

JAPAN AIRLINES Co.,Ltd. Financial Results 1st Half Mar/2024 (FY2023)



JAPAN AIRLINES



October 31, 2023

The JAL Group supports the Japanese National Rugby Team
@JRFU, 2023

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APEX

Health Safety Powered
by SimpliFlying Audit
Diamond



SKYTRAX

Covid-19 Safety
Rating
5-Star



SKYTRAX
2023

World's Best Economy Class
Best Economy Class Airline seat



SKYTRAX

World Airline Star
Rating
5-Star

work with Pride



「PRIDE Index 2022」
Gold



BEST WIFI
IN EASTERN ASIA
WINNER 2023

1. PERFORMANCE OVERVIEW FOR FY23Q2

2. FORECAST FOR FY2023 FULL-YEAR

3. RECENT TOPICS

4. DETAILS OF FINANCIAL RESULTS FOR FY23Q2

5. REFERENCES



2023 Award for Excellence
in Corporate Disclosure
— Industries —

SAAJ The Securities Analysts
Association of Japan



DX銘柄2023
Digital Transformation



2023
健康経営銘柄
Health and Productivity



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

Health and Productivity
Management Brand

ESG Indices



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

2023 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

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 2nd Quarter results (July to September) are calculated by deducting the results of 1st Quarter (April to June) from 1st Half (April to September).

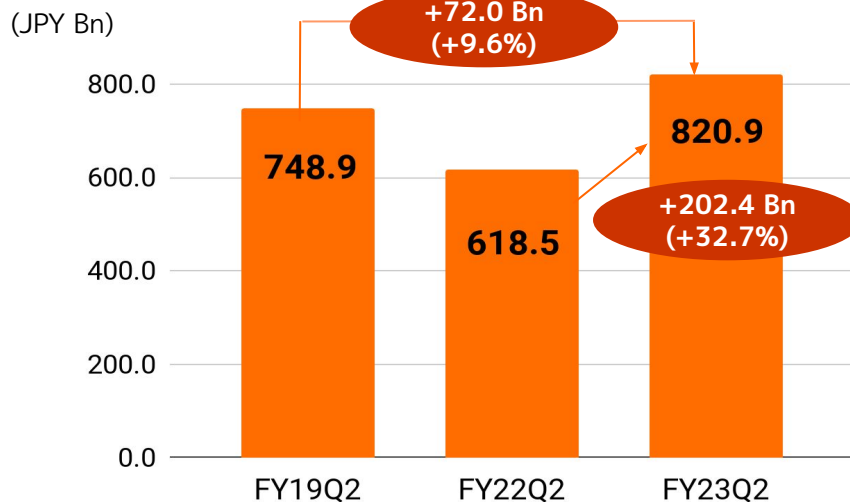
(3) LCC=Low Cost Carrier (4) We introduced ESG-related index selections to evaluate executive officer's compensations. ※ indicates the applicable index.

Performance Overview for FY2023Q2

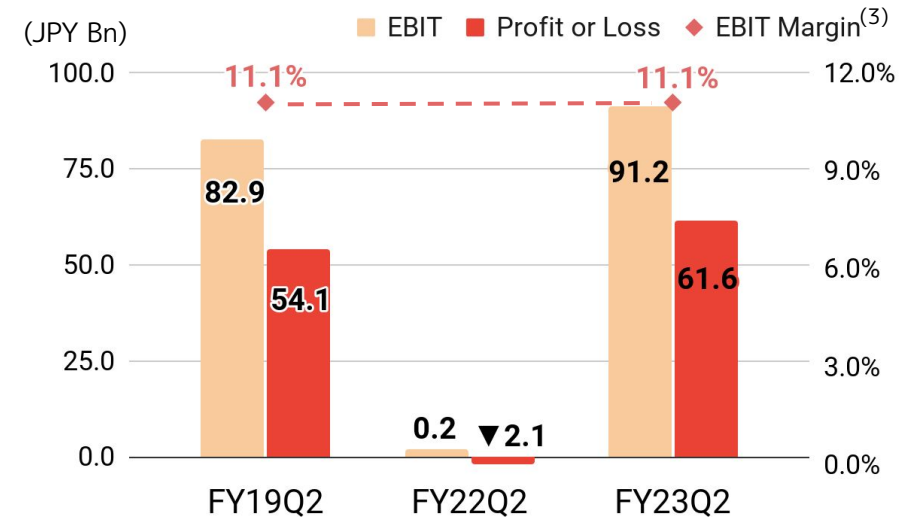


- ✓ Increased revenue/profit vs pre-pandemic levels, achieved by swiftly recovering capacity ahead of others and steadily capturing the recovering passenger demand

Revenue



EBIT⁽¹⁾ / Profit or Loss⁽²⁾



Fuel/FX Markets

	FY22Q2	FY23Q2	y/y
Singapore Kerosene (USD/bbl)	140.4	98.2	▼30.1%
Dubai Crude Oil (USD/bbl)	105.8	79.8	▼24.6%
FX Rate (JPY/USD)	130.8	138.7	+6.0%

Operational Preconditions/ASK

	Vs. FY22Q2		
	International Routes	Domestic Routes	Total
Full Service Carrier	+44.7%	+1.1%	+22.2%
LCC	+83.9%	+1.3%	+74.1%
Total	+49.3%	+1.1%	+25.8%

(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 (3) EBIT Margin = EBIT/Revenue

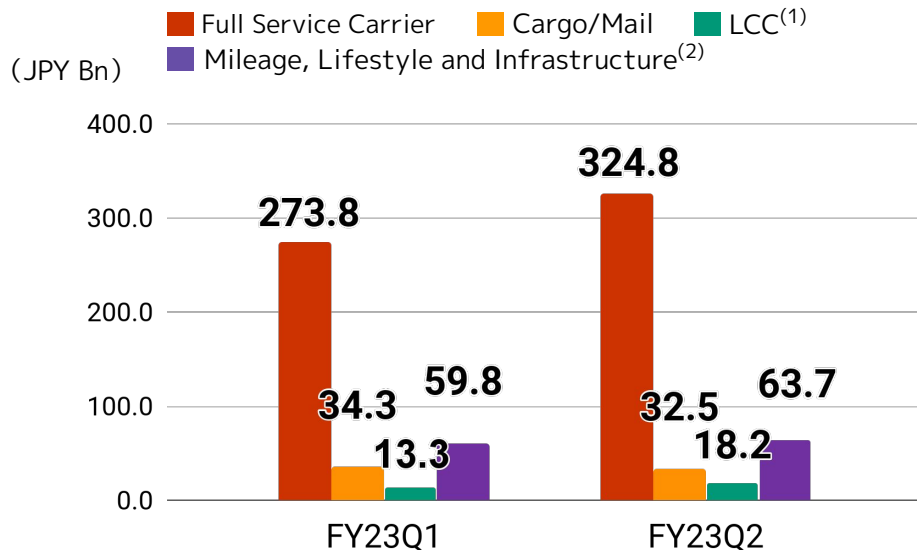
FY2023Q2 Performance by Business Domain



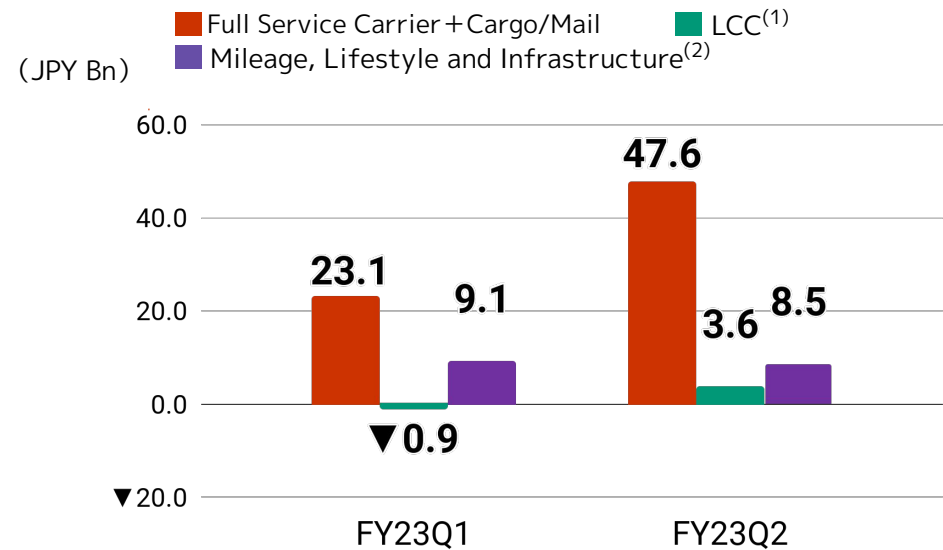
- ✓ Revenue and EBIT improved significantly, driven by Full Service Carrier
- ✓ LCC's EBIT turned profitable. Mileage, Lifestyle and Infrastructure steadily recorded profit

