

## **JAL Group Announces Consolidated Financial Results for Third Quarter of Fiscal Year 2023**

The JAL Group today announced the consolidated financial results for the third quarter of FY2023 ending March 2024 (April 1, 2023 to December 31, 2023).

- Revenue increased by 243.7 billion yen year on year, while operating expenses were suppressed to a 139.5 billion yen increase, resulting in a significant growth in EBIT and net profit.
- There are no changes to the forecast for the consolidated full-year performance, as announced in the second quarter results.

### 1. JAL Group Consolidated Results for the Period April 1, 2023, to December 31, 2023

International passenger numbers have increased by approximately 1.8 times year on year, driven by strong inbound demand and the active capture of transit passengers, including those traveling between the US and China. For domestic passengers, the proactive capture of recovering passenger demand, backed by the high competitiveness, through initiatives such as limited time offer sales has resulted in an approximately 1.2 times increase year on year. Overall, the number of passengers has been steadily recovering.

On the other hand, as a result of flight resumption, the supply volume has increased by approximately 20% year on year, while the increase in cost was successfully suppressed to approximately 14%.

In this environment, in the third quarter, both revenue, EBIT, and net profit increased year on year, as well as the same period of FY2019.

(JPY Bn)	Q3 (Apr. to Dec.)						
	FY19Q3	FY22Q3	FY23Q3	Vs. FY19Q3		Vs. FY22Q3	
				Diff.	y/y	Diff.	y/y
Revenue	1,112.7	1,005.5	1,249.3	+136.6	+12.3%	+243.7	+24.2%
Operating Expense	1,005.5	990.1	1,129.6	+124.0	+12.3%	+139.5	+14.1%
Fuel	189.6	241.6	266.2	+76.5	+40.4%	+24.5	+10.2%
Excluding Fuel	815.9	748.4	863.4	+47.5	+5.8%	+115.0	+15.4%
Others (1)	7.5	19.2	9.2	+1.7	+23.9%	▼9.9	▼51.7%
EBIT	114.6	34.7	128.9	+14.3	+12.5%	+94.2	+271.5%
EBIT Margin(%)	10.3%	3.5%	10.3%	+0.0pt	-	+6.9pt	-
Net Profit	74.8	16.3	85.8	+11.0	+14.7%	+69.5	+426.4%

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



## 2. Summary of the JAL Group's operating results for the third quarter by business domain

### Full Service Carrier Business Domain

#### ■International Passenger Business:

Passenger numbers have recovered steadily to approximately 68%, with passenger revenue reaching to approximately 118% compared to FY2019.

International Passenger	Q3 (Apr. to Dec.)				
	FY19Q3	FY22Q3	FY23Q3	Vs. FY19Q3	Vs. FY22Q3
Passenger Revenue (JPY Bn)	401.3	287.1	471.7	+17.5%	+64.3%
Passengers ('000)	7,325	2,950	4,954	▼32.4%	+67.9%
RPK (MN passenger km)	36,753	19,130	28,124	▼23.5%	+47.0%
ASK (MN seat km)	41,463	27,055	35,574	▼14.2%	+31.5%
L/F (%)	88.6%	70.7%	79.1%	▼9.6pt	+8.4pt

#### ■Domestic Passenger Business:

Passenger numbers reached approximately 91% and passenger revenue returned to a similar level compared to FY2019.

Domestic Passenger	Q3 (Apr. to Dec.)				
	FY19Q3	FY22Q3	FY23Q3	Vs. FY19Q3	Vs. FY22Q3
Passenger Revenue (JPY Bn)	427.9	335.5	422.4	▼1.3%	+25.9%
Passengers ('000)	29,149	22,353	26,644	▼8.6%	+19.2%
RPK (MN passenger km)	22,022	17,148	20,208	▼8.2%	+17.8%
ASK (MN seat km)	27,606	26,552	26,565	▼3.8%	+0.0%
L/F (%)	79.8%	64.6%	76.1%	▼3.7pt	+11.5pt

#### ■Cargo and Mail Business:

In the international cargo business, the volume was maximized by focusing on high value-added cargo. As a result, the transportation volume increased to approximately 105%, the unit price increased to approximately 162%, and the revenue increased to approximately 171% compared to FY2019.

