

[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, 2025[IFRS]

July 30, 2025

Company name Japan Airlines Co., Ltd

Stock Listing Tokyo Stock Exchange

Code No. 9201 **URL:** <https://www.jal.com>

Representative Mitsuko Tottori, President

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Scheduled date for dividend payment: -

Supplementary explanations of the financial results: Yes

Presentation for the 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, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2025	471,083	11.1	45,506	105.7	40,861	92.7	27,081	93.7	25,988	44.0
Three months ended June 30, 2024	424,065	11.2	22,123	(29.5)	21,200	(33.5)	13,984	(39.4)	18,051	(38.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	60.04	-
Three months ended June 30, 2024	32.00	-

(Note) Profit before financing and income tax represents an 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 parent	Ratio of equity attributable to owners of parent to total assets (%)	Equity per share attributable to owners of parent
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2025	2,996,301	1,199,504	1,158,236	38.7	2,244.12
As of March 31, 2025	2,794,913	1,016,673	975,057	34.9	2,233.52

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, 2025	-	40.00	-	46.00	86.00
Year Ended March 31, 2026	-				
Year Ending March 31, 2026 (Forecast)		46.00	-	46.00	92.00

(Note) Revisions to the most recently disclosed dividends forecast: None

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026

(Percentage compared to prior year)

	Revenue		Profit before financing and income tax		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Entire Fiscal Year	1,977,000	7.2	200,000	16.0	115,000	7.4

(Note) Revisions to the most recently disclosed forecast: None

Please refer to “1. Summary of Business Results (3) Explanations of Forecast of Consolidated Financial Results” in the Attachment.

Notes

- (1) Changes in significant consolidated subsidiaries during this period : 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, 2025 : 437,143,500
 - As of March 31, 2025 : 437,143,500
 - (b) Number of treasury shares at the end of the period
 - As of June 30, 2025 : 586,479
 - As of March 31, 2025 : 586,479
 - (c) Average number of shares outstanding
 - During the three months ended June 30, 2025 : 436,557,021
 - During the three months ended June 30, 2024 : 437,007,160

※Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

※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 are 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.

※The Company holds a presentation for institutional investors and analysts on July 30, 2025.

Documents distributed at the presentation are scheduled to be posted on our website on the same day.

Attachment

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1. Summary of Business Results

The business environment of the first quarter(from April 1, 2025 to June 30, 2025) was that the world's major economies, including Japan and the United States, sustained moderate growth amid the world's geopolitical instability. In light of this economic situation, International Passenger sales were generally good because of the continuing strong inbound demand and a recovery trend of the outbound business demand exceeding our initial expectations. Domestic Passenger sales have also been solid due to a significant increase in passenger numbers compared to the previous year as a result of our efforts to stimulate demand. For expenses, the JAL Group suppressed cost increases particularly fuel costs with the declining fuel price and the Japanese yen turning to a stronger trend. As a result, we have achieved a record high earnings before interest and taxes (hereinafter referred to as EBIT), which more than doubled from the previous year's Q1 EBIT.

(1) Summary of Business Results

The revenue for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025 hereinafter referred as the “First Quarter Period”) increased by 11.1% year on year to 471.0 billion yen, the operating expense increased by 7.2% year on year to 435.4 billion yen, the EBIT increased by 105.7% year on year to 45.5 billion yen, The profit attributable to owners of parent increased by 93.7% year on year to 27.0 billion yen.

Consolidated financial results are as follows.

(JPY Bn)	Three months ended June 30, 2024	Three months ended June 30, 2025	% or points compared to prior period
Revenue	424.0	471.0	111.1%
Operating Expense	406.1	435.4	107.2%
Fuel	94.5	94.0	99.5%
Excluding Fuel	311.6	341.4	109.6%
Profit or loss before financing and income tax (EBIT)	22.1	45.5	205.7%
EBIT Margin (%)	5.2	9.7	4.4
Profit attributable to owners of parent	13.9	27.0	193.7%

(Note) 1. Figures have been truncated and percentages are rounded off to the first decimal place.

