

**[REFERENCE TRANSLATION]**

Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

## Consolidated Financial Results for the Three Months Ended June 30, 2021 [IFRS]

<b>Company name</b>	Japan Airlines Co., Ltd	August 3, 2021
<b>Stock Listing</b>	Tokyo Stock Exchange	
<b>Code No.</b>	9201	URL: <a href="https://www.jal.com">https://www.jal.com</a>
<b>Representative</b>	Yuji Akasaka, President	
<b>Contact</b>	Yuichiro Kito, General Manager, Finance	Phone: +81-3-5460-3121
Scheduled date for filing of Quarterly Report:	August 4, 2021	
Scheduled date for dividend payment:	Not Applicable	
Supplementary explanations of the quarterly financial results:	Yes	
Presentation for the quarterly financial results:	Yes (for institutional investors and analysts)	

(Amounts are rounded down to the nearest million yen unless otherwise indicated)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

#### (1) Consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax (Loss in brackets)		Profit before tax (Loss in brackets)		Profit attributable to owners of parent (Loss in brackets)		Comprehensive income (Loss in brackets)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2021	133,032	74.1	(82,645)	—	(83,885)	—	(57,919)	—	(55,931)	—
Three months ended June 30, 2020	76,391	(78.1)	(131,010)	—	(134,333)	—	(93,707)	—	(81,159)	—

	Basic earnings per share (Loss in brackets)	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	(132.54)	—
Three months ended June 30, 2020	(278.06)	—

(Note) Profit before financing and income tax represents as index to monitor, compare and evaluate the JAL Group's performance continuously.

Profit before financing and income tax is Profit from which Income tax expense, Interest, and Finance income and expense are deducted.

#### (2) Consolidated Financial Position

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2021	2,104,196	924,221	891,253	42.4	2,039.45
As of March 31, 2021	2,107,279	981,535	947,459	45.0	2,168.06

### 2. Dividends

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2020	—	0.00	—	0.00	0.00
Year Ending March 31, 2022	—	—	—	—	—
Year Ending March 31, 2022 (Forecast)	—	0.00	—	—	—

(Note) Revisions to the most recently disclosed dividends forecast: Yes

No interim dividends per share are paid for the fiscal year ending March 2022, considering the spread of COVID-19.

For the forecast of dividends per share for the fiscal year ending March 2022, it remains undetermined at this moment.

### 3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2022

(Note)Revisions to the most recently disclosed earnings forecast: No

The consolidated financial earnings results forecast for the fiscal year ending March 31, 2022 cannot be provided due to the difficulty of reasonably and accurately estimating the figures. Please refer to “1. Qualitative Information concerning Financial Results for the First Quarter of FY 2021 (3) Explanations of Forecast of Consolidated Financial Results” in the Attachment for other notes. We will disclose our forecast as soon as we are able to foresee, to certain extent.

#### Notes

(1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2021: None

(2) Changes in accounting policies/changes in accounting estimates

1) Changes in accounting policies due to revisions in accounting standards under IFRS: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2021 : 437,143,500

As of March 31, 2021 : 437,143,500

(b) Number of treasury shares at the end of the period

As of June 30, 2021 : 136,288

As of March 31, 2021 : 136,217

(c) Average number of shares outstanding

During the three months ended June 30, 2021 : 437,007,265

During the three months ended June 30, 2020 : 337,007,343

#### Indication of quarterly review procedure implementation status

This document is unaudited by certificated public accountants or audit firms.

#### Explanation for appropriate use of forecasts and other notes

##### **(Remarks on the description on future forecast)**

The forward-looking statements such as operational forecasts contained in this statement summary is based on information currently available to the Company and certain assumptions which are regarded as legitimate. However, it does not mean that we guarantee its achievement. Actual results may differ from such forward-looking statements for a variety of reasons.

\* The Company holds a presentation for institutional investors and analysts on August 3, 2021. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

# Attachment

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# 1. Qualitative Information concerning Financial Results for the First Quarter of FY 2021

## (1) Explanation of Operating Results

The revenue increased by 74.1% year on year to 133.0 billion yen, the operating expense increased by 4.7 % year on year to 215.4 billion yen, the loss/earning before financing and income tax (hereinafter referred as “EBIT”) was loss of 82.6 billion yen (EBIT loss of 131.0 billion yen in the same period in the previous year). The loss attributable to owners of the parent for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021 hereinafter referred as the “First Quarter Period”) was 57.9 billion yen (the loss attributable to owners of the parent 93.7 billion yen in the same period in the previous year).

Consolidated financial results are as follows.