Cargo		Q3 (Apr. to Dec.)				
		FY19Q3	FY22Q3	FY23Q3	Vs. FY19Q3	Vs. FY22Q3
International	Cargo Revenue (JPY Bn)	44.7	156.2	76.6	+71.1%	▼51.0%
	Revenue Ton Km (MN ton km)	1,838	2,167	1,901	+3.4%	▼12.3%
	Carried Cargo Weight (Thousand ton)	303	352	319	+5.3%	▼9.4%
Domestic	Cargo Revenue (JPY Bn)	16.0	15.2	15.0	▼6.3%	▼1.5%
	Revenue Ton Km (MN ton km)	253	211	216	▼14.5%	+2.7%
	Carried Cargo Weight (Thousand ton)	274	222	230	▼15.9%	+3.8%

### LCC Business Domain

ZIPAIR expanded the number of destinations to eight, mainly in North America and Asia, and has achieved a steady accumulation of profits. New service on the Vancouver route will begin in March 2024, as announced.

Spring Japan resumed operations on the Narita-Shanghai (Pudong) route in December 2023 after 3 years and 8 months, amid the gradual recovery of demand on Chinese routes.



	LCC	Q3 (Apr. to Dec.)		
		FY22Q3	FY23Q3	Vs. FY22Q3
<b>ZIPAIR</b>	Passenger Revenue (JPY Bn)	13.9	39.2	+181.1%
	Passengers ('000)	306	830	+171.3%
	RPK (MN passenger km)	1,518	4,576	+201.3%
	ASK (MN seat km)	3,303	5,838	+76.8%
	L/F (%)	46.0%	78.4%	+32.4pt
<b>SPRING JAPAN</b>	Passenger Revenue (JPY Bn)	5.4	9.0	+65.8%
	Passengers ('000)	340	582	+71.2%
	RPK (MN passenger km)	281	604	+114.5%
	ASK (MN seat km)	556	886	+59.5%
	L/F (%)	50.7%	68.1%	+17.5pt

## Mileage, Infrastructure and Others Business Domain

Revenues reached approximately 114% year on year due to an increase in JALUX business revenues and an increase in volume for which ground handling services were provided.

Mileage, Lifestyle and Infrastructure (1)	Q3 (Apr. to Dec.)				
	FY19Q3	FY22Q3	FY23Q3	Vs. FY19Q3	Vs. FY22Q3
Revenue (JPY Bn)	201.9	168.5	191.4	▼5.2%	+13.6%

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

## 3. Summary of Consolidated Statement of Financial Position and Cash Flow

(JPY Bn)

Balance Sheet	End of FY22	End of FY23Q3	Diff.
Total Assets	2,520.6	2,621.5	+100.9
Cash and Deposits	639.2	684.0	+44.8
Balance of Interest-bearing Debt	925.5	897.7	▼27.7
Shareholders' Equity (1)	816.2	876.7	+60.4
Shareholders' Equity Ratio(%) (2)(3)	32.4% (39.3%)	33.4%(40.1%)	+1.1pt(+0.8pt)
Cash Flow	FY22Q3	FY23Q3	Diff.
Cash Flow from Operating Activities	191.4	273.2	+81.8
Cash Flow from Investing Activities	▼74.0	▼155.7	▼81.6
Free Cash Flow (4)	117.3	117.5	+0.1
Cash Flow from Financing Activities	▼61.1	▼79.9	▼18.7

(1)Equity Attributable to Owners of the Parent

(2)Ratio of Equity Attributable to Owners of the Parent to Total Assets

(3)Figures in ( ) represent figures based on credit rating evaluation considering Hybrid Finance

(4)Cash Flow from Operating Activities + Cash Flow From Investment Activities



## 4. Recent initiatives

### Sustainability

In December 2023, the JAL Group was selected for the second consecutive year as a component of the DJSI Asia Pacific Index (Dow Jones Sustainability Asia Pacific Index), a leading ESG investment index, in recognition of its sustainability and safety initiatives at the world's highest level, among other factors. This achievement also marked the top score in the global airline industry.

