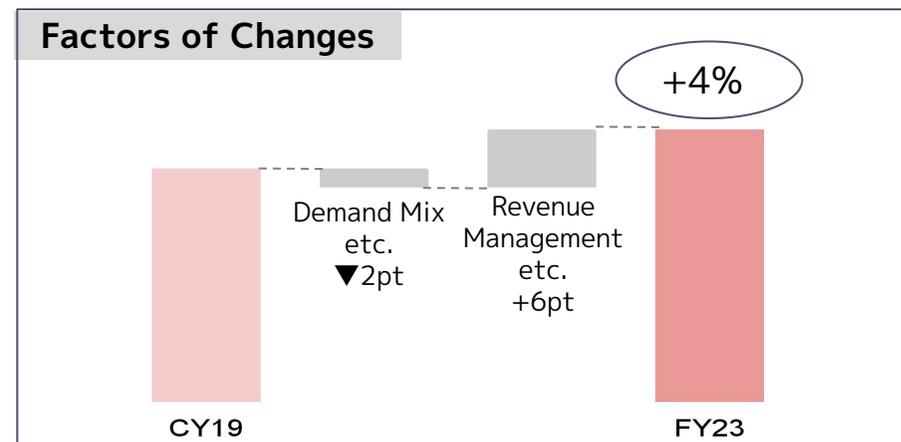
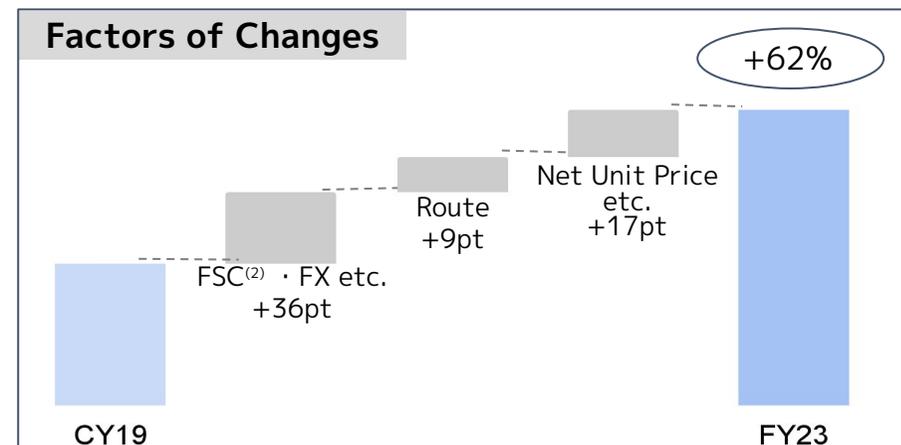


- ✓ International Pax's unit price remains high, and the easing of restrictions on the China routes is expected to further improve its performance
- ✓ Domestic Pax recovers close to CY19 levels. Aiming for price increase through competitiveness.

Passenger Demand (vs.CY2019) ⁽¹⁾



Revenue per Passenger (vs.CY2019) ⁽¹⁾



(1) CY2019=Jan to Dec 2019 (2) FSC=Fuel Surcharge

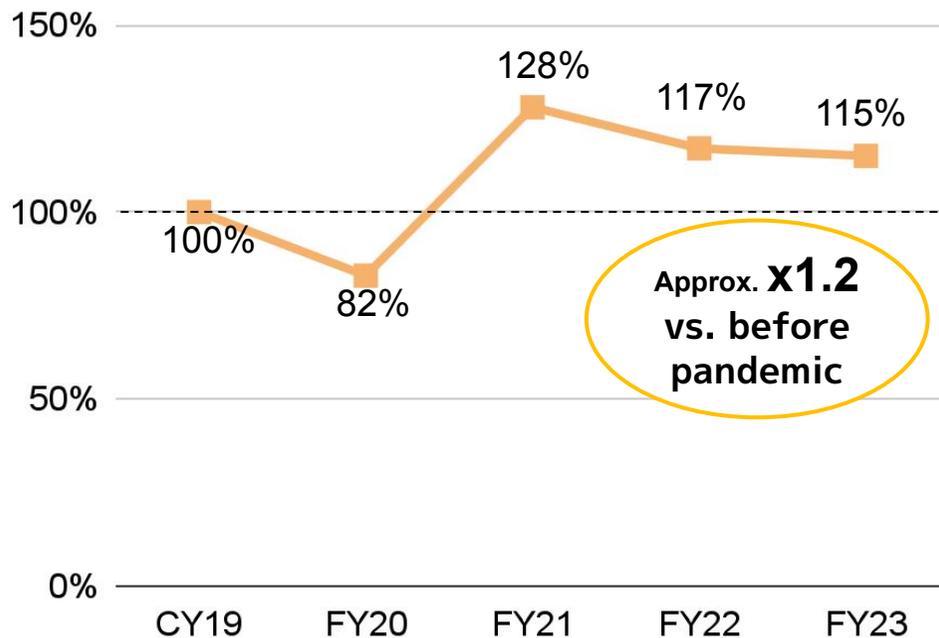
Premises of Performance Forecast for FY2023

Cargo (International Cargo)

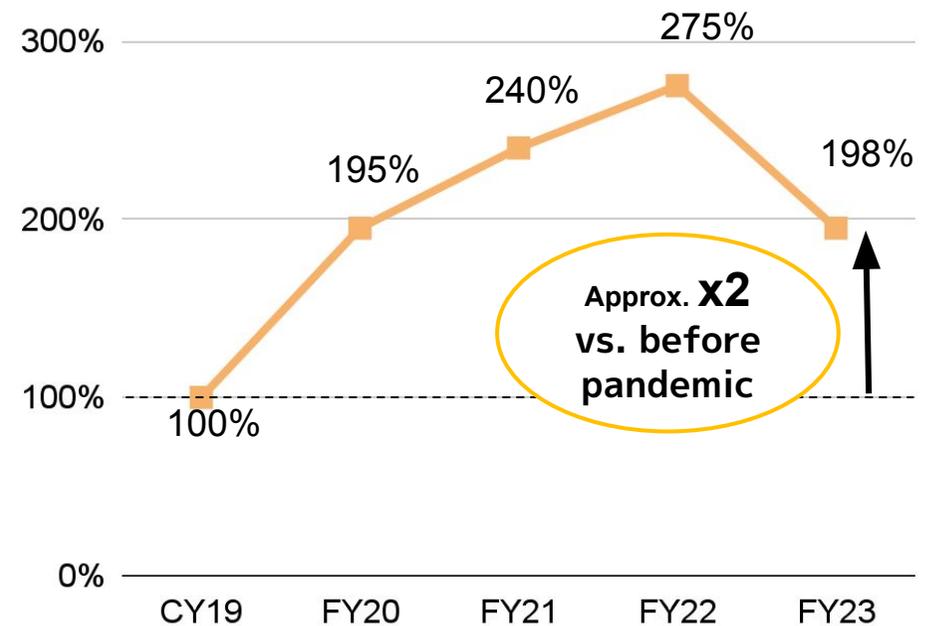


- ✓ Cargo volumes exceeding pre-pandemic levels is expected, achieved through utilization of passenger flights, 767 freighters and other companies' freighters
- ✓ Maintain and improve unit prices by maximizing network revenues through revenue management and capturing cargo with high unit-price