(JPY Bn)	Three months ended June 30, 2020	Three months ended June 30, 2021	% or points compared to prior period
Revenue	76.3	133.0	174.1%
International Passenger	2.7	11.2	415.0%
Domestic Passenger	18.9	38.0	200.8%
Cargo/Mail	26.5	47.6	179.3%
Others	28.1	36.0	128.2%
Operating Expense	205.8	215.4	104.7%
Fuel	19.4	26.5	136.8%
Excluding Fuel	186.3	188.8	101.3%
Profit or loss before financing and income tax (EBIT) (Loss in brackets)	(131.0)	(82.6)	—
EBIT Margin (%)	—	—	—
Profit or loss attributable to owners of the parent (Loss in brackets)	(93.7)	(57.9)	—

Note: Figures have been truncated and percentages are rounded off to the first decimal place.

※: Profit or loss before financing and income tax is defined as EBIT for the JAL Group. EBIT is calculated as Profit or Loss excluding Income tax expense, Interest, and Finance income and expense.

※: EBIT Margin=EBIT/Revenue.

The spread of COVID-19 has been active even in the fiscal year 2021, and worldwide restrictions on international travel and restricted entrance to Japan have not been lifted yet. Also, declarations of a state of emergency and strict measures to prevent COVID-19 infection have been imposed repeatedly in Japan. As a result, the international and domestic passenger demands still remain at a low level. Contrary, in cargo operations, most of airlines reduced their cargo capacity by cancellation of flights and the demand-supply situation became tightened and increased its revenue. Amid this business environment, securing safety for our passengers and employees as the first priority, the JAL group has been seeking to fulfill its responsibilities by sustaining both international and domestic air transport network for passengers who needs to travel.

On May 7, we disclosed our new mid-term management plan for early financial recovery and sustainable growth and development in the post-COVID business environment changes. JAL Group has set “JAL Vision 2030” as ideal goals for 2030 to realize “a safe, secure, and reliable society in a comfortable environment” and “an affluent society where each one of us can sense and hope for a brighter future”. In order to do so, we have set our management goals to be achieved by 2025 with respect to three strategic pillars, “Business Strategy”, “Finance Strategy” and “ESG Strategy”. JAL Group will restructure its business model and diversify its revenue sources through improvement of profitability of Full Service Carrier Business as JAL Group’s core business, growing LCC Business, and expansion of non-air Business including mileage. Also, JAL Group will advance initiatives to introduce fuel-efficient A350s or to switch to sustainable aviation fuel (SAF) toward achieving SDGs by 2030 and a target of net zero CO2 emissions by 2050.

Amid this difficult business environment, we have prioritized “Safety” and “Comfort” with various infection prevention measures for passengers and employees. Moreover, we are the first Japanese airline to start antiviral

and antibacterial coating in passenger cabin. Also, we enhanced hygiene and contactless air travel by extending JAL SMART AIRPORT to Sapporo. And, we are developing safety and comfort measures for passengers by arranging PCR testing for domestic tour passengers or offering complimentary insurance coverage for those that test positive during their travels. We are actively cooperating to transport COVID vaccines with strict quality control.

For LCC Business, we used some of the fund raised through the public offerings in November 2020 to decide to infuse capital to SPRING JAPAN and Jetstar Japan. SPRING JAPAN became JAL's consolidated subsidiary from the First Quarter Period. Together with ZIPAIR, three different Narita-based LCCs will constitute a global network to capture rapidly-recovering post-COVID travel demand.

For development and expansion of non-air business domain, Customer Experience Division and Mileage and Lifestyle Division were established in April. Together with Regional Vitalization Division established in November 2020, JAL Group will contribute to regional vitalization and provide new values to customers in growing domains that are closely related to their lifestyle.

We responded to the decrease of demand by making continuous efforts of reducing our capacity to minimize our operating cost, together with fixed cost restructuring by in-sourcing operations instead of outsourcing, reducing IT expenditure and reducing personnel cost including executives' salaries and employees' bonus cut. As workloads for operation decreased, the JAL Group accepted quarantine- or vaccination-support business and sent more than 1,800 employees per day to various industries or municipalities. Also, demand-stimulating measures to improve our performance such as operation of scenic tours of Japan or training or consulting programs by cabin attendants were started to increase revenue. Through those measures, the JAL Group uses this occasion to train and develop our employees for capturing growth beyond COVID-19, while maintaining its flexibility to put back its human resources for our operation in a timely manner when demand comes back. The Japanese government is providing governmental supports including exemption of landing fees and jet fuel tax, or subsidies for employment to assist the airline industry. We would like to show our sincere gratitude for the support.