2. Income tax expense, Interest, and Finance income and expense.

3. EBIT Margin=EBIT/Revenue.

The JAL Group has been restructuring our business portfolio after the company's experience with the COVID pandemic, especially going forward, we are working on promoting business model reform to create new business models and increase the Group profitability. We will continue to work on the promotion of business model reform to achieve FY2025 EBIT target of JPY 200 billion.

We are focusing on “LCC Business” “Mileage/Finance & Commerce Business”and “Other business” for the growth and expansion of profit.

For the “LCC Business”, we are expanding the network from NARITA airport, with ZIPAIR - an LCC for medium to long-haul international flights- as the hub of our LCC Business.

For the “Mileage/Finance & Commerce Business”, we are expanding the services that make it easier to save up and use Miles.

For the “Other business”, we have significantly expanded contracts with foreign airlines compared to the previous year.

Regarding human capital management, we will continue to provide an environment where diverse talents can work in various fields in order to create new value.

For the Green transformation, we have started operating the Airbus A350-1000, which provides environmentally friendly flights for customers. And from May 2025, we've started using domestic SAF derived from used cooking oil of the Cosmo Group. Our efforts to enhance company value have been recognized. “DX Featured Company 2025”, achieving high standards of security management in the aviation industry and obtaining the world's first international certification for aviation security management from International Air Transport Association (IATA) “Operating (Level 2)”.

<Full Service Carrier Business>

The revenue for the First Quarter Period increased by 10.4% year on year to 369.3 billion yen, and EBIT increased by 288.3% year on year to 30.7 billion yen. (Revenue and segment profit are figures before intersegment eliminations.)

Revenue Results (FSC)

(JPY Bn)	Three months ended June 30, 2024	Three months ended June 30, 2025	% or points compared to prior period
Full Service Carrier Business	334.6	369.3	110.4%
INTERNATIONAL	197.8	220.8	111.6%
Passenger operations	166.1	184.9	111.4%
Cargo and mail-service operations	31.3	35.5	113.3%
Luggage operations	0.4	0.3	94.9%
DOMESTIC	132.3	142.4	107.7%
Passenger operations	124.7	134.2	107.6%
Cargo and mail-service operations	7.4	8.1	108.7%
Luggage operations	0.1	0.1	103.1%
OTHER	4.4	5.9	134.2%

(Note) 1. Figures have been truncated and percentages are rounded off to the first decimal place.

Traffic Results (Full Service Carrier)

	Three months ended June 30, 2024	Three months ended June 30, 2025	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	1,750,606	1,955,922	111.7%
Revenue passenger km (1,000 passenger-km)	9,863,059	11,045,771	112.0%
Available seat km (1,000 seat-km)	12,215,909	12,827,389	105.0%
Revenue passenger-load factor (%)	80.7	86.1	5.4
Revenue cargo ton-km (1,000 ton-km)	688,046	774,453	112.6%
Mail ton-km (1,000 ton-km)	22,646	22,389	98.9%
DOMESTIC			
Revenue passengers carried (number of passengers)	8,019,137	9,081,699	113.3%
Revenue passenger km (1,000 passenger-km)	6,064,199	6,880,404	113.5%
Available seat km (1,000 seat-km)	8,688,675	8,653,559	99.6%
Revenue passenger-load factor (%)	69.8	79.5	9.7
Revenue cargo ton-km (1,000 ton-km)	68,311	76,112	111.4%
Mail ton-km (1,000 ton-km)	5,667	5,960	105.2%
TOTAL			
Revenue passengers carried (number of passengers)	9,769,743	11,037,621	113.0%
Revenue passenger km (1,000 passenger-km)	15,927,258	17,926,175	112.6%
Available seat km (1,000 seat-km)	20,904,584	21,480,949	102.8%
Revenue passenger-load factor (%)	76.2	83.5	7.3
Revenue cargo ton-km (1,000 ton-km)	756,358	850,566	112.5%
Mail ton-km (1,000 ton-km)	28,313	28,349	100.1%

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. Full Service Carrier (International): Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd.

Full Service Carrier (Domestic): Japan Airlines Co., Ltd., J-Air Co., Ltd., Japan Air Commuter Co., Ltd., Hokkaido Air System Co., Ltd., Japan Transocean Air Co., Ltd. and Ryukyu Air Commuter Co., Ltd.,

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

The JAL Group has achieved a significant increase in revenue and profit in the first quarter (from April 1, 2025 to June 30, 2025) year on year.