Volume (vs.CY2019) ⁽¹⁾



Unit Price (vs.CY2019) ⁽¹⁾



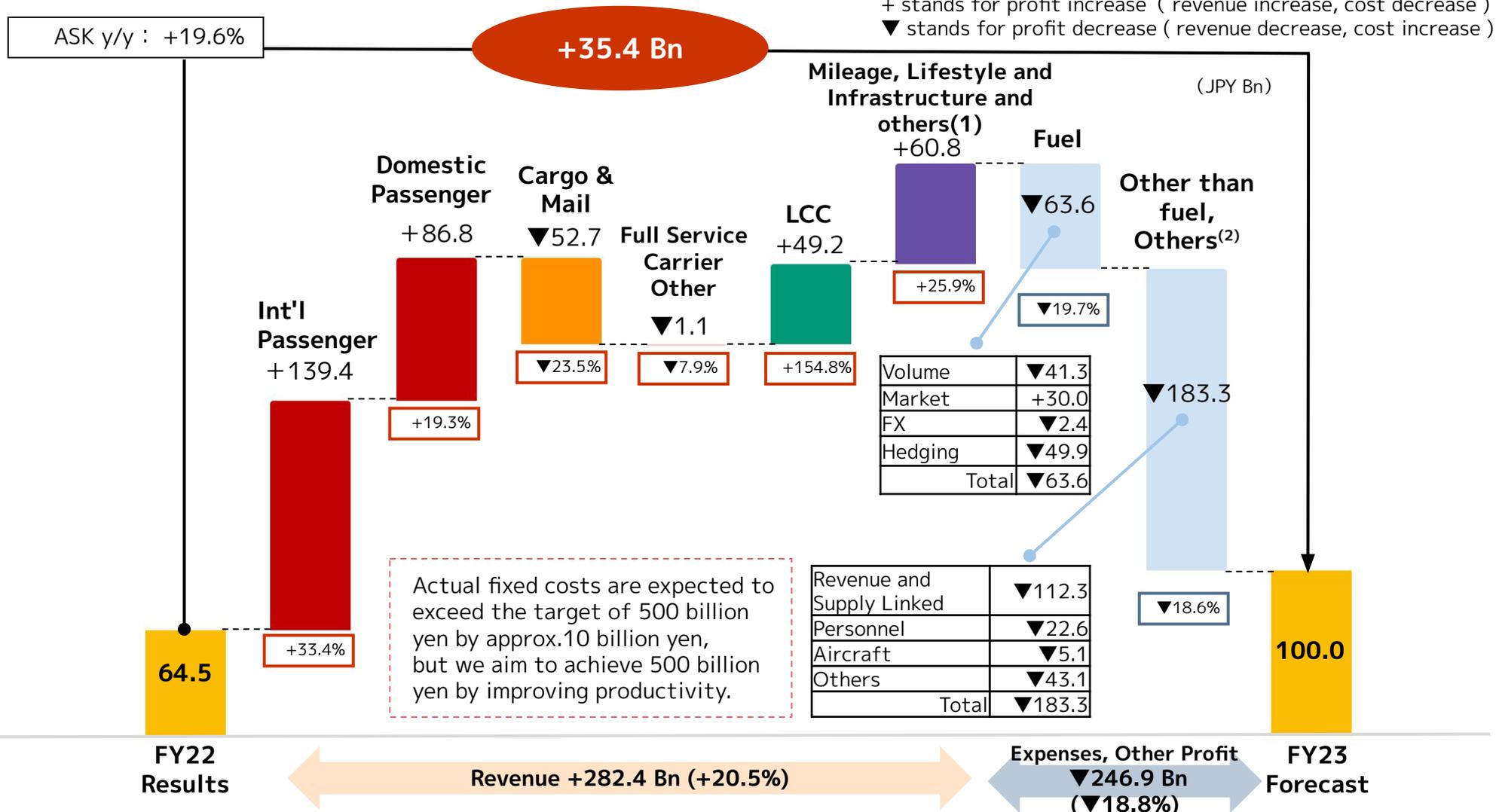
(1) CY2019=Jan to Dec 2019

Details of FY2023 Full-Year Performance Forecast

Changes in EBIT (Revenues / Expenses)



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



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

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

1. PERFORMANCE OVERVIEW FOR FY2022
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Details of financial results for FY2022

Consolidated Financial Results



(JPY Bn)	Q4 (Apr. to Mar.)							Q4 (Jan. to Mar.)		
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4		Vs. FY21Q4		FY22Q4	Vs. FY21Q4	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Revenue	1,385.9	682.7	1,375.5	▼10.3	▼0.7%	+692.8	+101.5%	369.9	+185.7	+100.8%
Full Service Carrier	1,126.3	528.2	1,108.6	▼17.7	▼1.6%	+580.3	+109.9%	291.0	+148.6	+104.4%
International PAX	486.2	68.7	417.5	▼68.6	▼14.1%	+348.7	+507.0%	130.4	+108.7	+501.2%
Domestic PAX	529.7	235.1	451.1	▼78.5	▼14.8%	+216.0	+91.9%	115.5	+54.5	+89.4%
Cargo / Mail	91.6	218.3	224.7	+133.1	+145.3%	+6.4	+2.9%	41.3	▼15.9	▼27.9%
Other Revenue	18.7	6.0	15.1	▼3.5	▼19.1%	+9.1	+152.4%	3.7	+1.3	+56.0%
LCC (1)	-	2.9	31.7	-	-	+28.8	+995.6%	11.6	+10.5	+956.0%
Mileage, Lifestyle and Infrastructure and others (2)	259.5	151.5	235.1	▼24.4	▼9.4%	+83.6	+55.2%	67.3	+26.6	+65.4%
Operating Expense	1,308.8	940.2	1,344.6	+35.8	+2.7%	+404.4	+43.0%	354.5	+102.2	+40.5%
Fuel	243.4	145.4	323.3	+79.9	+32.8%	+177.8	+122.3%	81.6	+38.0	+87.2%
Excluding Fuel	1,065.4	794.7	1,021.3	▼44.1	▼4.1%	+226.5	+28.5%	272.8	+64.2	+30.8%
Others (3)	11.7	18.0	33.6	+21.8	+185.9%	+15.6	+86.9%	14.4	+2.5	+21.2%
EBIT	88.8	▼239.4	64.5	▼24.2	▼27.3%	+304.0	-	29.8	+86.0	-
EBIT Margin(%)	6.4%	-	4.7%	▼1.7pt	-	-	-	8.1%	-	-
Profit or Loss	48.0	▼177.5	34.4	▼13.6	▼28.4%	+211.9	-	18.1	+67.3	-
RPK (MN passenger km)	73,048	18,292	53,282	▼19,766	▼27.1%	+34,989	+191.3%	15,202	+999.8	+192.2%
ASK (MN seat km)	90,109	49,271	78,717	▼11,392	▼12.6%	+29,446	+59.8%	21,250	+780.9	+58.1%
EBITDA Margin(%) (4)	18.1%	-	16.1%	▼2.0pt	-	-	-	17.8%	-	-

(1) Consolidated subsidiaries, ZIPAIR and SPRING JAPAN (2) Mileage, Lifestyle and Infrastructure and others = Travel Agency, Mileage, Ground Handling etc.