Recently a declaration of a state of emergency was placed in Tokyo for the fourth time and our difficult situation continues as COVID-19 outbreak remains unsettled yet. However, vaccination in Japan is in progress and early recovery of domestic passenger demand especially leisure demand can be expected. We are preparing for restart of people's cross-border interaction through coordinating with related organizations for so-called "vaccine passport", electric verification of vaccination history and COVID-testing. The JAL Group will continue to cope with this unprecedented difficulty by taking appropriate measures steadily to increase passenger revenue, maximize cargo revenue, and to decrease costs as much as possible through thorough cost management. We will contribute to reopening of people's interaction among countries and regions, while maintaining international and domestic network with safety operation and hygiene measures.

As a result of the above, the available seat kilometers (ASK) for International Passenger Business (Full Service Carrier), in the first quarter increased by 358.7% year over year, its passenger traffic increased by 341.3% year over year, its revenue passenger kilometers (RPK) increased by 412.2% year over year, and the load factor was 19.5%. Likewise, the available seat kilometers (ASK) for Domestic Passenger Business increased by 54.1% year over year, its passenger traffic increased by 120.0% year over year, its revenue passenger kilometers (RPK) increased by 120.7% year over year, and the load factor was 40.5%. Revenue for Cargo Business increased by 82.2% year on year. The available seat kilometers (ASK) for ZIPAIR, engaging in LCC business was 270,924 (thousands), the passenger traffic was 1,556 (number of passengers) and the revenue passenger kilometers (RPK) was 4,477 (1,000 passenger-km) .

Financial results of each segment are as follows.

### **Air Transportation Segment**

In the first quarter period, Revenue in Air Transportation Segment increased by 78.1% year on year to 125.1 billion yen and the loss before investing, financing and income tax (hereinafter referred as “Segment profit (or loss)”) was 80.8 billion yen (segment loss 130.7 billion yen in the same period in the previous year).

(Revenue and Segment profit (or loss) are before elimination of transactions between segments.)

The international passenger revenue (Full Service Carrier) was 11.2 billion yen, or up 313.8 % year on year.

The domestic passenger revenue was 38.0 billion yen, or up 100.8 % year on year.

The cargo and mail revenue was 47.6 billion yen, or up 79.3 % year on year.

The international passenger revenue for ZIPAIR, engaging in LCC business, was 33 million yen.

SPRING JAPAN is not included in the Consolidated financial results as results after acquisition of the subsidiary are immaterial.

## Traffic Results (Full Service Carrier)

	Three months ended June 30, 2020	Three months ended June 30, 2021	% or points compared to prior period
<b>INTERNATIONAL</b>			
Revenue passengers carried (number of passengers)	33,875	149,492	441.3%
Revenue passenger km (1,000 passenger-km)	198,894	1,018,678	512.2%
Available seat km (thousands)	1,138,551	5,222,461	458.7%
Revenue passenger-load factor (%)	17.5	19.5	2.0
Revenue cargo ton-km (thousands)	350,745	735,495	209.7%
Mail ton-km (thousands)	30,823	42,178	136.8%
<b>DOMESTIC</b>			
Revenue passengers carried (number of passengers)	1,231,323	2,708,405	220.0%
Revenue passenger km (1,000 passenger-km)	911,954	2,012,309	220.7%
Available seat km (thousands)	3,227,571	4,972,326	154.1%
Revenue passenger-load factor (%)	28.3	40.5	12.2
Revenue cargo ton-km (thousands)	54,026	53,768	99.5%
Mail ton-km (thousands)	4,612	5,746	124.6%
<b>TOTAL</b>			
Revenue passengers carried (number of passengers)	1,265,198	2,857,897	225.9%
Revenue passenger km (1,000 passenger-km)	1,110,849	3,030,988	272.9%
Available seat km (thousands)	4,366,123	10,194,787	233.5%
Revenue passenger-load factor (%)	25.4	29.7	4.3
Revenue cargo ton-km (thousands)	404,772	789,264	195.0%
Mail ton-km (thousands)	35,436	47,925	135.2%

1. Revenue Passenger Kilometers (RPK) is the number of fare-paying passengers multiplied by the distance flown (km).  
Available Seat Kilometers (ASK) is the number of available seats multiplied by the distance flown (km).  
Revenue Cargo Ton Kilometers (RCTK) is the amount of cargo (ton) transported multiplied by the distance flown (km).
2. The distance flown between two points, used for calculations of RPK, ASK and RCTK above is based on the great-circle distance and according to statistical data from IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization).
3. International operations: Japan Airlines Co., Ltd.,  
Domestic operations: Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., J-Air Co., Ltd., Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd.,
4. Figures have been truncated and percentages are rounded off to the first decimal place.
5. Traffic results for ZIPAIR and SPRING JAPAN, which is classified in LCC business, are excluded from the traffic results above. International traffic results for ZIPAIR were as follows; passenger traffic 1,556 (number of passengers), Revenue passenger km 4,477 (1,000 passenger-km), Available seat km 270,924 (thousands) and load factor 1.7%. SPRING JAPAN is not included in the traffic results as results after acquisition of the subsidiary are immaterial.