For international passengers, we maintained high unit price levels by capturing strong inbound demand and business demand outbound from Japan, which exceeded our plan, continuing from previous year. From April 2025, we have started a joint venture partnership with Garuda Indonesia, and from May, we have resumed the operation of the Narita-Chicago route to capture demand between Japan and North America as well as transit demand between Southeast Asia as well as India and North America, we have two daily flights, including the Haneda-Chicago route. Also, the A350-1000 has started operating the Haneda-Los Angeles route from June. We strive to further enhance customer convenience and expand profitability by these efforts.

For domestic passenger, both the number of passengers and the revenue have increased year-on-year through various demand-stimulus measures. JAL has also launched a project to promote regional tours for inbound visitors to Japan. By taking the opportunity of the Expo such as the JAL MaaS Osaka Tour Bus, we will advertise various regions of Japan to inbound passengers.

For international cargo, we have improved cargo capacity by introducing one more freighter and started operating to Hanoi. In addition to that, we also started operating to Chicago by utilizing large cargo aircraft of Kalitta Air. In the first quarter, there was a minor impact of the US tariffs even with some last-minute demand.

For domestic cargo, we have strived for the stable operation of a collaborative cargo aircraft project with Yamato Holdings Co., Ltd. By these efforts, the revenue has increased significantly both international and domestic cargo.

<LCC Business>

The revenue for the First Quarter Period increased by 23.2% year on year to 30.4 billion yen, and EBIT increased by 91.9% year on year to 4.2 billion yen. (Revenue and EBIT are figures before intersegment eliminations.)

Revenue Results (LCC)

(JPY Bn)	Three months ended June 30, 2024	Three months ended June 30, 2025	% or points compared to prior period
Revenue	24.7	30.4	123.2%
International	19.9	25.9	130.3%
Domestic	1.0	0.3	30.8%
Others	3.7	4.1	110.9%

(Note) 1. Figures have been truncated and percentages are rounded off to the first decimal place.

Traffic Results (LCC)

	Three months ended June 30, 2024	Three months ended June 30, 2025	% or points compared to prior period
ZIPAIR			
Revenue passengers carried (number of passengers)	332,451	348,582	104.9%
Revenue passenger km (1,000 passenger-km)	1,902,444	2,162,710	113.7%
Available seat km (1,000 seat-km)	2,342,911	2,803,472	119.7%
Revenue passenger-load factor (%)	81.2	77.1	(4.1)
SPRING JAPAN			
Revenue passengers carried (number of passengers)	259,444	279,916	107.9%
Revenue passenger km (1,000 passenger-km)	323,179	469,556	145.3%
Available seat km (1,000 seat-km)	398,026	533,264	134.0%
Revenue passenger-load factor (%)	81.2	88.1	6.9

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. Traffic Results for SPRING JAPAN includes both International and Domestic carriage.

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

To meet the increasing demand in the LCC market, we have flexibly adjusted our supply in high demand periods, we achieved a significant increase in revenue and profit year-on-year, while the same number of aircraft as the previous year. ZIPAIR - an LCC for medium to long-haul international flights, is growing steadily. From March 2025, ZIPAIR has started operating to Houston, expanding its services to ten routes, mainly in North America and Asia. Toward the first half of the 2030s, we intend to expand the size of our current operations to more than twice, and we will transfer aircraft from JAL and introduce Boeing 787-9 from 2027. Spring Japan, - an LCC for operating mainly to China-, has increased flights to Shanghai (Pudong) and has started new services to major cities such as Beijing and Dalian, steadily increasing profits.

We will continue to strive to increase inbound demand and create new flows of people by building a network of three LCCs with different characteristics, including Spring Japan and Jetstar Japan.

<Mileage/Finance and Commerce Business> <Others>

The revenue for the First Quarter Period increased by 7.9% year on year to 49.7 billion yen, and EBIT increased by 15.2% year on year to 10.2 billion yen. (Revenue and EBIT are figures before intersegment eliminations.)