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

(4) EBITDA Margin = EBITDA/Revenue EBITDA=EBIT+Depreciation and Amortization



Details of financial results for FY2022

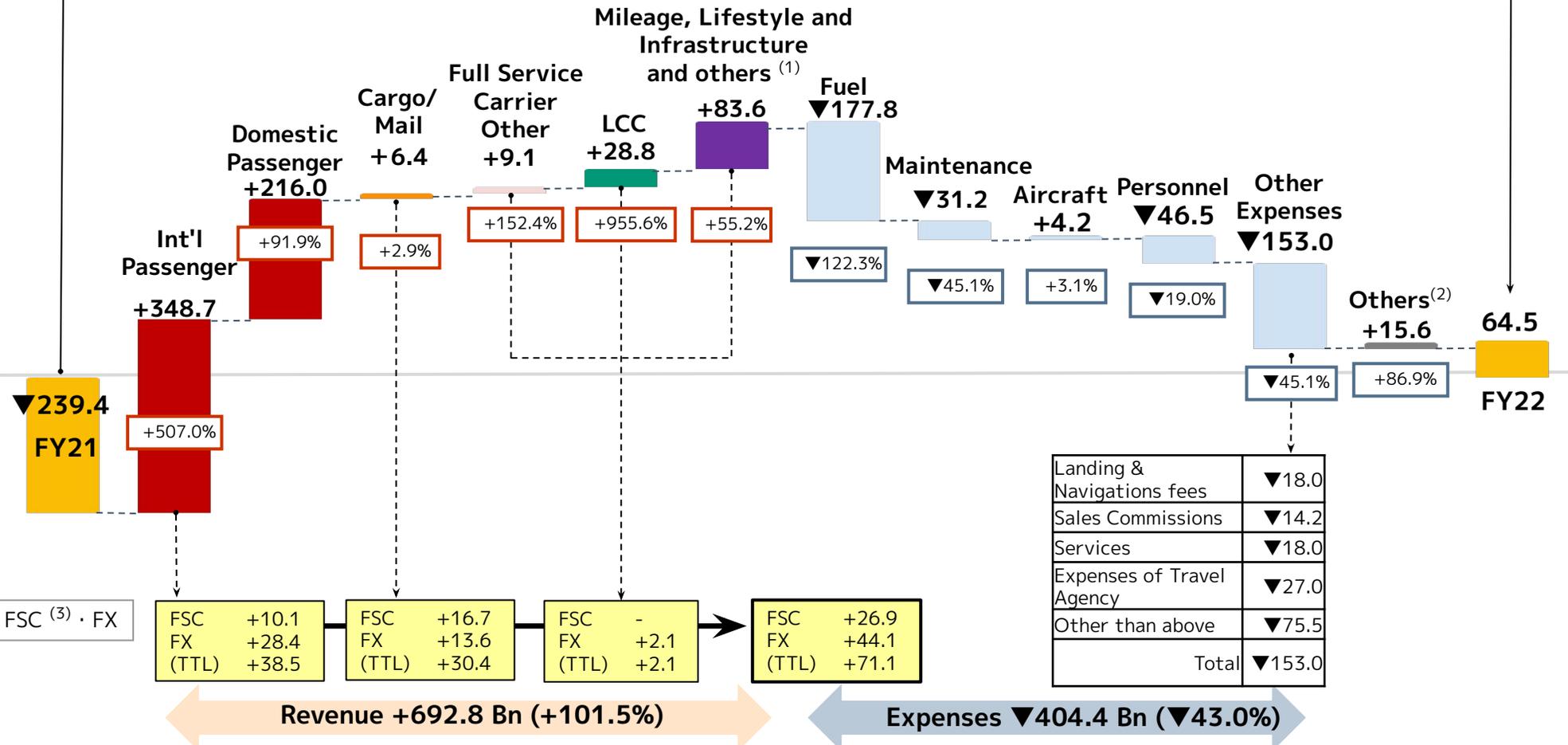
Changes in EBIT (Revenues / Expenses)

RPK y/y : +191.3%
ASK y/y : +59.8%

+ 304.0Bn

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

(JPY Bn)



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

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

Details of financial results for FY2022

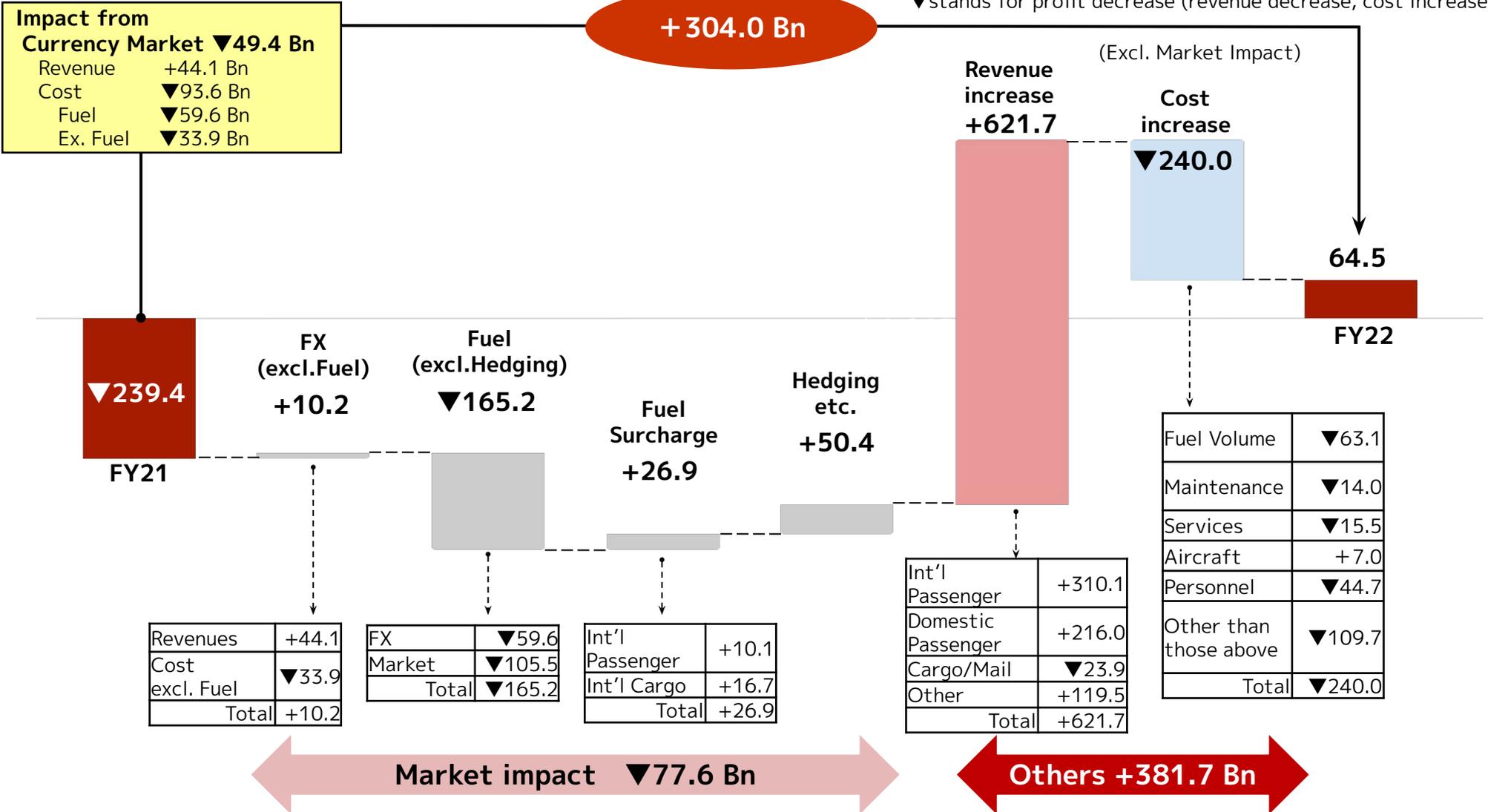
Changes in EBIT (Market and other impact)