## **(2) Explanation of Financial Position**

### **(Assets, liabilities and net asset)**

The assets in first quarter period decreased by 3 billion yen from the end of the previous consolidated fiscal year to 2 trillion and 104.1 billion yen. Current assets decreased by 43.6 billion yen from the end of the previous consolidated fiscal year to 524.1 billion yen due to decrease of Cash and Cash equivalents by 51.3 billion yen. Non-current assets increased by 40.5 billion yen through the increase of aircraft and Deferred tax assets to 1 trillion and 580.0 billion yen.

The liabilities increased by 54.2 billion yen from the end of the previous consolidated fiscal year to 1 trillion and 179.9 billion yen due to the issuance of bond and bank loan to ensure enough liquidity at hand.

The equity decreased by 57.3 billion yen from the end of the previous consolidated fiscal year to 924.2 billion yen, as a result of loss attributable to owner of the parent of 57.9 billion yen.

The JAL Group has financed 30 billion yen through issuance of straight bond in June and 24.4 billion yen through bank loans, backed by its strong financial position. As a result, it maintains 657 billion yen of liquidity at hand including unused credit line of 300 billion yen.

We will make through cost and investment control to minimize monthly cash outflow and secure sufficient liquidity at hand by using its financing ability supported by its robust financial structure.

### **(Outline of Cash Flows)**

Cash and cash equivalents at end of first quarter period decreased by 51.3 billion yen from the end of the previous consolidated fiscal year to 357.0 billion yen.

#### **① Cash Flows from Operating Activities**

As a total of quarterly loss before tax of 83.8 billion yen, non-cash expenses like depreciation, and trade and other payables and receivables, cash flow from operating activities (outflow) was 45.8 billion yen (cash outflow of 130.2 billion yen in the same period of the previous year).

#### **② Cash Flows from Investing Activities**

Cash flow from investing activities (outflow) was 47.3 billion yen mainly due to acquisition of fixed assets (cash outflow of 25.1 billion yen in the same period of the previous year).

#### **③ Cash Flows from Financing Activities**

Cash flow from financing activities (inflow) was 41.5 billion yen mainly due to issuance of bond and long term debts (cash inflow of 220.4 billion yen in the same period of the previous year).

## **(3) Explanations of Forecast of Consolidated Financial Results**

At present, it is difficult to reasonably foresee the recovery of international passenger and domestic passenger demand, thus we are not able to provide our performance forecast for the fiscal year ending March 2022. We will disclose our forecast as soon as we are able to foresee, to certain extent, a recovery of passenger demand as COVID-19 situations in various countries including Japan settle and vaccination advances in those countries.

## **(4) Dividends**

As the spread of COVID-19 still continued, EBIT decreased to a loss of 82.6 billion yen and when recovery of passenger demand starts is not clear yet. Considering the above, we determined to pursue liquidity at hand and financial robustness as our first priority. Therefore, we regret that we have determined not to pay interim dividends. We sincerely apologize to our shareholders and investors, and would like to ask for their understanding amid the very difficult situation that we are currently in.

For the forecast of the year-end dividends per share and the total dividends per share for the fiscal year ending March 2022, it will be undetermined because of the current unforeseeable situations and we will disclose the forecast as soon as the situation becomes foreseeable.



## 2. Condensed quarterly consolidated financial statement and primary notes

### (1) Condensed quarterly consolidated statement of financial position

	As of March 31, 2021	As of June 30, 2021
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	408,335	357,019
Trade and other receivables	76,760	72,567
Other financial assets	14,133	18,885
Inventories	23,680	24,297
Other current assets	44,906	51,371
Total current assets	567,816	524,141
Non-current assets		
Tangible fixed assets		
Flight equipment	827,587	868,520
Advances on flight equipment	129,882	107,910
Other tangible fixed assets	87,942	87,057
Total tangible fixed assets	1,045,413	1,063,487
Intangible assets	89,662	89,033
Investments accounted for using equity method	24,232	23,762
Other financial assets	128,055	126,572
Deferred tax assets	225,886	251,821
Retirement benefit asset	3,176	3,232
Other non-current assets	23,036	22,146
Total non-current assets	1,539,462	1,580,055
Total assets	2,107,279	2,104,196