FY23 (JPY Bn)	Full Service Carrier	Cargo / Mail	LCC (1)	Mileage, Lifestyle and Infrastructure (2)
Revenue	598.7	66.9	31.6	123.6
EBIT	70.7		2.7	17.7

Revenue by Business Domain



EBIT 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 Transport Business Segment or Others

• The figures may be changed because of the internal change of accounting rules ex post

(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 = Travel Agency, Mileage, Ground Handling etc.

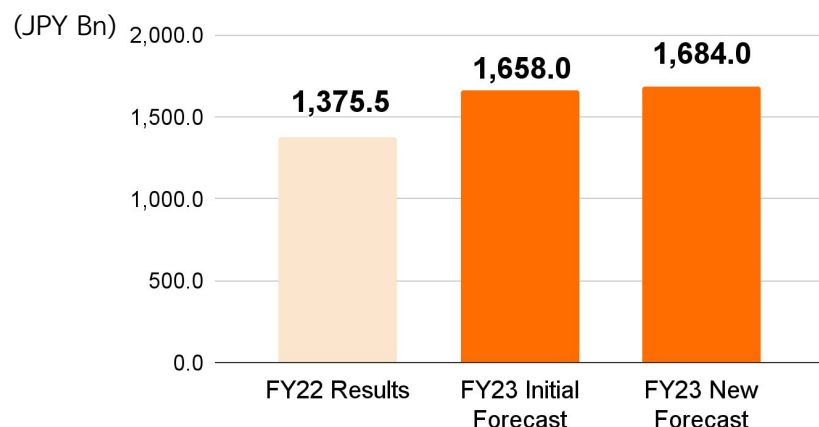
1. PERFORMANCE OVERVIEW FOR FY23Q2
- 2. FORECAST FOR FY2023 FULL-YEAR**
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4. DETAILS OF FINANCIAL RESULTS FOR FY23Q2
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FY2023 Full-Year Performance Forecast

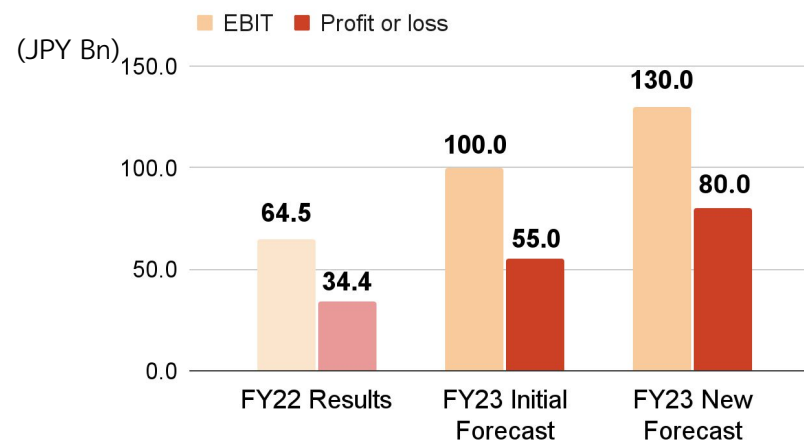


- ✓ Consolidated full-year forecast: Revenue 1,684 billion yen, EBIT 130 billion yen and Net Profit 80 billion yen , to reflect the further recovering passenger demand
- ✓ Full-year dividend forecast increased from 40 yen to 60 yen per share

Revenue



EBIT / Profit



Shareholder Return Forecast

	FY22 Results	FY23	
		Initial Forecast	New Forecast
Dividends per share	25.0 JPY	40.0 JPY	60.0 JPY
Interim Dividend	-	20.0 JPY	30.0 JPY
Year-End Dividend	25.0 JPY	20.0 JPY	30.0 JPY
Payout Ratio (1)	31.7%	31.8%	32.8%

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

Fuel/FX Markets

	FY22 Results	FY23	
		Initial Forecast	New Forecast
Singapore Kerosene (USD/bbl)	128.3	115.0	109.1 (2nd half 120.0)
Dubai Crude Oil (USD/bbl)	95.2	85.0	85.9 (2nd half 92.0)
FX Rate (JPY/USD)	134.6	135.0	141.9 (2nd half 145.0)

Details of FY2023 Full-Year Performance Forecast



(JPY Bn)	FY22	FY23		
	Results	Initial Forecast	New Forecast	Diff.
Revenue	1,375.5	1,658.0	1,684.0	+26.0
Full Service Carrier	1,108.6	1,281.0	1,339.0	+58.0
International PAX	417.5	557.0	643.0	+86.0
Domestic PAX	451.1	538.0	546.0	+8.0
Cargo / Mail	224.7	172.0	133.0	▼39.0
Other Revenue	15.2	14.0	17.0	+3.0
LCC	30.6	81.0	71.0	▼10.0
Mileage, Lifestyle and Infrastructure (1)	236.2	296.0	274.0	▼22.0
Operating Expense	1,344.6	1,571.0	1,567.0	▼4.0
Fuel	323.3	387.0	377.0	▼10.0
Excluding Fuel	1,021.3	1,184.0	1,190.0	+6.0
Others(2)	33.6	13.0	13.0	-
EBIT	64.5	100.0	130.0	+30.0
Net Profit	34.4	55.0	80.0	+25.0

EBIT by Business Domain			
(JPY Bn)	FY22	FY23	FY23
	Results	Initial Forecast	New Forecast
Full Service Carrier	24.9	45.0	80.0
Cargo / Mail			
LCC	▼8.0	0.0	3.0
Mileage, Lifestyle and Infrastructure (1)	47.7	55.0	47.0

- The Revenue and EBIT by each business domain shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT
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Impact on profit by Fuel and FX rate (Incl. hedging and Fuel surcharges)					
(JPY Bn)	Fuel Prices (USD/bbl)	Dubai Crude	82USD	92USD	102USD
		Singapore Kerosene	110USD	120USD	130USD
FX (JPY/USD)	135JPY		+8.0	+6.0	+0.0
	145JPY		+4.0	Base +0.0	▼7.0
	155JPY		▼3.0	▼12.0	▼10.0