(JPY Bn)

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

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



Details of financial results for FY2022

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



International Passenger	Q4 (Apr. to Mar.)					Q4 (Jan. to Mar.)	
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
Passenger Revenue (JPY Bn)	486.2	68.7	417.5	▼14.1%	+507.0%	130.4	+501.2%
Passengers ('000)	8,958	892	4,348	▼51.5%	+387.2%	1,398	+369.8%
RPK (MN passenger km)	45,551	6,027	27,310	▼40.0%	+353.1%	8,180	+322.0%
ASK (MN seat km)	53,910	22,780	38,039	▼29.4%	+67.0%	10,984	+84.6%
L/F (%)	84.5%	26.5%	71.8%	▼12.7pt	+45.3pt	74.5%	+41.9pt
Revenue per Passenger (JPY) (1)	54,274	77,073	96,015	+76.9%	+24.6%	93,271	+28.0%
Yield (JPY) (2)	10.7	11.4	15.3	+43.2%	+34.0%	15.9	+42.5%
Unit Revenue (JPY) (3)	9.0	3.0	11.0	+21.7%	+263.5%	11.9	+225.6%

Domestic Passenger	Q4 (Apr. to Mar.)					Q4 (Jan. to Mar.)	
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
Passenger Revenue (JPY Bn)	529.7	235.1	451.1	▼14.8%	+91.9%	115.5	+89.4%
Passengers ('000)	36,411	16,238	30,109	▼17.3%	+85.4%	7,756	+82.5%
RPK (MN passenger km)	27,496	12,089	23,090	▼16.0%	+91.0%	5,941	+87.0%
ASK (MN seat km)	36,199	24,535	35,243	▼2.6%	+43.6%	8,690	+30.7%
L/F (%)	76.0%	49.3%	65.5%	▼10.4pt	+16.2pt	68.4%	+20.6pt
Revenue per Passenger (JPY) (1)	14,548	14,478	14,983	+3.0%	+3.5%	14,898	+3.8%
Yield (JPY) (2)	19.3	19.4	19.5	+1.4%	+0.5%	19.4	+1.3%
Unit Revenue (JPY) (3)	14.6	9.6	12.8	▼12.5%	+33.6%	13.3	+45.0%

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

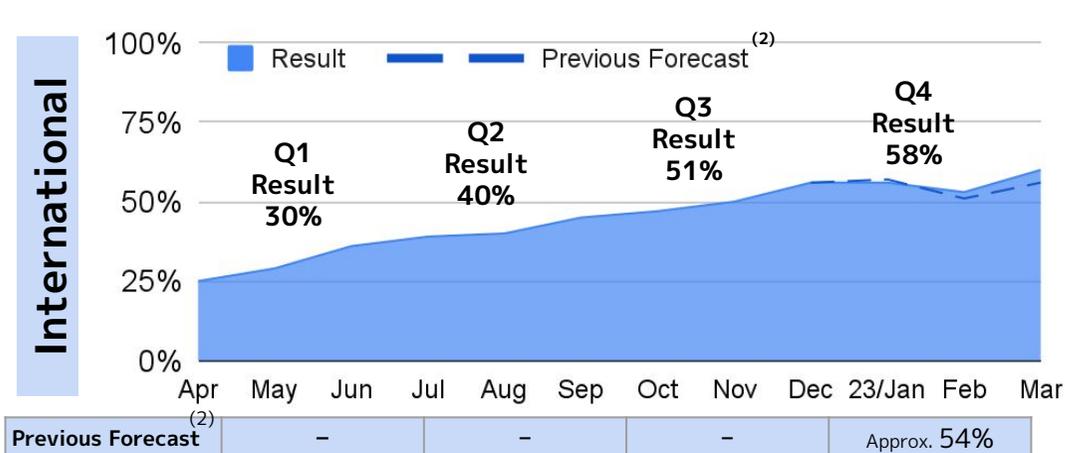
Details of financial results for FY2022

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

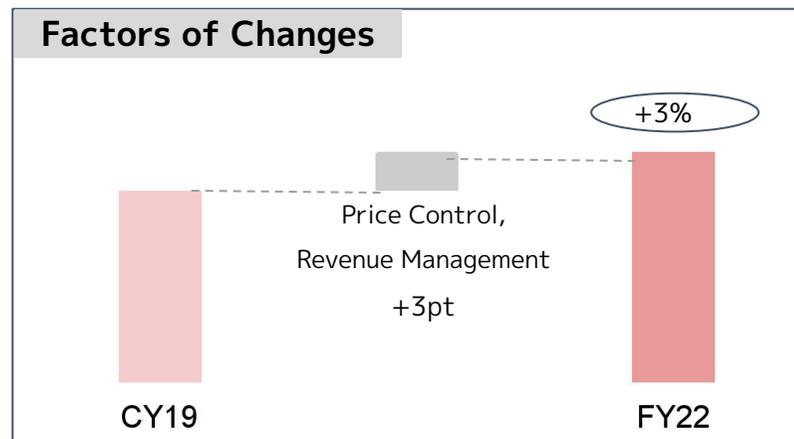
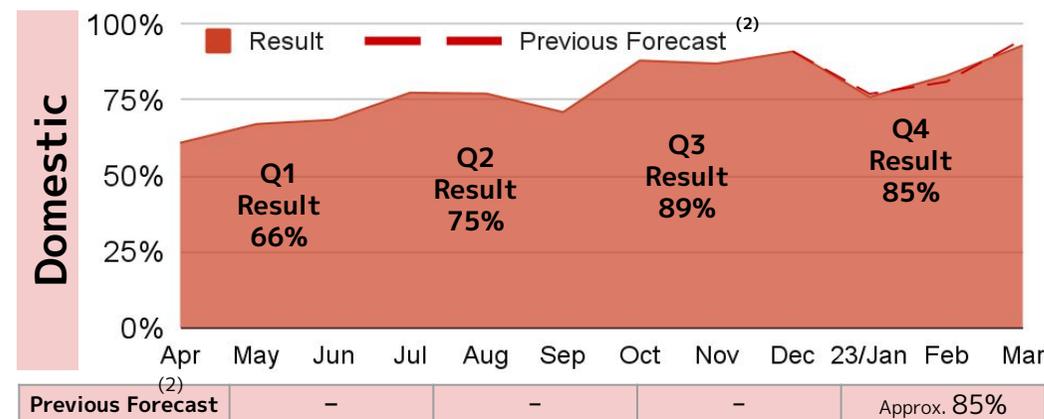
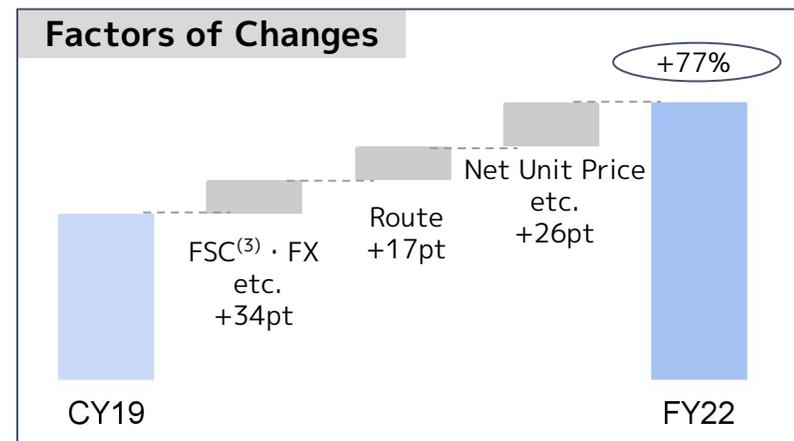