	As of March 31, 2021	As of June 30, 2021
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	97,185	89,497
Interest-bearing liabilities	69,621	74,331
Other financial liabilities	42,490	38,115
Income taxes payable	3,890	861
Contract liabilities	215,239	222,011
Provisions	3,750	5,164
Other current liabilities	44,714	42,223
Total current liabilities	<u>476,893</u>	<u>472,207</u>
Non-current liabilities		
Interest-bearing liabilities	445,525	498,963
Other financial liabilities	23,479	23,766
Deferred tax liabilities	108	155
Provisions	15,667	21,233
Retirement benefit liability	153,169	153,959
Other non-current liabilities	10,899	9,689
Total non-current liabilities	<u>648,850</u>	<u>707,767</u>
Total liabilities	1,125,744	1,179,974
Equity		
Share capital	273,200	273,200
Capital surplus	273,557	273,557
Retained earnings	352,965	295,030
Treasury shares	(408)	(408)
Accumulated other comprehensive income		
Financial assets measured at fair value through other comprehensive income	35,468	31,068
Effective portion of cash flow hedges	12,877	18,842
Exchange differences on translation of foreign operations	(201)	(37)
Total accumulated other comprehensive income	<u>48,144</u>	<u>49,873</u>
Total equity attributable to owners of parent	947,459	891,253
Non-controlling interests	34,075	32,967
Total equity	<u>981,535</u>	<u>924,221</u>
Total liabilities and equity	<u><u>2,107,279</u></u>	<u><u>2,104,196</u></u>

## (2) Condensed quarterly consolidated statement of profit or loss and other comprehensive income

	Three months ended June 30, 2020	Three months ended June 30, 2021
	Millions of yen	Millions of yen
Revenue		
International passenger revenue	2,711	11,251
Domestic passenger revenue	18,950	38,046
Other revenue	54,729	83,734
Total revenue	76,391	133,032
Other income	1,255	5,574
Operating expenses		
Personnel expenses	(64,792)	(60,757)
Aircraft fuel	(19,436)	(26,596)
Depreciation, amortization and impairment losses	(44,600)	(43,354)
Other operating expenses	(76,997)	(84,744)
Total operating expenses	(205,827)	(215,453)
Operating profit (Loss in brackets)	(128,179)	(76,845)
Share of profit of investments accounted for using equity method	(3,857)	(3,309)
Profit before investing, financing and income tax (Loss in brackets)	(132,037)	(80,155)
Income/expenses from investments		
Investing income	1,074	515
Investing expenses	(46)	(3,005)
Profit before financing and income tax (Loss in brackets)	(131,010)	(82,645)
Finance income/expenses		
Finance income	549	14
Finance expenses	(3,872)	(1,254)
Profit before tax (Loss in brackets)	(134,333)	(83,885)
Income tax expense	39,204	25,705
Profit (Loss in brackets)	(95,128)	(58,180)
Profit attributable to		
owners of parent	(93,707)	(57,919)
Non-controlling interests	(1,421)	(260)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	3,059	(4,403)
Share of other comprehensive income of investments accounted for using equity method	(2)	(30)
Total of items that will not be reclassified to profit or loss	3,056	(4,434)
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	10,321	6,366
Exchange differences on translation of foreign operations	(44)	281
Share of other comprehensive income of investments accounted for using equity method	635	35
Total of items that may be reclassified to profit or loss	10,912	6,683
Other comprehensive income	13,969	2,248
Comprehensive income	(81,159)	(55,931)

	Three months ended June 30, 2020	Three months ended June 30, 2021
	Millions of yen	Millions of yen
Comprehensive income attributable to		
Owners of parent	(79,758)	(55,761)
Non-controlling interests	(1,401)	(169)
Earnings per share		
Basic earnings per share		
Diluted earnings per share (Loss in brackets)	(278.06)	(132.54)
Comprehensive income attributable to	—	—

**(3) Condensed quarterly consolidated statement of changes in equity****Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)**

## Equity attributable to owners of parent

	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	181,352	182,437	645,408	(408)	28,793	(23,146)
Profit (Loss in brackets)	—	—	(93,707)	—	—	—
Other comprehensive income	—	—	—	—	3,025	10,870
Comprehensive income	—	—	(93,707)	—	3,025	10,870
Transfer to non-financial assets	—	—	—	—	—	(48)
Transfer to retained earnings	—	—	(273)	—	273	—
Total transactions with owners	—	—	(273)	—	273	(48)
Balance as of June 30, 2020	181,352	182,437	551,426	(408)	32,092	(12,324)