JALUX's increased revenue and steady growth in the number of mileage points issued led to a steady profit increase. We are promoting "JAL Mile Life," where customers can save up miles in various scenes and exchange them for special experiences unique to JAL. Through the expansion of services such as the "JAL Life Status Program" and a launch of JAL • JCB card "Platinum Pro", we are working on improving lifetime loyalty in our non-aviation business as well.

(2) Summary of Financial Position

(Assets, liabilities and net asset)

Assets in the first quarter period increased by 201.3 billion yen from the end of the previous consolidated fiscal year to 2 trillion and 996.3 billion yen, mainly due to the increase of cash and cash equivalents.

Liabilities increased by 18.5 billion yen from the end of the previous consolidated fiscal year to 1 trillion and 796.7 billion yen mainly due to increase in contract Liabilities.

Equity increased by 182.8 billion yen from the end of the previous consolidated fiscal year to 1,199.5 billion yen, mainly due to the recognition of other equity instruments through the issuance of unsecured perpetual subordinated bonds and the increase in retained earnings by the quarterly profit attributable to owners of parent.

Liquidity at hand was maintained at a sufficient amount of 950.2 billion yen at the end this first quarter, as well as the unused credit line of 150.0 billion yen.

(Outline of Cash Flows)

Cash and cash equivalents at the end of first quarter period increased by 201.1 billion yen from the end of the previous consolidated fiscal year to 950.2 billion yen.

1 Cash Flows from Operating Activities

As a total of quarterly profit before tax of 40.8 billion yen, non-cash expenses such as depreciation, and trade and other payables and receivables, cash flow from operating activities (inflow) was 81.0 billion yen (cash inflow of 106.0 billion yen in the same period of the previous year).

2 Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 24.2 billion yen mainly due to acquisition of fixed assets (cash outflow of 38.9 billion yen in the same period of the previous year).

3 Cash Flows from Financing Activities

Cash flow from financing activities (inflow) was 145.7 billion yen mainly due to repayment of long term debts and payment of dividends (cash outflow of 34.1 billion yen in the same period of the previous year)

(3) Explanations of Forecast of Consolidated Financial Results

There are no changes to the full-year consolidated financial results forecast and dividend forecast announced in "Consolidated Financial Results for the year Ended March 31, 2025" dated May 2, 2025.

2. Condensed Quarterly Consolidated Financial Statement and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	As of March 31, 2025	As of June 30, 2025
	Millions of Yen	Millions of Yen
Assets		
Current assets		
Cash and cash equivalents	749,030	950,202
Trade and other receivables	210,211	214,099
Other financial assets	3,502	2,947
Inventories	49,723	52,227
Other current assets	82,899	89,173
Total current assets	1,095,366	1,308,651
Non-current assets		
Tangible fixed assets		
Flight equipment	974,253	984,774
Advances on flight equipment	147,534	126,982
Other tangible fixed assets	92,226	90,811
Total tangible fixed assets	1,214,014	1,202,568
Goodwill and intangible assets	94,317	97,138
Investment property	2,998	2,395
Investments accounted for using equity method	24,333	24,224
Other financial assets	144,056	151,066
Deferred tax assets	190,312	180,542
Retirement benefit asset	15,865	15,874
Other non-current assets	13,648	13,839
Total non-current assets	1,699,547	1,687,649
Total assets	2,794,913	2,996,301

	As of March 31, 2025	As of June 30, 2025
	Millions of Yen	Millions of Yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	179,207	171,132
Interest-bearing liabilities	94,562	142,994
Other financial liabilities	63,645	79,725
Income taxes payable	4,960	1,808
Contract liabilities	437,927	454,530
Provisions	1,821	3,516
Other current liabilities	56,180	56,985
Total current liabilities	838,306	910,693
Non-current liabilities		
Interest-bearing liabilities	801,461	748,387
Other financial liabilities	10,581	12,300
Deferred tax liabilities	3,694	3,764
Provisions	23,046	21,508
Retirement benefit liability	92,278	91,927
Other non-current liabilities	8,872	8,213
Total non-current liabilities	939,934	886,102
Total liabilities	1,778,240	1,796,796
Equity		
Share capital	273,200	273,200
Capital surplus	274,242	274,363
Other equity instruments	-	177,679
Retained earnings	395,719	402,719
Treasury shares	(1,473)	(1,473)
Accumulated other comprehensive income		
Financial assets measured at fair value through other comprehensive income	35,745	40,676
Effective portion of cash flow hedges	(3,860)	(10,232)
Exchange differences on translation of foreign operations	1,484	1,304
Total accumulated other comprehensive income	33,369	31,748
Total equity attributable to owners of parent	975,057	1,158,236
Non-controlling interests	41,615	41,268
Total equity	1,016,673	1,199,504
Total liabilities and equity	2,794,913	2,996,301