- ✓ Int'l passengers exceeded previous forecast by capturing strong Japan-bound demand
- ✓ Domestic passenger demand recovered strongly toward the end of the fiscal year

Passenger Demand (vs.CY2019) ⁽¹⁾



Revenue per Passenger (vs.CY2019) ⁽¹⁾



(1) CY2019=Jan to Dec 2019 (2) Disclosed on February 2, 2023 (3) FSC=Fuel Surcharge

Details of financial results for FY2022

Cargo



International Cargo	Q4 (Apr. to Mar.)					Q4 (Jan. to Mar.)	
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
Cargo Revenue (JPY Bn)	59.7	182.8	188.9	+216.2%	+3.3%	32.6	▼34.1%
Available Ton Km (MN ton km)	4,418	3,345	3,855	▼12.8%	+15.2%	1,001	+20.4%
Revenue Ton Km (MN ton km)	2,407	3,113	2,795	+16.1%	▼10.2%	628	▼16.2%
Carried Cargo Weight (Thousand ton)	397	506	456	+15.0%	▼9.9%	103	▼13.4%
Revenue Ton (JPY/kg)	150	361	414	+175.0%	+14.7%	315	▼24.0%

Domestic Cargo	Q4 (Apr. to Mar.)					Q4 (Jan. to Mar.)	
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
Cargo Revenue (JPY Bn)	20.7	20.7	20.0	▼3.4%	▼3.5%	4.7	+8.7%
Available Ton Km (MN ton km)	1,671	1,113	1,620	▼3.1%	+45.5%	399	+33.0%
Revenue Ton Km (MN ton km)	328	231	280	▼14.5%	+21.2%	69	+23.9%
Carried Cargo Weight (Thousand ton)	355	239	294	▼17.0%	+22.9%	72	+24.0%
Revenue Ton (JPY/kg)	58	87	68	+16.4%	▼21.5%	66	▼12.3%

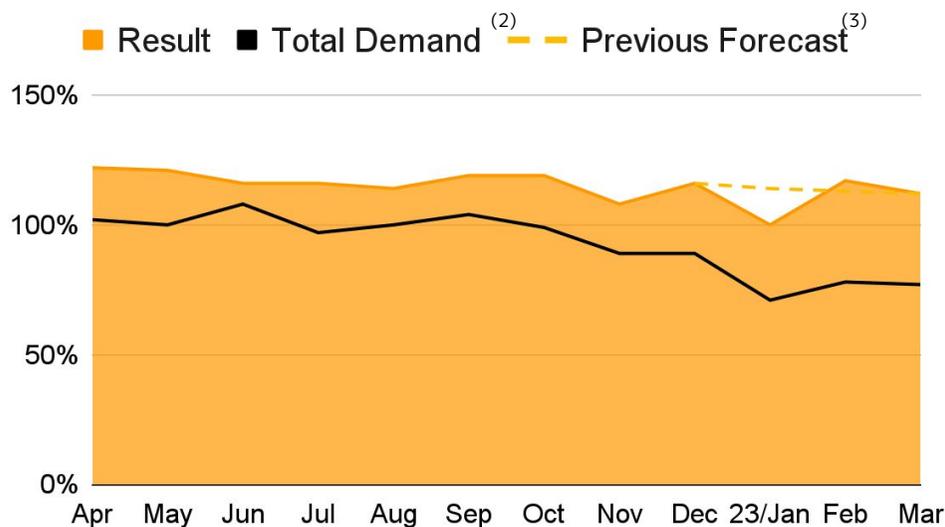
Details of financial results for FY2022

Cargo (International Cargo)

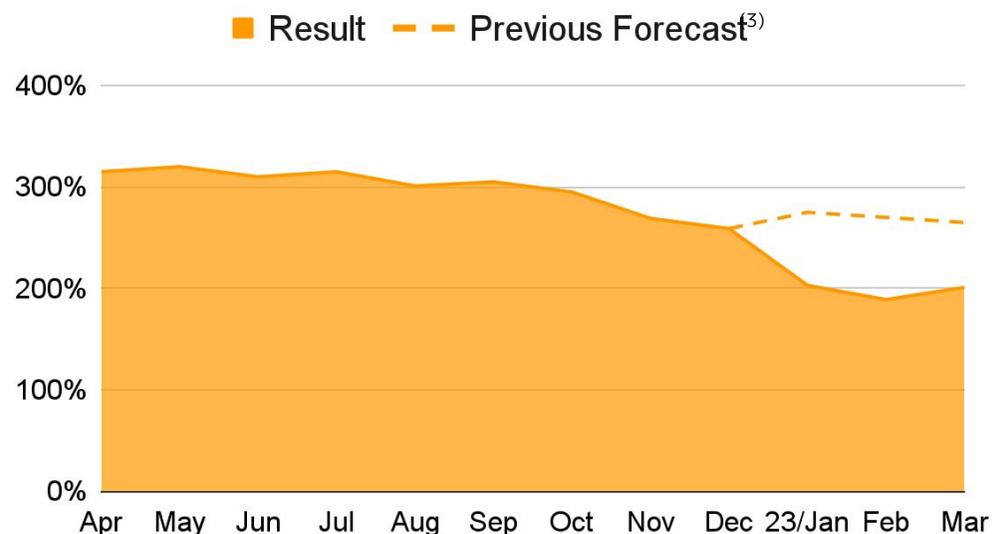


- ✓ Volume was secured above total demand, although slightly lower than the previous forecast
- ✓ Unit price fell below the previous forecast due to the recovery of supply in the market and rapid slowdown of cargo demand

Volume (vs.CY2019) ⁽¹⁾



Unit Price (vs.CY2019) ⁽¹⁾



(1) CY2019=Jan to Dec 2019

(2) Market average is calculated from JAFA (Japan Air Freight Forwarders Association) statistics (to/from Japan)