## Equity attributable to owners of parent

	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2020	(141)	5,506	1,014,295	35,321	1,049,617
Profit (Loss in brackets)	—	—	(93,707)	(1,421)	(95,128)
Other comprehensive income	52	13,949	13,949	20	13,969
Comprehensive income	52	13,949	(79,758)	(1,401)	(81,159)
Transfer to non-financial assets	—	(48)	(48)	—	(48)
Transfer to retained earnings	—	273	—	—	—
Total transactions with owners	—	225	(48)	—	(48)
Balance as of June 30, 2020	(88)	19,680	934,488	33,920	968,408

## Consolidated financial results for the first quarter of FY2021 (April 1, 2021 to June 30, 2021)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Effective portion of cash flow hedges
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	273,200	273,557	352,965	(408)	35,468	12,877
Profit (Loss in brackets)	—	—	(57,919)	—	—	—
Other comprehensive income	—	—	—	—	(4,414)	6,408
Comprehensive income	—	—	(57,919)	—	(4,414)	6,408
Transfer to non-financial assets	—	—	—	—	—	(443)
Purchase of treasury shares	—	—	—	(0)	—	—
Acquisition of subsidiaries	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(0)	—	—	—	—
Transfer to retained earnings	—	—	(15)	—	15	—
Total transactions with owners	—	(0)	(15)	(0)	15	(443)
Balance as of June 30, 2021	273,200	273,557	295,030	(408)	31,068	18,842

	Equity attributable to owners of parent				
	Accumulated other comprehensive income		Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	—	—	—	—	—
Profit (Loss in brackets)	(201)	48,144	947,459	34,075	981,535
Other comprehensive income	—	—	(57,919)	(260)	(58,180)
Comprehensive income	164	2,157	2,157	91	2,248
Transfer to non-financial assets	164	2,157	(55,761)	(169)	(55,931)
Purchase of treasury shares	—	(443)	(443)	—	(443)
Acquisition of subsidiaries	—	—	(0)	—	(0)
Changes in ownership interest in subsidiaries	—	—	—	(938)	(938)
Transfer to retained earnings	—	—	(0)	(0)	(0)
Total transactions with owners	—	15	—	—	—
Balance as of June 30, 2021	—	(428)	(443)	(938)	(1,382)
Balance as of April 1, 2021	(37)	49,873	891,253	32,967	924,221

#### (4) Condensed quarterly consolidated statement of cash flows

	Three months ended June 30, 2020	Three months ended June 30, 2021
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax (Loss in brackets)	(134,333)	(83,885)
Depreciation, amortization and impairment losses	44,600	43,354
Loss (gain) on sale and retirement of fixed assets	257	(487)
Increase (decrease) in retirement benefit liability	(1,937)	788
Interest and dividend income	(1,096)	(410)
Interest expenses	477	893
Foreign exchange loss (gain)	(199)	(222)
Share of loss (profit) of investments accounted for using equity method	3,857	3,309
Decrease (increase) in trade and other receivables	19,841	2,886
Decrease (increase) in inventories	(767)	(465)
Increase (decrease) in trade and other payables	(44,435)	(5,058)
Increase (decrease) in contract liabilities	(23,641)	6,550
Other, net	8,831	(9,416)
Subtotal	(128,545)	(42,163)
Income taxes paid	(1,666)	(3,721)
Net cash provided by (used in) operating activities	(130,211)	(45,885)
Cash flows from investing activities		
Purchase of non-current assets	(25,789)	(46,581)
Proceeds from sales of non-current assets	224	2,103
Purchase of other financial assets	(3,137)	(3,087)
Proceeds from sale of other financial assets	468	—
Acquisition of subsidiaries	—	2,140
Payments for loans receivable	(58)	(3,061)
Collection of loans receivable	167	105
Interest received	71	49
Dividends received	1,343	346
Other, net	1,587	619
Net cash provided by (used in) investing activities	(25,122)	(47,365)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(37)	18
Proceeds from long-term borrowings	230,323	23,693
Repayments of long-term borrowings	(40)	(5,998)
Purchase of treasury stock	—	29,842
Interest paid	(89)	(555)
Dividends paid	(12)	(3)
Repayments of lease liabilities	(6,377)	(5,370)
Other, net	(3,311)	(90)
Net cash provided by (used in) financing activities	220,455	41,535
Effect of exchange rate changes on cash and cash equivalents	45	398
Net increase (decrease) in cash and cash equivalents	65,166	(51,316)
Cash and cash equivalents at beginning of period	329,149	408,335
Cash and cash equivalents at end of period	394,315	357,019