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Three months ended June 30, 2024	Three months ended June 30, 2025
	Millions of Yen	Millions of Yen
Revenue		
International passenger revenue	185,921	210,947
Domestic passenger revenue	125,785	134,557
Other revenue	112,359	125,578
Total revenue	424,065	471,083
Other income	1,738	7,693
Operating expenses		
Personnel expenses	(86,829)	(94,647)
Aircraft fuel	(94,524)	(94,015)
Depreciation, amortization and impairment losses	(38,202)	(40,781)
Other operating expenses	(186,638)	(206,014)
Total operating expenses	(406,195)	(435,459)
Operating profit	19,608	43,317
Share of profit of investments accounted for using equity method (Loss in brackets)	(536)	211
Profit before investing, financing and income tax	19,071	43,529
Income/expenses from investments		
Investing income	3,051	2,416
Investing expenses	-	(439)
Profit before financing and income tax	22,123	45,506
Finance income/expenses		
Finance income	2,996	501
Finance expenses	(3,919)	(5,146)
Profit before tax	21,200	40,861
Income tax expense	(7,392)	(12,749)
Profit	13,807	28,111
Profit attributable to		
Owners of parent	13,984	27,081
Non-controlling interests	(176)	1,030
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(771)	4,886
Share of other comprehensive income of investments accounted for using equity method	(31)	56
Total of items that will not be reclassified to profit or loss	(803)	4,943
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	4,594	(6,742)
Exchange differences on translation of foreign operations	371	(356)
Share of other comprehensive income of investments accounted for using equity method	81	32
Total of items that may be reclassified to profit or loss	5,047	(7,066)
Other comprehensive income, net of tax	4,243	(2,123)
Comprehensive income	18,051	25,988

	Three months ended June 30, 2024	Three months ended June 30, 2025
	Millions of Yen	Millions of Yen
Comprehensive income attributable to		
Owners of parent	17,422	25,257
Non-controlling interests	629	731
Earnings per share		
Basic earnings per share (Yen)	32.00	60.04
Diluted earnings per share (Yen)	-	-

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Consolidated Financial Results for the First Quarter Period of FY2024 (April 1, 2024 to June 30, 2024)

	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, 2024	273,200	273,992	306,879	(408)	43,171	11,836
Profit (Loss in brackets)	-	-	13,984	-	-	-
Other comprehensive income	-	-	-	-	(1,080)	4,212
Comprehensive income	-	-	13,984	-	(1,080)	4,212
Dividends	-	-	(19,665)	-	-	-
Share-based payments	-	25	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	(230)
Purchase of treasury shares	-	-	-	(0)	-	-
Transfer to retained earnings	-	-	(3)	-	3	-
Total transactions with owners	-	25	(19,668)	(0)	3	(230)
Balance as of June 30, 2024	273,200	274,018	301,195	(408)	42,094	15,817

	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, 2024	1,275	56,283	909,947	38,398	948,345
Profit (Loss in brackets)	-	-	13,984	(176)	13,807
Other comprehensive income	306	3,438	3,438	805	4,243
Comprehensive income	306	3,438	17,422	629	18,051
Dividends	-	-	(19,665)	(1,906)	(21,572)
Share-based payments	-	-	25	-	25
Transfer to non-financial assets	-	(230)	(230)	(272)	(502)
Purchase of treasury shares	-	-	(0)	-	(0)
Transfer to retained earnings	-	3	-	-	-
Total transactions with owners	-	(227)	(19,870)	(2,179)	(22,049)
Balance as of June 30, 2024	1,581	59,494	907,499	36,848	944,347