(3) Disclosed on February 2, 2023

Details of financial results for FY2022

LCC



LCC	ZIPAIR					SPRING JAPAN (1)(2)		
	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)		Q4 (Apr. to Mar.)	Q4 (Jan. to Mar.)	
	FY21Q4	FY22Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4	FY22Q4	FY22Q4	Vs. FY21Q4
Passenger Revenue (JPY Bn)	0.7	22.4	-	8.4	-	8.2	2.7	+344.5%
Passengers ('000)	25	488	-	182	-	481	141	+355.9%
RPK (MN passenger km)	98	2,471	-	952	-	409	127	+357.9%
ASK (MN seat km)	1,791	4,674	+160.9%	1,371	+76.2%	760	204	+222.9%
L/F (%)	5.5%	52.9%	+47.4pt	69.4%	+61.7pt	53.8%	62.5%	+18.4pt
Revenue per Passenger (JPY) (3)	27,803	45,983	+65.4%	46,653	+57.4%	17,092	19,517	▼2.5%
Yield (JPY) (4)	7.3	9.1	+25.0%	8.9	+27.6%	20.1	21.6	▼2.9%
Unit Revenue (JPY) (5)	0.4	4.8	-	6.2	-	10.8	13.5	+37.7%

(Reference) Jetstar Japan	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY21Q4	FY22Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
Passengers ('000)	2,919	4,382	+50.1%	1,193	+49.6%
L/F (%)	72.7%	77.9%	+5.2pt	80.9%	+8.0pt

(1) No data for SPRING JAPAN's FY21Q1 due to pre-consolidation.

(2) Summary of International and domestic passenger business

(3) Revenue per Passenger = Passenger Revenue / Passengers

(4) Yield = Passenger Revenue / RPK

(5) Unit Revenue = Passenger Revenue / ASK

Details of financial results for FY2022

Expenses



- ✓ Actual fixed costs for FY22 was 492.5 billion yen, suppressed under the annual goal of 500 billion yen.

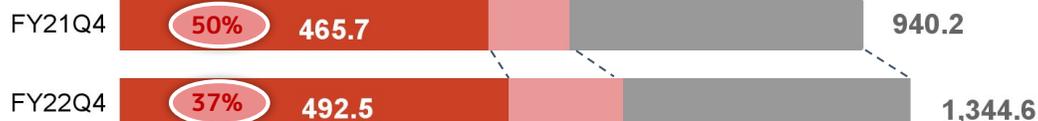
Major Operating Expense Items

(JPY Bn)	Q4 (Apr. to Mar.)						Q4 (Jan. to Mar.)			
	FY19Q4	FY21Q4	FY22Q4	Vs. FY19Q4		Vs. FY21Q4		FY22Q4	Vs. FY21Q4	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Fuel	243.4	145.4	323.3	+79.9	+32.8%	+177.8	+122.3%	81.6	+38.0	+87.2%
Landing and navigation fees	84.8	34.5	52.6	▼32.1	▼37.9%	+18.0	+52.3%	14.2	+5.6	+65.9%
Maintenance	74.0	69.1	100.3	+26.3	+35.5%	+31.2	+45.1%	23.4	+4.5	+24.0%
Sales commissions (Air Transport)	17.0	7.7	22.0	+5.0	+29.4%	+14.2	+184.2%	6.9	+4.4	+179.1%
Services(1)	44.4	14.8	32.9	▼11.5	▼25.9%	+18.0	+121.8%	9.4	+5.4	+133.8%
Other variable cost(2)	204.1	103.0	177.6	▼26.5	▼13.0%	+74.6	+72.4%	50.4	+23.6	+88.3%
Aircraft(3)	134.1	140.1	135.8	+1.7	+1.3%	▼4.2	▼3.1%	34.0	▼3.7	▼10.0%
Personnel(3)	291.3	245.7	292.3	+0.9	+0.3%	+46.5	+19.0%	80.7	+18.6	+30.0%
Other cost(3)	215.5	179.5	207.5	▼7.9	▼3.7%	+28.0	+15.6%	53.6	+5.6	+11.9%
Total Operating Expenses	1,308.8	940.2	1,344.6	+35.8	+2.7%	+404.4	+43.0%	354.5	+102.2	+40.5%

Excludes temporal costs and variable factors, etc

Actual Fixed Costs (4)

■ Actual Fixed Cost ■ Fixed Cost (except Actual Fixed Cost) ■ Revenue and Capacity-linked Cost



Expense Breakdown

- (1) Services = Expenses regarding inflight services, airport lounges, cargo equipment, etc. (2) Other variable 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.

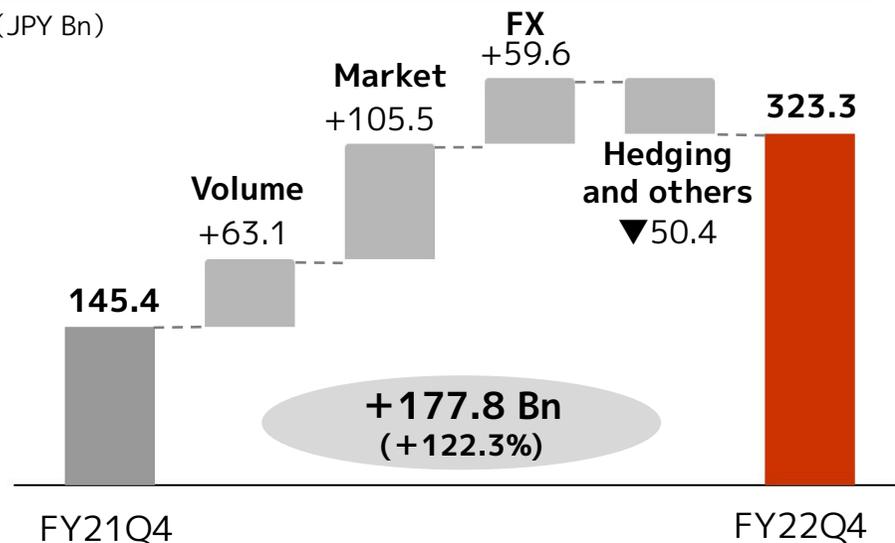
Details of financial results for FY2022

Fuel Costs

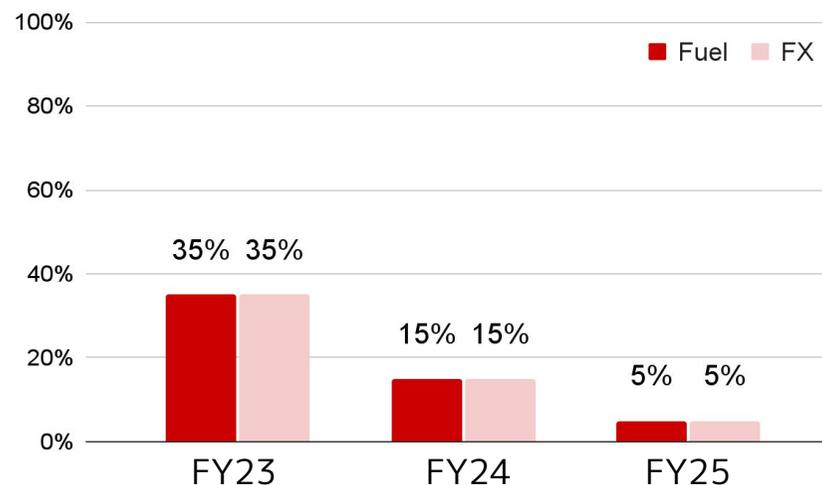


Changes in fuel costs

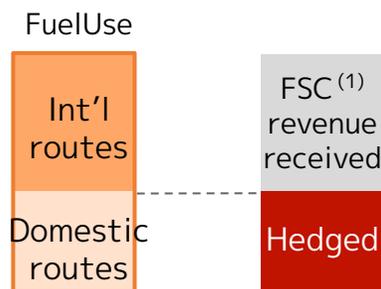
(JPY Bn)