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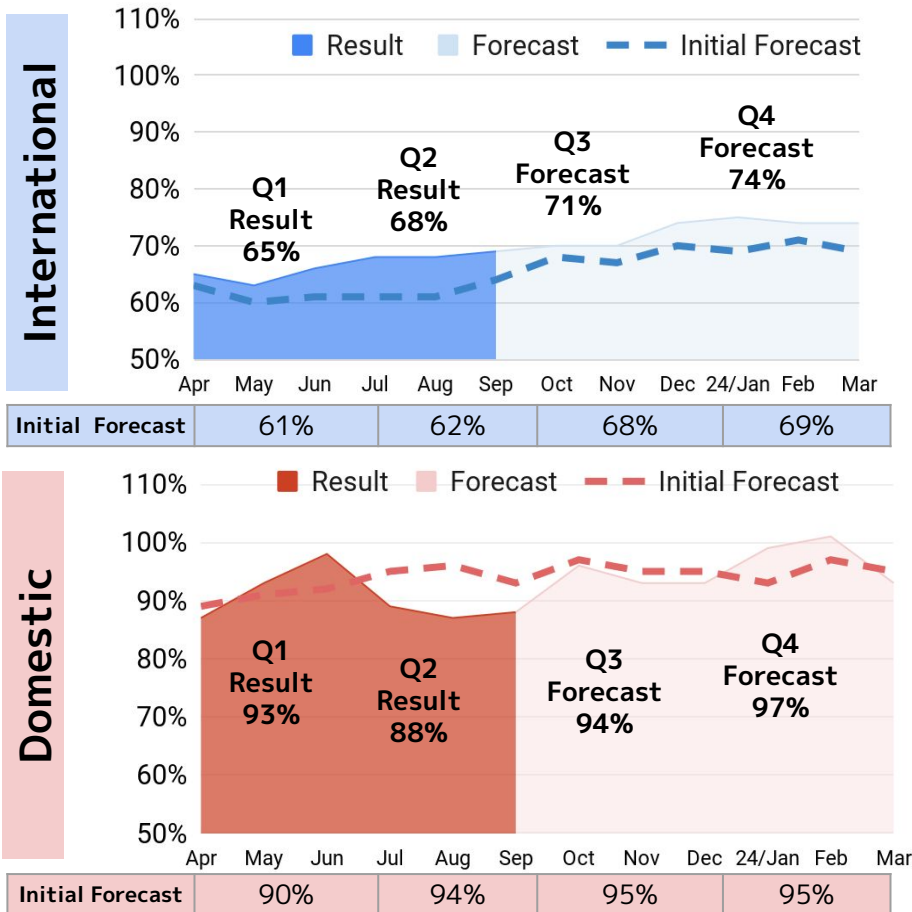
Premises of Performance Forecast for FY2023

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



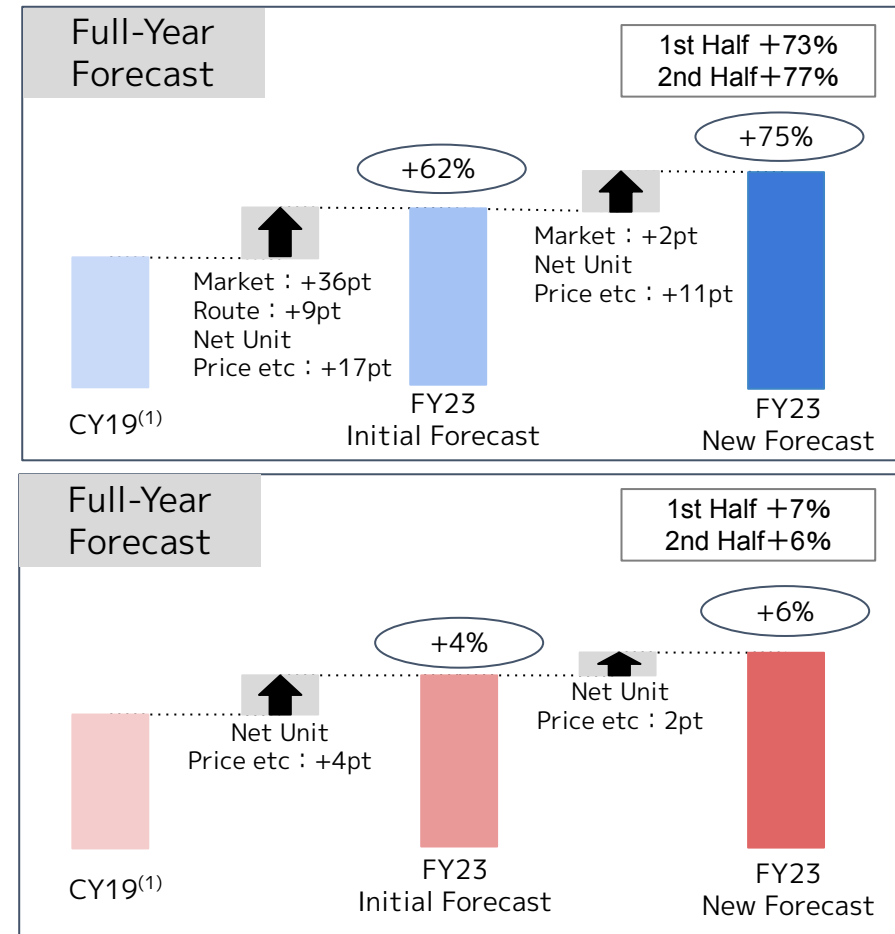
- ✓ Int'l pax revenue expected to exceed initial forecast with larger pax number & higher unit price
- ✓ Domestic pax expected to exceed initial forecast through flexible pricing

Passenger Demand (vs.CY2019) ⁽¹⁾



(1) CY2019=Jan to Dec 2019

Revenue per Passenger (vs.CY2019) ⁽¹⁾



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RECENT TOPICS

(International Passenger Operations)



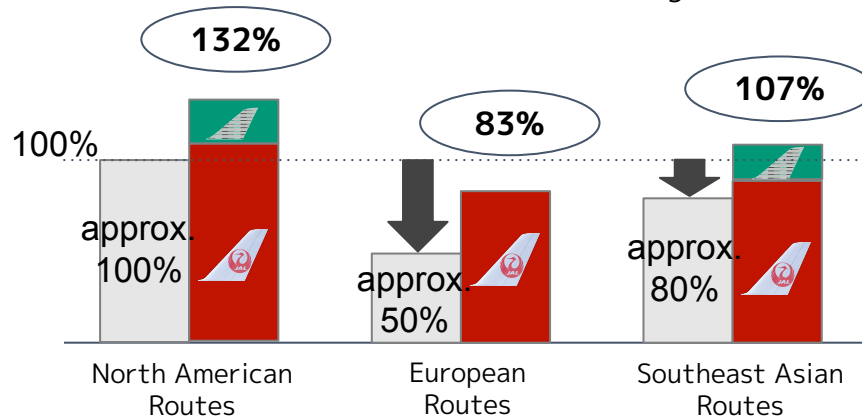
International Passenger



Competitive Position in the Market

FY23 First-Half/Total Seats
To/From Japan(vs CY19)

Left : Market Total
(FSC + LCC)
Right : JAL Group



Total seats on international routes below pre-pandemic levels

JAL Group's market share has increased

- The JAL Group has swiftly recovered supply
- Further strengthening of competitiveness through introduction of new aircraft from this winter

Improving Competitiveness

New International Aircraft A350-1000

Scheduled to be in service by the end of the year!

- 3 aircrafts scheduled this year
First aircraft scheduled for Haneda-New York Route
- 10% increased business class seats
Cabin to be updated to a more relaxing & private space
- 15~25% reduced fuel consumption/CO2 emission



<First Class>



<Business Class>



<Premium Economy Class>



<Economy Class>



RECENT TOPICS

(Cargo/Mail, LCC, Mileage, Lifestyle and Infrastructure)



Cargo/Mail

Preparation for freighter business underway

767 Freighter



A321 Freighter



- Partnership with Logistics Partner
- Scheduled from Feb 2024

- Partnership with Yamato HD
- Scheduled from FY2024

Volume exceeded pre-pandemic levels despite a difficult market, from strengthened efforts for transit & pharmaceuticals.

Total Demand · JAL Volume (vs FY19)



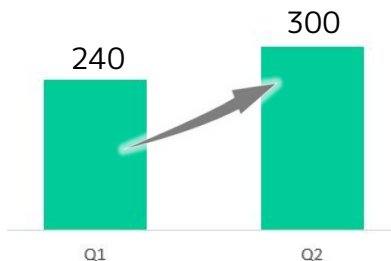
*Total Demand = JAFJA Demand to/from Japan

LCC



- ZIPAIR's monthly passengers reached 100K, 1 mil. in total!
- Expanded to 8 destinations, aiming for further growth

ZIPAIR FY23 Passengers('000)



Destinations



Mileage, Lifestyle and Infrastructure

Mileage Business

- Further improve the convenience of Miles through:
 - Expanding scenes to gain Miles in daily life
 - Offer unique JAL experiences other than award tickets

Daily Life (Earn Miles)

JALの保険 <JAL Insurance>

NEW 介護 医療 がん 傷害 etc.