### Air Transport Related Business Domain

- International passenger: Starting from January 24, 2024, the Airbus A350-1000 was introduced as the main aircraft for international routes on the Haneda-New York route, marking the first time in about 20 years. From FY2024, the aircraft will also be introduced on routes such as Haneda-Dallas Fort Worth and Haneda-London. The aim is to promote decarbonization, offer customers a serene and luxurious space, and enhance our product and service by providing the latest in comfort.

In addition, starting in the summer schedule of FY2024, the Haneda-Doha route will be launched as a new gateway to Europe, Africa, and South America.

- Cargo business: The operation of the Boeing 767-300ER cargo aircraft will begin from February 2024.

Through strong partnership with DHL Express, a global logistics company, a network will be built in East Asia to capture strong e-commerce demand, while achieving sustainable growth in the air cargo business and contributing to the society and our customers.

### Mileage, Infrastructure and Others Business Domain

- In November 2023, the JAL Mileage Bank app (JMB app) was released, combining various functions such as "earning" and "using" miles, including the "JAL Pay" payment function, which has been enhanced for greater user-friendliness.

- The JAL Global Club was renewed in January 2024, and the "JAL Life Status Program" was launched. This program enables customers to accumulate status points continuously throughout their lifetime by boarding JAL flights and in various aspects of their daily lives, rather than solely based on annual boarding records.

- In the retail sector, the "JAL brand" has been strengthened through the expansion of the online store "JAL Mall" and the completion of the design change of JAL PLAZA stores at airports nationwide.

### Sustainable Airport Management

- In order to train and secure future aviation maintenance engineers, a collaborative effort has been made with ANA Holdings to establish the "Aviation Maintenance Engineer Training Support Program", offering an interest-free loan. The recruitment started from December targeting students entering in FY2024.

- To realize sustainable airport ground handling, the Airport Ground Handling Association has been established



and initiatives to foster cooperation across company boundaries have also been launched. Additionally, in collaboration with All Nippon Airways Co., Ltd., a system will be implemented from April 2024 where the qualifications required for ramp handling work for each company, will be mutually recognized.

## **5. Forecast of Consolidated Financial Results for the Fiscal Year ending March 2024**

Although there will be an operating expense of approximately 15 billion yen due to the total loss of the aircraft in connection with the collision between JL516 and a Japan Coast Guard aircraft on January 2, 2024, there are no changes to the previously announced consolidated financial results forecast (Revenue 1,684 billion yen, EBIT 130 billion yen Net profit 80 billion yen) and dividend forecast (60 yen per share) for the full fiscal year as outlined in the “Consolidated Financial Results for the Six Months Ended September 30, 2023” dated October 31, 2023. The impact of the closure of Runway C at Haneda Airport is expected to reduce revenues by approximately 2 billion yen, but the impact on the business performance will be limited. Moreover, the Noto Peninsula earthquake on January 1, 2024 is expected to have a limited impact on the business performance.

### **About JAL**

Japan Airlines (JAL), Japan's first private aviation company, was established in 1951 and is a member of the oneworld® Alliance. The airline operates a fleet of 225 aircraft and began renewing its international long-haul aircraft with the Airbus A350-1000 starting 2023 Winter Schedule. Together with other JAL Group and partner airlines, JAL offers an extensive domestic and international network that serves 376 airports across 64 countries/regions. The airline has received numerous accolades for its exceptional service, including being recognized as a certified 5-Star Airline by Skytrax and being awarded the prestigious "World Class" Airline title by APEX, the Airline Passenger Experience Association. JAL takes great pride in its on-time performance and is regarded as one of the most punctual airlines globally. The airline is dedicated to ensuring the highest standards of flight safety and overall service quality, striving to be the most preferred airline by customers worldwide. The JAL Group recognizes that action to address climate change is a particularly important issue for the sustainability of society, and in June 2020, the group announced its commitment to achieve net zero carbon emissions by 2050. For details and to learn more, visit JAL's official website at <https://www.jal.com/en/>.

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