Hedge Ratio (As of End of Mar/2023)

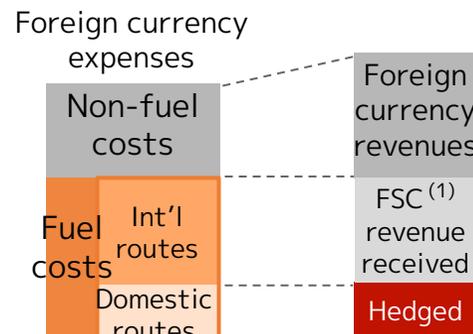


Fuel Hedging



- Hedging for consumption volume in Domestic Operations to deal with fuel price changes
- Consumption volume in Int'l Operations covered by Fuel surcharge revenues

FX Hedging



- Hedging conducted for domestic fuel costs to deal with effect of fx changes to fuel costs
- Current foreign currency revenues exceeded foreign currency expenses (excluding fuel costs) due to rising demand from overseas.

(1) FSC=Fuel Surcharge

Details of financial results for FY2022

Balance Sheet and Cash Flow



BS ✓ Equity ratio is 39.3% and Net D/E ratio is x0.1 both in terms of credit rating evaluation basis, keeping a healthy level

CF ✓ Cash flow from Operating Activities is 292.9 billion yen, Free Cash Flow is 180.1 billion yen of inflow, improving its inflow significantly

Balance Sheet	End of FY21	End of FY22	Diff.
Total Assets	2,375.7	2,520.6	+144.8
Cash and Deposits	494.2	639.2	+145.0
Balance of Interest-bearing Debt	928.4	925.5	▼2.9
Repayment within one year (※1)	86.7 (14.4)	111.9 (16.6)	+25.1 (+2.1)
Shareholders' Equity (1)	799.7	816.2	+16.5
Shareholders' Equity Ratio(%) (2) (※2)	33.7% (41.0%)	32.4% (39.3%)	▼1.3pt (▼1.7pt)
D/E Ratio (x) (3)	1.2x	1.1x	▼0.0x
Net D/E Ratio (x) (4) (※3)	0.5x (0.3x)	0.4x (0.1x)	▼0.2x (▼0.2x)

(JPY Bn)

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

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

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

Cash Flow	FY21Q4	FY22Q4	Diff.
Cash Flow from Operating Activities	▼103.5	292.9	+396.4
Depreciation and Amortization	178.4	157.4	▼21.0
Cash Flow from Investing Activities	▼173.7	▼112.7	+61.0
Capital Investment	▼189.5	▼128.6	+60.8
Free Cash Flow (5)	▼277.3	180.1	+457.4
Cash Flow from Financing Activities	359.2	▼38.4	▼397.7
Total Cash Flow (6)	81.9	141.6	+59.7
EBITDA (7)	▼61.0	222.0	+283.0

- (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) /Shareholders' 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 and Amortization

1. PERFORMANCE OVERVIEW FOR FY2022
2. FORECAST FOR FY2023 FULL-YEAR
3. DETAILS OF FINANCIAL RESULTS FOR FY2022
- 4. REFERENCES**

[Reference]

Operation Performance by Geographic Segment (Full Service Carrier)



Passenger Revenue					
(%)	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY22Q4 Component Ratio	Vs. FY19Q4	Vs. FY21Q4	FY22Q4 Component Ratio	Vs. FY21Q4
America	38%	+15.4%	+400.7%	35%	+408.0%
Europe	18%	▼3.1%	+620.9%	16%	+568.4%
Asia/Oceania	34%	▼8.1%	+633.8%	38%	+592.7%
China	3%	▼72.6%	+159.4%	4%	+225.7%
Hawaii/Guam	7%	▼58.6%	+1,246.1%	7%	+1,135.5%
Total	100%	▼14.1%	+507.0%	100%	+501.3%

ASK					
(MN seat km)	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
America	16,254	▼1.8%	+48.3%	4,446	+62.4%
Europe	5,455	▼31.6%	+22.1%	1,632	+64.8%
Asia/Oceania	12,968	▼30.6%	+98.6%	3,817	+106.4%
China	377	▼88.6%	+22.3%	163	+27.1%
Hawaii/Guam	2,983	▼59.5%	+482.9%	923	+281.2%
Total	38,039	▼29.4%	+67.0%	10,984	+84.6%

RPK					
(MN passenger km)	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
America	12,015	▼15.5%	+276.0%	3,376	+253.4%
Europe	3,640	▼46.1%	+333.0%	1,048	+333.1%
Asia/Oceania	9,516	▼39.2%	+456.0%	3,057	+373.2%
China	203	▼92.0%	+97.5%	95	+204.7%
Hawaii/Guam	1,934	▼69.6%	+994.7%	602	+850.8%
Total	27,310	▼40.0%	+353.1%	8,180	+322.0%

Revenue Passengers Carried					
('000)	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY22Q4	Vs. FY19Q4	Vs. FY21Q4	FY22Q4	Vs. FY21Q4
America	1,291	▼14.5%	+276.8%	364	+253.4%
Europe	389	▼48.1%	+329.5%	111	+331.1%
Asia/Oceania	2,247	▼46.6%	+495.2%	774	+443.4%
China	103	▼92.4%	+96.6%	49	+208.4%
Hawaii/Guam	315	▼71.8%	+1,003.5%	98	+861.7%
Total	4,348	▼51.5%	+387.2%	1,398	+369.8%

Load Factor					
(%)	Q4 (Apr. to Mar.)			Q4 (Jan. to Mar.)	
	FY22Q4	FY19Q4	FY21Q4	FY22Q4	FY21Q4
America	73.9%	85.9%	29.2%	75.9%	34.9%
Europe	66.7%	84.7%	18.8%	64.2%	24.4%
Asia/Oceania	73.4%	83.6%	26.2%	80.1%	34.9%
China	54.0%	77.0%	33.4%	58.7%	24.5%
Hawaii/Guam	64.8%	86.5%	34.5%	65.2%	26.2%
Total	71.8%	84.5%	26.5%	74.5%	32.6%

[Reference]