<JAL Electricity>



Special Occasions (Use Miles)

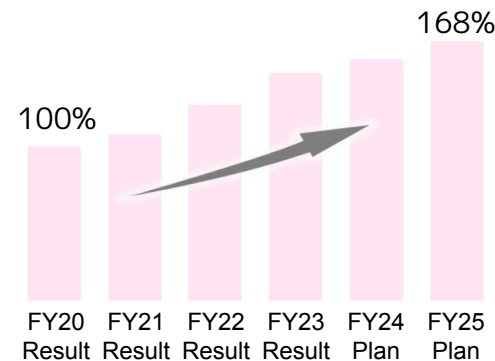


<JAL's Original Experience>

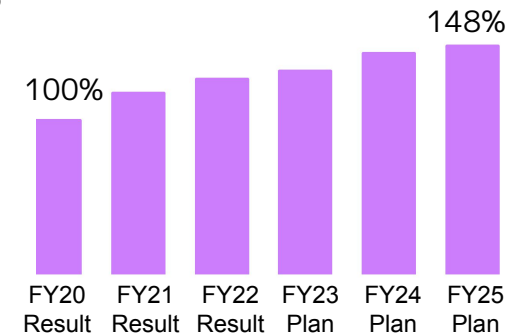


JALプレミアム体験特典

Miles Issued (Non-Aviation)



Mileage Profit Plan



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Details of financial results for FY2023Q2

Consolidated Financial Results



(JPY Bn)	1st Half							2nd Quarter		
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2		Vs. FY22Q2		FY23Q2	Vs. FY22Q2	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Revenue	748.9	618.5	820.9	+72.0	+9.6%	+202.4	+32.7%	439.4	+89.8	+25.7%
Full Service Carrier	612.2	505.8	665.6	+53.4	+8.7%	+159.7	+31.6%	357.4	+70.0	+24.4%
International PAX	272.9	163.2	314.4	+41.5	+15.2%	+151.1	+92.6%	166.9	+66.1	+65.6%
Domestic PAX	285.8	208.6	275.0	▼10.7	▼3.7%	+66.4	+31.8%	153.0	+32.4	+26.9%
Cargo / Mail	45.1	126.2	66.9	+21.7	+48.1%	▼59.3	▼47.0%	32.5	▼28.3	▼46.5%
Other Revenue	8.3	7.6	9.2	+0.8	+10.5%	+1.5	+19.7%	4.8	▼0.1	▼3.1%
LCC	-	11.1	31.6	-	-	+20.4	+184.3%	18.2	+10.4	+132.5%
Mileage, Lifestyle and Infrastructure (1)	136.7	101.5	123.6	▼13.0	▼9.5%	+22.1	+21.8%	63.7	+9.4	+17.3%
Operating Expense	671.5	637.4	736.6	+65.1	+9.7%	+99.2	+15.6%	383.6	+49.3	+14.8%
Fuel	127.7	154.8	170.0	+42.2	+33.1%	+15.1	+9.8%	90.6	+5.6	+6.6%
Excluding Fuel	543.7	482.5	566.6	+22.9	+4.2%	+84.0	+17.4%	292.9	+43.6	+17.5%
Others (2)	5.5	19.1	6.9	+1.4	+26.5%	▼12.1	▼63.4%	3.9	▼8.5	▼68.2%
EBIT	82.9	0.2	91.2	+8.2	+10.0%	+91.0	-	59.8	+32.0	+115.1%
EBIT Margin(%)	11.1%	0.0%	11.1%	+0.0pt	-	+11.1pt	-	13.6%	5.7pt	-
Profit or Loss	54.1	▼2.1	61.6	+7.5	+13.9%	+63.8	-	38.6	+21.1	+121.6%
RPK (MN passenger km)	39,419	23,144	35,510	▼3,909	▼9.9%	+12,366	+53.4%	18,556	+5,089	+37.8%
ASK (MN seat km)	46,222	36,338	45,698	▼524	▼1.1%	+9,360	+25.8%	23,295	+3,327	+16.7%
EBITDA Margin(%) (3)	21.7%	13.5%	20.1%	▼1.7pt	-	+6.6pt	-	21.9%	+2.2pt	-

(1) Mileage, Lifestyle and Infrastructure = 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

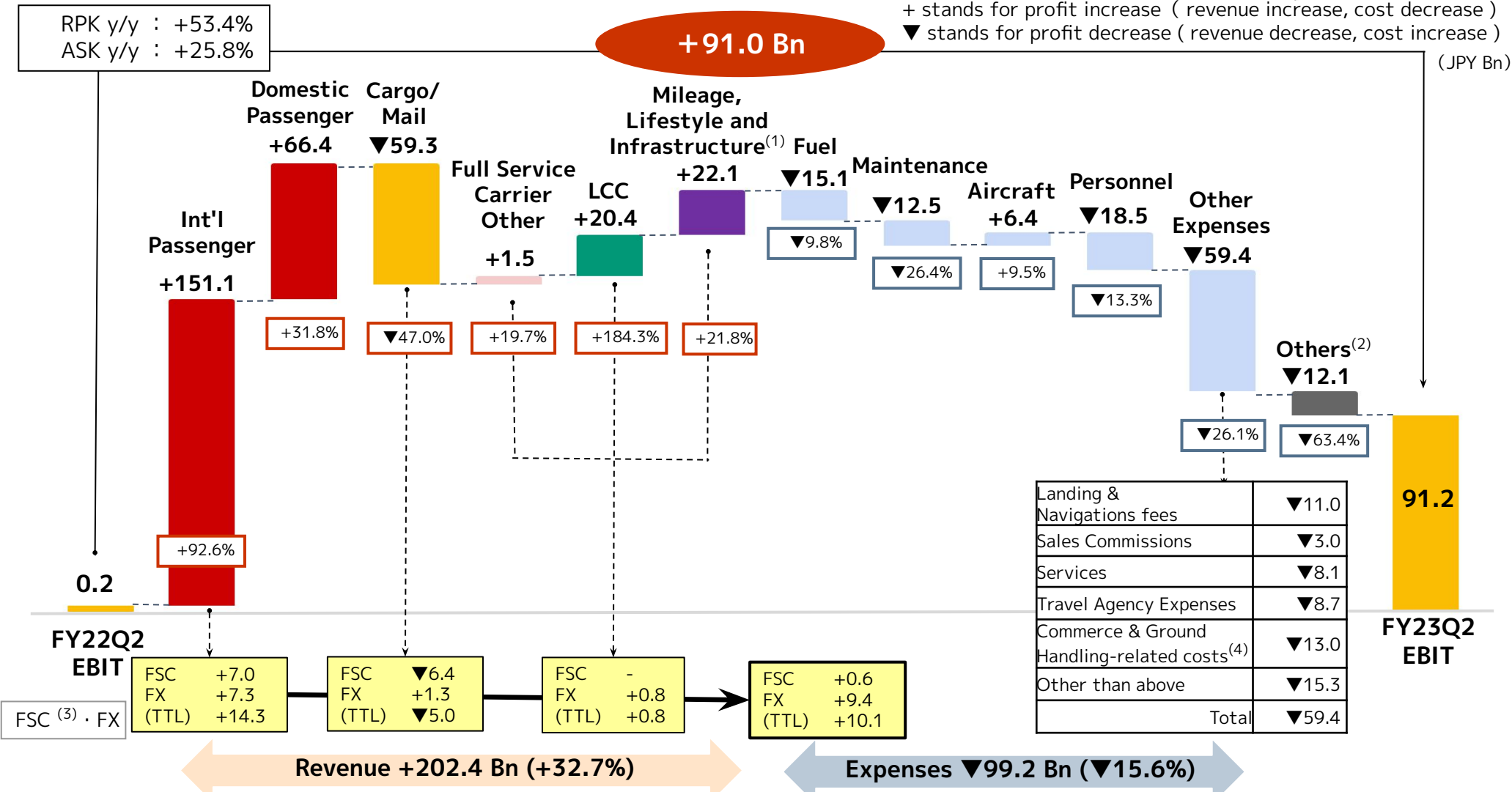
(3) EBITDA Margin = EBITDA/Revenue EBITDA=EBIT+Depreciation and Amortization