## **(5) Notes for Condensed quarterly consolidated financial statements**

### **(Reporting company)**

Japan Airlines Co., Ltd. (hereinafter the “Company”) is a stock company located in Japan. The registered address of its Head Office is 4-11, 2-chome Higashi-shinagawa, Shinagawa-ku, Tokyo. The Company’s condensed quarterly consolidated financial statements for the three months ended June 30, 2021 consists of the Company and its subsidiaries (the “JAL Group”) and interests in affiliates and jointly controlled entities.

The Company’s main business is the air transportation business. Details of each business are described in Note “Revenue”.

### **(Basis of preparation)**

#### 1) Matters concerning compliance with IFRS and first-time adoption

As the condensed quarterly consolidated financial statements of the JAL Group fulfills requirements of Specified Companies Complying with Designated International Accounting Standards set forth in Article 1-2 of Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, it was prepared in compliance with IAS No. 34 Interim Financial Reporting in accordance with Article 93 of the Regulations.

#### 2) Functional currency and presentation currency

The JAL Group’s condensed quarterly consolidated financial statements are expressed in Japanese yen, our functional currency, as the presentation currency, and are rounded off to the nearest million yen.

### **(Going Concern Assumptions)**

None

### **(Additional Information)**

#### **(Recognition of deferred tax assets)**

The JAL Group recognizes deferred tax assets as deductible temporary differences and carried forward loss within the scope where there are expectations of future taxable income to utilize future deductible temporary differences and future taxable income. We carefully examined the expectations of future taxable income, considering our new mid-term management plan or other factors. As a result of the examination of the scope of the expectations of future taxable income to utilize future deductible temporary differences and future taxable income, we recorded 25,705 million yen of income tax expenses (increase of profit) and the loss attributable to the owners of the parent became 57,919 million yen.

Deferred tax assets and deferred tax liabilities increased by 25,934 million yen and 46 million yen respectively during the reporting period, and deferred tax assets and liabilities as of the end of the reporting period were 251,821 million yen and 155 million yen respectively.



**(Revenue)****(1) Breakdown of revenue****Revenue and Segment Revenue****Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)**

	Segment				Total
	Air Transportation	Other	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
International					
Passenger operations	2,711	—	2,711	—	—
Cargo and mail-service operation	20,564	—	20,564	—	—
Luggage operations	29	—	29	—	—
Sub-total	23,305	—	23,305	—	—
Domestic					
Passenger operations	18,950	—	18,950	—	—
Cargo and mail-service operation	6,016	—	6,016	—	—
Luggage operations	31	—	31	—	—
Sub-total	24,999	—	24,999	—	—
Total revenues from international and domestic operations	48,304	—	48,304	—	—
Other revenues					
Travel agency Revenue	—	2,544	2,544	—	—
Other	21,972	11,871	33,844	—	—
Total revenues	<u>70,277</u>	<u>14,415</u>	<u>84,693</u>	<u>(8,301)</u>	<u>76,391</u>

(Note) Figures of Segment revenue are before elimination of intra-segment transactions.

**Consolidated financial results for the first quarter of FY2021 (April 1, 2021 to June 30, 2021)**

	Segment				Total
	Air Transportation	Other	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
International					
Passenger operations	11,251	—	11,251	—	—
Cargo and mail-service operation	41,225	—	41,225	—	—
Luggage operations	150	—	150	—	—
Sub-total	52,627	—	52,627	—	—
Domestic					
Passenger operations	38,046	—	38,046	—	—
Cargo and mail-service operation	6,434	—	6,434	—	—
Luggage operations	58	—	58	—	—
Sub-total	44,539	—	44,539	—	—
Total revenues from international and domestic operations	97,166	—	97,166	—	—
Other revenues					
Travel agency Revenue	—	6,954	6,954	—	—
Other	28,013	11,864	39,878	—	—
Total revenues	<u>125,180</u>	<u>18,819</u>	<u>143,999</u>	<u>(10,967)</u>	<u>133,032</u>

(Note) Figures of Segment revenue are before elimination of intra-segment transactions.

The JAL Group operates “Air Transportation”, mainly in passenger and baggage carriage or mail and cargo handling in both international and domestic routes, and “Other” business.

Revenues arising out of these businesses are recognized in accordance with contracts with customers, and there is no significant financing component in the contracts. None of consideration in contracts with customers is not reflected in transaction prices.