Fleet Information



			End of FY21 (March 31, 2022)				End of FY22 (March 31, 2023)			Diff.
			Owned	Leased	Total1	Total2 Retired AircraftExcluded	Owned	Leased	Total	Mar/23 - Total2 of Mar/22
Full Service Carrier	Large	Airbus A350-900	11	4 ⁽¹⁾	15	15	12	4	16	+1
		Boeing 777-300ER	13	0	13	13	13	0	13	0
		Boeing 777-300	4	0	4	0	0	0	0	0
		Boeing 777-200ER	8	0	8	5	3	0	3	▼2
		Boeing 777-200	4	0	4	0	0	0	0	0
	Large-sized Total		40	4	44	33	28	4	32	▼1
	Middle	Boeing 787-9	19	3	22	22	19	3	22	0
		Boeing 787-8	25	0	25	25	25	0	25	0
		Boeing 767-300ER	29	0	29	29	16	11	27	▼2
	Middle-sized Total		73	3 ⁽¹⁾	76	76	60	14	74	▼2
	Small	Boeing 737-800	47	12	59	58	47	9	56	▼2
		Small-sized Total		47	12	59	58	47	9	56
	Regional	Embraer 170 / Embraer 190	32	0	32	32	32	0	32	0
		De Havilland DHC-8-400CC	5	0	5	5	5	0	5	0
		ATR42-600 / ATR72-600	12	1	13	13	13	1	14	+1
		Regional Total		49	1	50	50	50	1	51
Full Service Carrier Total		209	20	229	217	185	28	213	▼4	
LCC	Boeing 787-8	4	0	4	4	5	0	5	+1	
	Boeing 737-800	0	6	6	6	0	6	6	0	
LCC Total		4	6	10	10	5	6	11	+1	
Full Service Carrier + LCC Total		213	26	239	227	190	34	224	▼3	

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

[Reference]

FY2023 Earnings Forecast (Air transportation Segment)



International Passenger	CY19 (4)	FY22	FY23	Vs. CY19(%) (Actual number shown for L/F)			Vs. FY22(%) (Actual number shown for L/F)		
				Full-year (Forecast)	1st Half (Forecast)	2nd Half (Forecast)	Full-year (Forecast)	1st Half (Forecast)	2nd Half (Forecast)
Passenger Revenue (JPY Bn)	531.2	417.5	557.0	+4.8%	▼1.6%	+11.5%	+33.3%	+64.4%	+13.3%
Passengers ('000)	9,796	4,348	6,330	▼35.4%	▼38.6%	▼32.1%	+45.6%	+74.2%	+26.4%
RPK (MN passenger km)	48,822	27,310	35,102	▼28.1%	▼30.4%	▼25.8%	+28.5%	+48.7%	+13.7%
ASK (MN seat km)	55,177	38,039	47,547	▼13.8%	▼14.4%	▼13.2%	+25.0%	+45.2%	+9.7%
L/F (%)	88.5%	71.8%	73.8%	73.8%	72.3%	75.4%	73.8%	72.3%	75.4%
Revenue per Passenger (JPY) (1)	54,229	96,015	87,927	+62.1%	+60.3%	+64.2%	▼8.4%	▼5.6%	▼10.3%
Yield (JPY) (2)	10.9	15.3	15.9	+45.7%	+41.2%	+50.3%	+3.7%	+10.6%	▼0.3%
Unit Revenue(JPY) (3)	9.6	11.0	11.7	+21.6%	+15.0%	+28.5%	+6.6%	+13.2%	+3.3%

Domestic Passenger	CY19 (4)	FY22	FY23	Vs. CY19(%) (Actual number shown for L/F)			Vs. FY22(%) (Actual number shown for L/F)		
				Full-year (Forecast)	1st Half (Forecast)	2nd Half (Forecast)	Full-year (Forecast)	1st Half (Forecast)	2nd Half (Forecast)
Passenger Revenue (JPY Bn)	554.2	451.1	538.0	▼2.8%	▼5.7%	+0.3%	+19.4%	+29.2%	+11.0%
Passengers ('000)	38,368	30,109	35,994	▼6.2%	▼7.2%	▼5.2%	+19.5%	+31.4%	+9.7%
RPK (MN passenger km)	29,070	23,090	27,455	▼5.6%	▼6.4%	▼4.7%	+18.9%	+30.4%	+9.2%
ASK (MN seat km)	36,539	35,243	35,543	▼2.7%	▼2.8%	▼2.6%	+0.9%	+2.3%	▼0.6%
L/F (%)	79.6%	65.5%	77.2%	77.2%	77.0%	77.5%	77.2%	77.0%	77.5%
Revenue per Passenger (JPY) (1)	14,445	14,983	14,967	+3.6%	+1.6%	+5.7%	▼0.1%	▼1.7%	+1.2%
Yield (JPY) (2)	19.1	19.5	19.6	+2.9%	+0.8%	+5.2%	+0.4%	▼0.9%	+1.6%
Unit Revenue(JPY) (3)	15.2	12.8	15.2	▼0.1%	▼2.9%	+2.9%	+18.4%	+26.2%	+11.7%

(1) Revenue per Passenger = Passenger Revenue / Passengers (2) Yield = Passenger Revenue / RPK (3) Unit Revenue = Passenger Revenue / ASK
 (4) CY2019= Jan to Dec 2019; From January to March, IFRS values are calculated using a virtual method for internal management.

[Reference]

FY2023 Earnings Forecast (Balance Sheet and Cash Flow)



(JPY Bn)

Balance Sheet	End of FY22(Results)	End of FY23(Forecast)	Diff.
Total Assets	2,520.6	2,544.0	+23.3
Balance of Interest-bearing debts	925.5	883.0	▼42.5
Shareholders' Equity(1)	816.2	850.0	+33.7
Shareholders' Equity Ratio (%) (2)(※1)	32.4% (39.3%)	33.4% (40.3%)	+1.0pt (+1.0pt)
D/E Ratio (x)(3)	1.1x	1.0x	▼0.1x
Net D/E Ratio (x) (4) (※2)	0.4x (0.1x)	0.3x (0.1x)	▼0.0x (▼0.0x)
ROIC(5)	3.3%	5.1%	+1.8%
ROE(6)	4.3%	6.6%	+2.4%

Cash Flow	FY22Q4 (Results)	FY23Q4 (Forecast)	Diff.
Cash Flow from Operating Activities	292.9	278.0	▼14.9
Cash Flow from Investing Activities	▼112.7	▼227.0	▼114.2
Free Cash Flow(7)	180.1	51.0	▼129.1
Cash Flow from Financing Activities	▼38.4	▼94.0	▼55.5
EBITDA (8)	222.0	253.0	+30.9

※1 Figures in brackets represent Shareholders' Equity Ratio based on credit rating evaluation considering Hybrid Finance

※2 Figures in brackets represent Net D/E Ratio based on credit rating 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) /Shareholders' Equity
- (5) EBIT (after tax)/Average Fixed Asset at the beginning and end of a fiscal year*
*Fixed Assets = Inventory Assets + Non-Current Assets - Deferred Tax Assets - Net Defined Benefit Asset
- (6) Profit Attributable to Owners of the Parent /Average of Shareholder's Equity at beginning and end of a fiscal year
- (7) Cash Flow from Operating Activities + Cash Flow from Investment Activities
- (8) EBITDA=EBIT+Depreciation and Amortization

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