Details of financial results for FY2023Q2

Changes in EBIT (Revenues / Expenses)

RPK y/y : +53.4%
ASK y/y : +25.8%

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



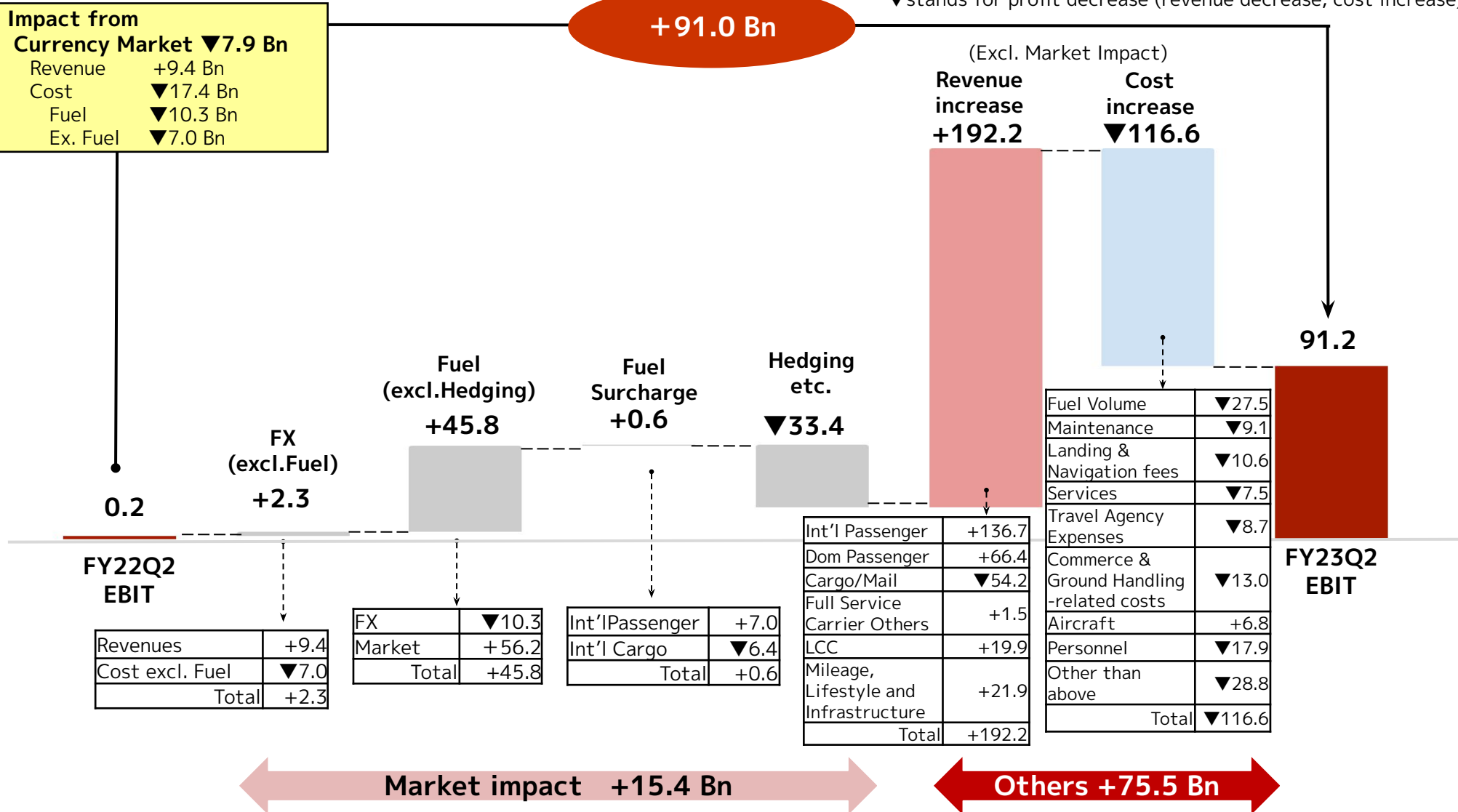
(1) Mileage, Lifestyle and Infrastructure = Travel Agency, Mileage, Ground Handling etc. (2) Others = Gain on Sales of Aircraft, Other Income, Share of Profit or Loss of Investment and Income/Expenses from Investment (3) FSC=Fuel Surcharge (4) Commerce and Ground Handling-related costs= Non-aviation fees such as Commerce and Ground-Handling costs

Details of financial results for FY2023Q2

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 FY2023Q2

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



International Passenger	Q2 (Apr. to Sep.)					Q2 (Jul. to Sep.)	
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Passenger Revenue (JPY Bn)	272.9	163.2	314.4	+15.2%	+92.6%	166.9	+65.6%
Passengers ('000)	4,946	1,742	3,294	▼33.4%	+89.1%	1,723	+70.0%
RPK (MN passenger km)	24,716	11,574	18,817	▼23.9%	+62.6%	9,803	+44.7%
ASK (MN seat km)	27,835	16,402	23,738	▼14.7%	+44.7%	11,974	+28.7%
L/F (%)	88.8%	70.6%	79.3%	▼9.5pt	+8.7pt	81.9%	+9.1pt
Revenue per Passenger (JPY) (1)	55,175	93,708	95,443	+73.0%	+1.9%	96,857	▼2.6%
Yield (JPY) (2)	11.0	14.1	16.7	+51.3%	+18.5%	17.0	+14.5%
Unit Revenue (JPY) (3)	9.8	10.0	13.2	+35.1%	+33.1%	13.9	+28.7%

Domestic Passenger	Q2 (Apr. to Sep.)					Q2 (Jul. to Sep.)	
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Passenger Revenue (JPY Bn)	285.8	208.6	275.0	▼3.7%	+31.8%	153.0	+26.9%
Passengers ('000)	19,409	13,717	17,526	▼9.7%	+27.8%	8,937	+17.0%
RPK (MN passenger km)	14,703	10,554	13,302	▼9.5%	+26.0%	6,832	+14.2%
ASK (MN seat km)	18,387	17,455	17,640	▼4.1%	+1.1%	8,925	▼3.7%
L/F (%)	80.0%	60.5%	75.4%	▼4.6pt	+14.9pt	76.5%	+12.0pt
Revenue per Passenger (JPY) (1)	14,725	15,212	15,696	+6.6%	+3.2%	17,129	+8.4%
Yield (JPY) (2)	19.4	19.8	20.7	+6.4%	+4.6%	22.4	+11.1%
Unit Revenue (JPY) (3)	15.5	12.0	15.6	+0.3%	+30.4%	17.2	+31.7%

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

Details of financial results for FY2023Q2

Cargo



- ✓ International cargo recorded revenue higher than pre-pandemic levels by transportation of high value-added goods through our solid transportation quality
- ✓ Maximized volume particularly between Asia and North America by utilizing both our own and other companies' supplies

International Cargo	Q2 (Apr. to Sep.)					Q2 (Jul. to Sep.)	
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Cargo Revenue (JPY Bn)	29.7	109.0	50.6	+70.5%	▼53.6%	24.2	▼53.5%
Available Ton Km (MN ton km)	2,233	1,857	2,118	▼5.1%	+14.1%	1,065	+10.7%
Revenue Ton Km (MN ton km)	1,212	1,446	1,271	+4.9%	▼12.1%	639	▼10.7%
Carried Cargo Weight (Thousand ton)	200	235	212	+6.0%	▼9.8%	107	▼8.8%
Revenue Ton (JPY/kg)	148	463	238	+60.9%	▼48.5%	226	▼49.0%


Domestic Cargo	Q2 (Apr. to Sep.)					Q2 (Jul. to Sep.)	
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Cargo Revenue (JPY Bn)	10.3	9.7	9.7	▼5.7%	+0.1%	4.8	▼0.8%
Available Ton Km (MN ton km)	845	799	810	▼4.2%	+1.3%	410	▼4.0%
Revenue Ton Km (MN ton km)	165	133	140	▼15.4%	+5.2%	70	+2.2%
Carried Cargo Weight (Thousand ton)	178	139	148	▼17.2%	+6.4%	74	+3.1%
Revenue Ton (JPY/kg)	58	70	66	+13.9%	▼6.0%	65	▼3.8%