The JAL Group operates a customer loyalty program called “JAL Mileage Bank”. Members in the JAL Mileage Bank can collect miles through flights with the airlines in JAL Group or other services, and can redeem them for flights with JAL group or other partners' services. Miles that are expected to be redeemed are identified as performance obligations, and deferred on the statement of financial position as a contract liability. When miles are redeemed for services, revenue is recognized in the statement of profit or loss and other comprehensive income. A transaction value allocated as performance obligations of miles is deferred as contract liabilities in condensed quarterly consolidated statement of financial position, and revenue is recognized as miles are redeemed.

### Air Transportation

In the air transportation business segment, the JAL Group provides services related to the international and domestic transportation of passengers, cargo & mail and baggage on aircraft. The main revenues are recognized as follows.

#### Passenger operations

Passenger revenue is mainly revenue earned from passenger transportation services using aircraft. The JAL Group has the obligation to provide customers with international and domestic air transportation services according to the Conditions of Carriage. The performance obligation is satisfied upon completion of the passenger's air transportation service. The transaction price may fluctuate because we may offer discounts when selling tickets or pay incentives based on the amount of sales. In addition, consideration for a transaction is generally received in advance at a point in time before the performance obligation is satisfied.

#### Cargo and mail-service operations

Cargo and mail revenues are mainly revenues earned from air cargo and air mail handling operations. The JAL Group has the obligation to provide international and domestic cargo and mail transportation services. The performance obligation is satisfied upon completion of cargo and mail air transportation. The amount of variable consideration including revenue is not significant. Consideration for a transaction is generally received after the completion of cargo and mail air transportation.

#### Luggage operations

Baggage revenue is mainly revenue earned from baggage transportation services that accompany passenger transportation on aircraft. The JAL Group has the obligation to provide customers with international and domestic air transportation services. The performance obligation is satisfied upon completion of baggage air transportation. Sales including variable consideration is the amount of variable consideration including revenue is not significant. Consideration for a transaction is generally received on the day of baggage transportation.

#### Other

Other revenues are earned mainly from mileage award services excluding award tickets, and business consignment services related to air transportation. The performance obligation is satisfied upon completion of the services.

### Other

In “Other” businesses, we are mainly engaged in planning and sales of air travel package tour and a credit card business. These revenues are mainly recognized over a certain period of time as the service is provided. In addition, consideration for a transaction is generally received in advance at a point in time before the performance obligation is satisfied.

## (Segment Information)

### (1) Overview of segment reporting

The reportable segments of the JAL Group are components of the Company about which separate financial information is available and evaluated regularly by the Board of Directors in deciding how to allocate resources and evaluating business performance.

The main business operations of the JAL Group are scheduled and nonscheduled international and domestic air transportation services. Therefore, the JAL Group recognizes the “air transportation business” as the reportable segment.

### (2) Information on reportable segment

Revenue and business performance by JAL Group’s reportable segment are as follows.

Intersegment sales is based on the current market price.

#### Consolidated financial results for the first quarter of FY2020 (April 1, 2020 to June 30, 2020)

	Reportable segment Air Transportation	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue					
Sales to external	67,535	8,856	76,391	—	76,391
Intersegment	2,742	5,559	8,301	(8,301)	—
Total	70,277	14,415	84,693	(8,301)	76,391
Profit or loss before investing, financing and income tax	(130,768)	(1,275)	(132,043)	6	(132,037)
Investing income	—	—	—	—	1,074
Investing expenses	—	—	—	—	(46)
Finance income	—	—	—	—	549
Finance expenses	—	—	—	—	(3,872)
Profit before tax	—	—	—	—	(134,333)

(Note) 1. “Others” refer to business segments that are not included in the reportable segment, such as travel services, etc.

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with profit before investing, financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.

#### Consolidated financial results for the first quarter of FY2021 (April 1, 2021 to June 30, 2021)

	Reportable segment Air Transportation	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue					
Sales to external	119,710	13,322	133,032	—	133,032
Intersegment	5,469	5,497	10,967	(10,967)	—
Total	125,180	18,819	143,999	(10,967)	133,032
Profit or loss before investing, financing and income tax	(80,806)	633	(80,172)	17	(80,155)
Investing income	—	—	—	—	515
Investing expenses	—	—	—	—	(3,005)
Finance income	—	—	—	—	14
Finance expenses	—	—	—	—	(1,254)
Profit before tax	—	—	—	—	(83,885)

(Note) 1. “Others” refer to business segments that are not included in the reportable segment, such as travel services, etc.

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with profit before investing, financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.