Details of financial results for FY2023Q2

LCC



- ✓ ZIPAIR started service on the San Francisco route in June and the Manila route in July, expanding its destination to 8 cities mainly in North America and Asia
- ✓ Scheduled to increase its fleet to 8 aircrafts by the end of March 2024

ZIPAIR 	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY22Q2	FY23Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Passenger Revenue (JPY Bn)	7.4	24.9	+235.9%	13.4	+148.3%
Passengers ('000)	162	541	+232.9%	297	+172.0%
RPK (MN passenger km)	841	2,990	+255.3%	1,652	+188.6%
ASK (MN seat km)	2,155	3,765	+74.7%	2,047	+74.7%
L/F (%)	39.1%	79.4%	+40.4pt	80.7%	+31.8pt
Revenue per Passenger (JPY) (1)	45,697	46,105	+0.9%	45,116	▼8.7%
Yield (JPY) (2)	8.8	8.4	▼5.5%	8.1	▼13.9%
Unit Revenue (JPY) (3)	3.5	6.6	+92.2%	6.5	+42.1%

SPRING JAPAN 	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY22Q2	FY23Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
Passenger Revenue (JPY Bn)	3.6	6.6	+80.1%	4.8	+97.8%
Passengers ('000)	208	390	+87.5%	243	+47.3%
RPK (MN passenger km)	173	400	+130.0%	268	+99.3%
ASK (MN seat km)	325	553	+70.1%	347	+55.5%
L/F (%)	53.4%	72.2%	+18.8pt	77.2%	+16.9pt
Revenue per Passenger (JPY) (1)	17,657	16,965	▼3.9%	19,946	+34.3%
Yield (JPY) (2)	21.2	16.6	▼21.7%	18.1	▼0.7%
Unit Revenue (JPY) (3)	11.3	12.0	+5.9%	14.0	+27.2%

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

Details of financial results for FY2023Q2

Expenses



✓ Actual fixed costs was 248.5 billion yen, achieved through steady cost control

Major Operating Expense Items

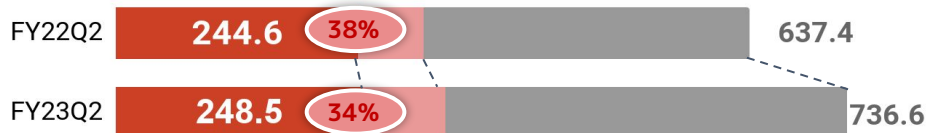
(JPY Bn)	Q2 (Apr. to Sep.)							Q2 (Jul. to Sep.)		
	FY19Q2	FY22Q2	FY23Q2	Vs. FY19Q2		Vs. FY22Q2		FY23Q2	Vs. FY22Q2	
				Diff.	y/y	Diff.	y/y		Diff.	y/y
Fuel	127.7	154.8	170.0	+42.2	+33.1%	+15.1	+9.8%	90.6	+5.6	+6.6%
Landing and navigation fees	43.5	24.1	35.2	▼8.2	▼19.1%	+11.0	+45.7%	17.8	+5.0	+38.9%
Maintenance	39.1	47.7	60.2	+21.1	+53.9%	+12.5	+26.4%	31.0	+5.9	+23.6%
Sales commissions (Air Transport)	9.5	9.3	12.4	+2.8	+30.3%	+3.0	+32.5%	6.2	+1.2	+26.1%
Services(1)	23.4	13.9	22.1	▼1.2	▼5.4%	+8.1	+58.5%	11.7	+3.7	+46.8%
Other variable cost(2)	107.9	77.0	104.1	▼3.7	▼3.5%	+27.0	+35.1%	55.1	+12.6	+29.8%
Aircraft(3)	63.5	67.9	61.5	▼2.0	▼3.2%	▼6.4	▼9.5%	30.3	▼3.5	▼10.4%
Personnel(3)	151.1	139.2	157.7	+6.6	+4.4%	+18.5	+13.3%	80.1	+10.9	+15.9%
Other cost(3)	105.4	103.0	113.1	+7.6	+7.3%	+10.0	+9.8%	60.4	+7.6	+14.4%
Total Operating Expenses	671.5	637.4	736.6	+65.1	+9.7%	+99.2	+15.6%	383.6	+49.3	+14.8%

Excludes temporal costs and variable factors, etc

Actual Fixed Costs ⁽⁴⁾

Expense Breakdown

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



- (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.

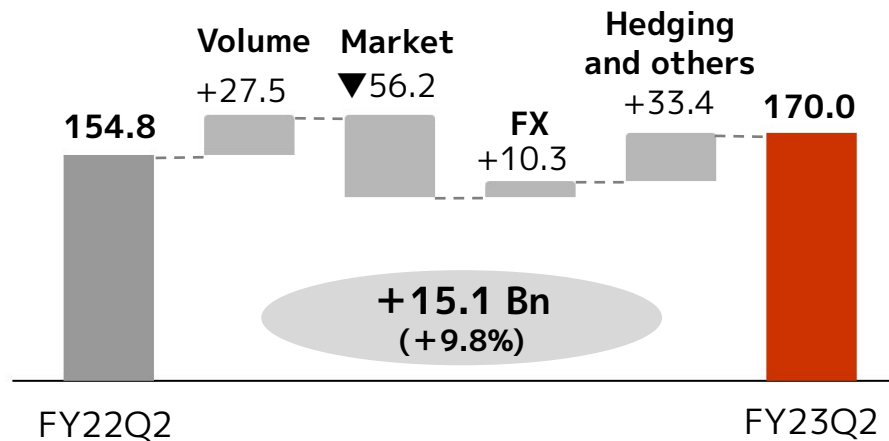
Details of financial results for FY2023Q2

Fuel Costs

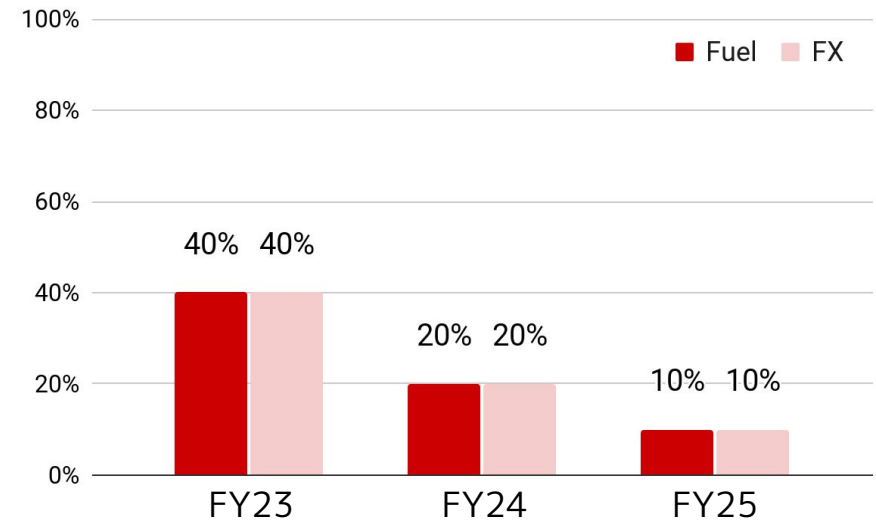


Changes in fuel costs

(JPY Bn)

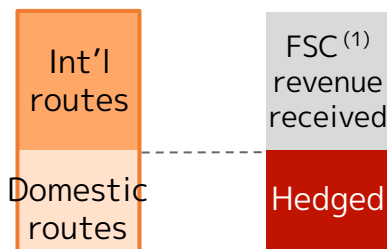


Hedge Ratio (As of End of Sep./2023)



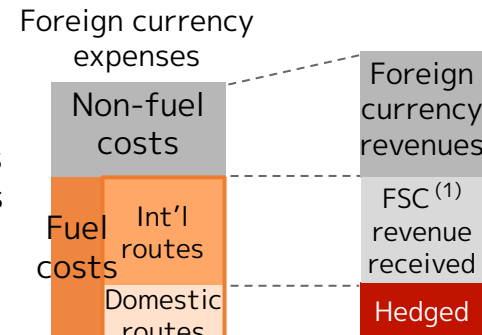
Fuel Hedging

Fuel Use



- ❑ 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 FY2023Q2

Balance Sheet and Cash Flow



BS ✓ Equity ratio is 39.8% and Net D/E ratio is x0.0 both in terms of credit rating evaluation basis, kept at a healthy level

CF ✓ Cash flow from Operating Activities is 213.4 billion yen, Free Cash Flow is 130.9 billion yen of inflow, improving its inflow significantly

Balance Sheet	End of FY22	End of FY23Q2	Diff.
Total Assets	2,520.6	2,662.8	+142.2
Cash and Deposits	639.2	743.5	+104.3
Balance of Interest-bearing Debt	925.5	921.1	▼4.3
Repayment within one year	111.9	119.5	+7.5
Shareholders' Equity (1)	816.2	885.7	+69.5
Shareholders' Equity Ratio(%) (2)(5)	32.4% (39.3%)	33.3% (39.8%)	+0.9pt (+0.5pt)
D/E Ratio (x) (3)	1.1x	1.0x	▼0.1x
Net D/E Ratio (x) (4)(5)	0.4x (0.1x)	0.2x (0.0x)	▼0.2x (▼0.1x)

(JPY Bn)

Cash Flow	FY22Q2	FY23Q2	Diff.
Cash Flow from Operating Activities	120.2	213.4	+93.1
Depreciation and Amortization	83.2	73.4	▼9.8
Cash Flow from Investing Activities	▼52.5	▼82.4	▼29.9
Capital Investment	▼59.7	▼85.3	▼25.5
Free Cash Flow (6)	67.7	130.9	+63.1
Cash Flow from Financing Activities	▼26.6	▼34.4	▼7.7
Total Cash Flow (7)	41.0	96.5	+55.4
EBITDA (8)	83.4	164.6	+81.1

- (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) Figures in () represent figures based on credit rating evaluation considering Hybrid Finance
- (6) Cash Flow from Operating Activities + Cash Flow From Investment Activities
- (7) Cash Flow from Operating Activities + Cash Flow from Investment Activities + Cash Flow from Financial Activities
- (8) EBITDA=EBIT+Depreciation and Amortization

1. PERFORMANCE OVERVIEW FOR FY23Q2
2. FORECAST FOR FY2023 FULL-YEAR
3. RECENT TOPICS
4. DETAILS OF FINANCIAL RESULTS FOR FY23Q2
- 5. REFERENCES**

[Reference]

Operation Performance by Geographic Segment (Full Service Carrier)



Passenger Revenue					
(%)	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY23Q2 Component Ratio	Vs. FY19Q2	Vs. FY22Q2	FY23Q2 Component Ratio	Vs. FY22Q2
America	36%	+48.5%	+71.3%	36%	+47.9%
Europe	17%	+20.6%	+77.2%	18%	+52.3%
Asia/Oceania	31%	+15.9%	+93.3%	29%	+63.2%
China	8%	▼22.7%	+360.6%	8%	+348.2%
Hawaii/Guam	8%	▼31.2%	+135.5%	9%	+93.5%
Total	100%	+15.2%	+92.6%	100%	+65.6%

ASK					
(MN seat km)	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
America	8,940	+4.8%	+23.1%	4,539	+13.4%
Europe	3,482	▼15.2%	+50.5%	1,763	+30.1%
Asia/Oceania	8,108	▼15.9%	+45.9%	3,984	+30.8%
China	1,120	▼38.3%	+978.8%	567	+884.6%
Hawaii/Guam	2,086	▼44.2%	+79.3%	1,119	+32.6%
Total	23,738	▼14.7%	+44.7%	11,974	+28.7%

RPK					
(MN passenger km)	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
America	7,394	▼4.2%	+37.5%	3,740	+21.1%
Europe	2,782	▼24.9%	+76.0%	1,510	+48.9%
Asia/Oceania	6,262	▼24.7%	+66.1%	3,157	+51.1%
China	685	▼57.1%	+917.8%	409	+994.9%
Hawaii/Guam	1,692	▼49.9%	+117.1%	985	+81.0%
Total	18,817	▼23.9%	+62.6%	9,803	+44.7%

Revenue Passengers Carried					
('000)	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY23Q2	Vs. FY19Q2	Vs. FY22Q2	FY23Q2	Vs. FY22Q2
America	795	▼3.0%	+37.6%	402	+21.0%
Europe	297	▼27.6%	+75.8%	162	+48.8%
Asia/Oceania	1,570	▼30.9%	+88.3%	782	+68.3%
China	351	▼59.0%	+940.5%	212	+1036.0%
Hawaii/Guam	279	▼52.4%	+120.1%	165	+85.4%
Total	3,294	▼33.4%	+89.1%	1,723	+70.0%

Load Factor					
(%)	Q2 (Apr. to Sep.)			Q2 (Jul. to Sep.)	
	FY23Q2	FY19Q2	FY22Q2	FY23Q2	FY22Q2
America	82.7%	90.5%	74.0%	82.4%	77.2%
Europe	79.9%	90.1%	68.4%	85.6%	74.9%
Asia/Oceania	77.2%	86.3%	67.8%	79.2%	68.6%
China	61.2%	88.0%	64.8%	72.2%	64.9%
Hawaii/Guam	81.1%	90.3%	67.0%	88.0%	64.5%
Total	79.3%	88.8%	70.6%	81.9%	72.8%

[Reference]

Fleet Information



			End of FY22 (March 31, 2023)			End of FY23Q2 (September 30, 2023)			Diff.
			Owned	Leased	Total	Owned	Leased	Total	
Full Service Carrier	Large	Airbus A350-900	12	4	16	12	4	16	0
		Boeing 777-300ER	13	0	13	13	0	13	0
		Boeing 777-200ER	3	0	3	1	0	1	▲2
		Large-sized Total	28	4	32	26	4	30	▲2
	Middle	Boeing 787-9	19	3	22	19	3	22	0
		Boeing 787-8	25	0	25	24	0	24	▲1
		Boeing 767-300ER	16	11	27	16	11	27	0
		Middle-sized Total	60	14	74	59	14	73	▲1
	Small	Boeing 737-800	47	9	56	47	9	56	0
		Small-sized Total	47	9	56	47	9	56	0
	Regional	Embraer 170 / Embraer 190	32	0	32	32	0	32	0
		De Havilland DHC-8-400CC	5	0	5	5	0	5	0
		ATR42-600 / ATR72-600	13	1	14	14	1	15	+1
		Regional Total	50	1	51	51	1	52	+1
Full Service Carrier Total			185	28	213	183	28	211	▲2
LCC	Boeing 787-8		5	0	5	7	0	7	+2
	Boeing 737-800		0	6	6	0	6	6	0
	LCC Total		5	6	11	7	6	13	+2
Full Service Carrier + LCC Total			190	34	224	190	34	224	0

[Reference]

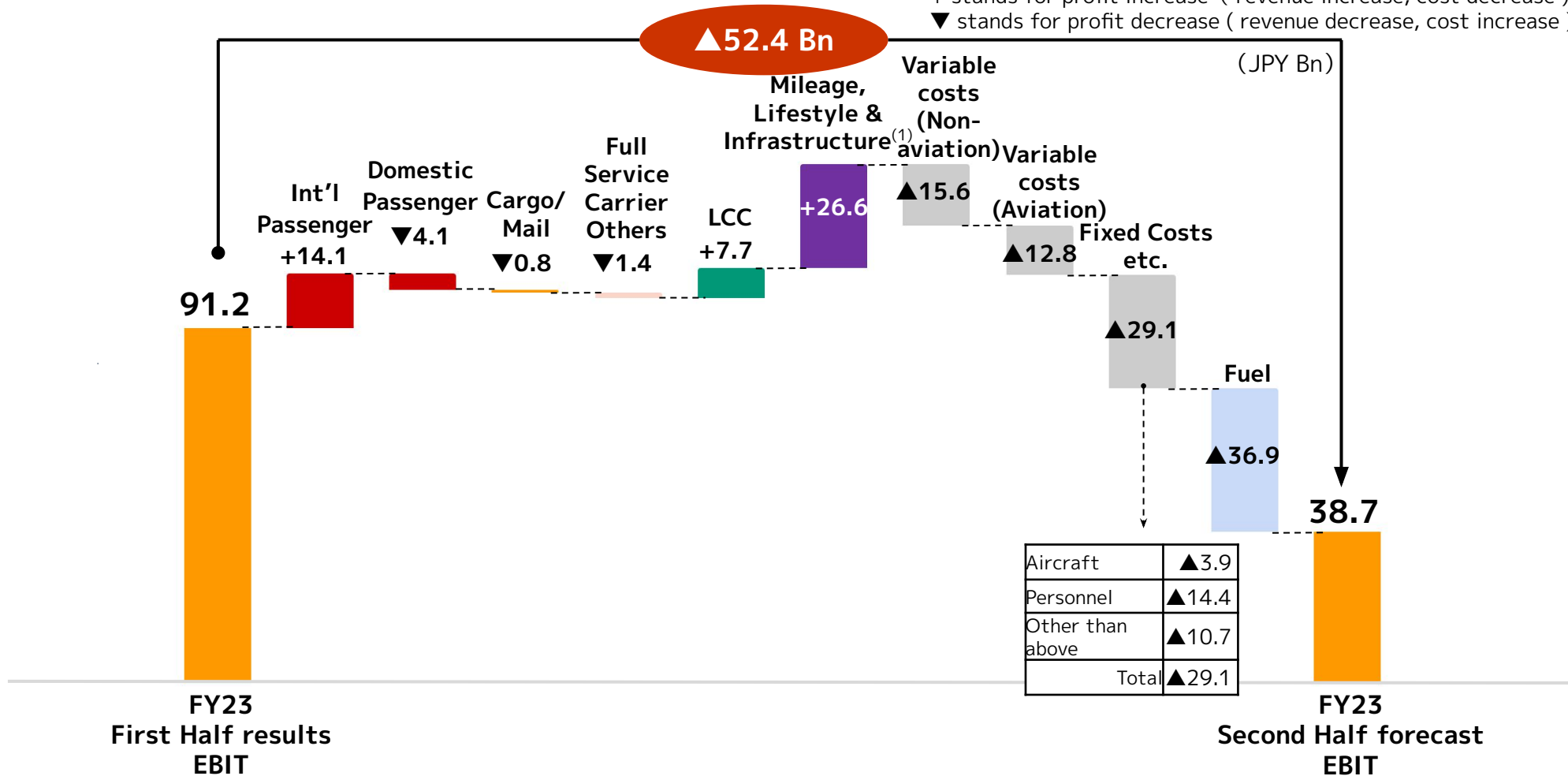
FY2023 Full-Year Performance Forecast

Changes in EBIT (First Half Results · Second Half Forecast)



- ✓ Further recovery expected especially for Int'l Pax and Mileage, Lifestyle & Infrastructure
- ✓ Main factors for increased costs in 2nd half are fuel costs & investment in human resources

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



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

[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 (Results)	2nd Half (Forecast)	Full-year (Forecast)	1st Half (Results)	2nd Half (Forecast)
Passenger Revenue (JPY Bn)	531.2	417.5	643.0	+21.0%	+15.2%	+27.2%	+54.0%	+92.6%	+29.2%
Passengers ('000)	9,796	4,348	6,781	▼30.8%	▼33.4%	▼28.1%	+55.9%	+89.1%	+33.8%
RPK (MN passenger km)	48,822	27,310	38,036	▼22.1%	▼23.9%	▼20.3%	+39.3%	+62.6%	+22.1%
ASK (MN seat km)	55,177	38,039	47,623	▼13.7%	▼14.7%	▼12.6%	+25.2%	+44.7%	+10.4%
L/F (%)	88.5%	71.8%	79.9%	79.9%	79.3%	80.5%	79.9%	79.3%	80.5%
Revenue per Passenger (JPY) (1)	54,229	96,015	94,818	+74.8%	+73.0%	+76.9%	▼1.2%	+1.9%	▼3.4%
Yield (JPY) (2)	10.9	15.3	16.9	+55.4%	+51.3%	+59.5%	+10.6%	+18.5%	+5.8%
Unit Revenue(JPY) (3)	9.6	11.0	13.5	+40.2%	+35.1%	+45.6%	+23.0%	+33.1%	+17.1%

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 (Results)	2nd Half (Forecast)	Full-year (Forecast)	1st Half (Results)	2nd Half (Forecast)
Passenger Revenue (JPY Bn)	554.2	451.1	546.0	▼1.5%	▼3.7%	+0.9%	+21.0%	+31.8%	+11.7%
Passengers ('000)	38,368	30,109	35,612	▼7.2%	▼9.7%	▼4.6%	+18.3%	+27.8%	+10.3%
RPK (MN passenger km)	29,070	23,090	27,053	▼6.9%	▼9.5%	▼4.3%	+17.2%	+26.0%	+9.7%
ASK (MN seat km)	36,539	35,243	35,368	▼3.2%	▼4.1%	▼2.3%	+0.4%	+1.1%	▼0.3%
L/F (%)	79.6%	65.5%	76.5%	76.5%	75.4%	77.6%	76.5%	75.4%	77.6%
Revenue per Passenger (JPY) (1)	14,445	14,983	15,331	+6.1%	+6.6%	+5.8%	+2.3%	+3.2%	+1.3%
Yield (JPY) (2)	19.1	19.5	20.2	+5.9%	+6.4%	+5.4%	+3.3%	+4.6%	+1.9%
Unit Revenue(JPY) (3)	15.2	12.8	15.4	+1.8%	+0.3%	+3.3%	+20.6%	+30.4%	+12.1%

(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 Full-Year Performance Forecast

Balance Sheet and Cash Flow



(JPY Bn)

Balance Sheet	End of FY22 (Results)	FY23 (Initial Forecast)	FY23 (New Forecast)	Diff.
Total Assets	2,520.6	2,544.0	2,642.0	+98.0
Balance of Interest-bearing debts	925.5	883.0	885.0	+2.0
Shareholders' Equity(1)	816.2	850.0	877.0	+27.0
Shareholders' Equity Ratio (%)(2)(5)	32.4% (39.3%)	33.4% (40.3%)	33.2% (39.8%)	▼0.2pt (▼0.5pt)
D/E Ratio (x)(3)	1.1x	1.0x	1.0x	▼0.0x
Net D/E Ratio (x) (4) (5)	0.4x (0.1x)	0.3x (0.1x)	0.2x (0.0x)	▼0.1x (▼0.1x)
ROIC(6)	3.3%	5.1%	6.5%	+1.4%
ROE(7)	4.3%	6.6%	9.4%	+2.8%

- (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) Figures in () represent figures based on credit rating evaluation considering Hybrid Finance
- (6) EBIT (after tax)/Average Fixed Assets* at the beginning and end of a fiscal year
*Fixed Assets = Inventory Assets + Non-Current Assets - Deferred Tax Assets - Net Defined Benefit Asset
- (7) Profit attributable to owners of the parent / Average of shareholder's equity at beginning and end of a fiscal year
- (8) Cash Flow from Operating Activities + Cash Flow from Investment Activities
- (9) EBITDA = EBIT + Depreciation and Amortization

Cash Flow	FY22Q4 (Results)	FY23 (Initial Forecast)	FY23 (New Forecast)	Diff.
Cash Flow from Operating Activities	292.9	278.0	362.0	+84.0
Cash Flow from Investing Activities	▼112.7	▼227.0	▼228.0	▼1.0
Free Cash Flow(8)	180.1	51.0	134.0	+83.0
Cash Flow from Financing Activities	▼38.4	▼94.0	▼95.0	▼1.0
EBITDA (9)	222.0	253.0	285.0	+32.0

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