Consolidated Financial Results for the First Quarter Period of FY2025 (April 1, 2025 to June 30, 2025)

	Equity attributable to owners of parent					Accumulated other comprehensive income
	Share capital	Capital surplus	Other equity instruments	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Balance as of April 1, 2025	273,200	274,242	-	395,719	(1,473)	35,745
Profit (Loss in brackets)	-	-	-	27,081	-	-
Other comprehensive income	-	-	-	-	-	4,930
Comprehensive income	-	-	-	27,081	-	4,930
Issuance of other equity instruments	-	-	177,679	-	-	-
Dividends	-	-	-	(20,081)	-	-
Share-based payments	-	120	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(0)	-	-	-	-
Transfer to retained earnings	-	-	-	0	-	(0)
Total transactions with owners	-	120	177,679	(20,081)	-	(0)
Balance as of June 30, 2025	273,200	274,363	177,679	402,719	(1,473)	40,676

	Equity attributable to owners of parent					
	Accumulated other comprehensive income					
	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Total accumulated other comprehensive income	Total Equity attributable to owners of parent	Non-controlling interests	Total equity
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Balance as of April 1, 2025	(3,860)	1,484	33,369	975,057	41,615	1,016,673
Profit (Loss in brackets)	-	-	-	27,081	1,030	28,111
Other comprehensive income	(6,574)	(179)	(1,824)	(1,824)	(299)	(2,123)
Comprehensive income	(6,574)	(179)	(1,824)	25,257	731	25,988
Issuance of other equity instruments	-	-	-	177,679	-	177,679
Dividends	-	-	-	(20,081)	(1,318)	(21,400)
Share-based payments	-	-	-	120	-	120
Transfer to non-financial assets	202	-	202	202	239	442
Changes in ownership interest in subsidiaries	-	-	-	(0)	0	-
Transfer to retained earnings	-	-	(0)	-	-	-
Total transactions with owners	202	-	202	157,921	(1,078)	156,842
Balance as of June 30, 2025	(10,232)	1,304	31,748	1,158,236	41,268	1,199,504

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended June 30, 2024	Three months ended June 30, 2025
	Millions of Yen	Millions of Yen
Cash flows from operating activities		
Profit before tax	21,200	40,861
Depreciation, amortization and impairment losses	38,202	40,781
Loss (gain) on sale and retirement of fixed assets	208	(3,590)
Increase (decrease) in retirement benefit liability	283	(353)
Interest and dividend income	(2,277)	(2,798)
Interest expenses	3,240	3,753
Foreign exchange loss (gain)	(2,235)	690
Share of loss (profit) of investments accounted for using equity method	536	(211)
Decrease (increase) in trade and other receivables	(24,484)	(4,813)
Decrease (increase) in inventories	(1,605)	(2,898)
Increase (decrease) in trade and other payables	7,794	(10,084)
Increase (decrease) in contract liabilities	45,757	16,595
Other, net	21,955	7,965
Subtotal	108,577	85,896
Income taxes (paid) refund	(2,543)	(4,869)
Net cash provided by (used in) operating activities	106,033	81,027
Cash flows from investing activities		
Purchase of non-current assets	(40,728)	(30,543)
Proceeds from sales of non-current assets	1,150	5,006
Purchase of other financial assets	(1,711)	(1,774)
Payments for loans receivable	(108)	(288)
Collection of loans receivable	232	186
Interest received	307	616
Dividends received	1,771	2,427
Other, net	123	103
Net cash provided by (used in) investing activities	(38,962)	(24,265)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,749	18,407
Repayments of long-term borrowings	(20,580)	(20,956)
Proceeds from issuance of bonds	79,537	-
Proceeds from issuance of other equity instruments	-	177,160
Interest paid	(1,783)	(2,632)
Dividends paid	(18,699)	(19,117)
Dividends paid to non-controlling interests	(1,831)	(1,222)
Repayments of lease liabilities	(5,753)	(5,465)
Other, net	(441)	(442)
Net cash provided by (used in) financing activities	34,196	145,730
Effect of exchange rate changes on cash and cash equivalents	4,246	(1,320)
Net increase (decrease) in cash and cash equivalents	105,514	201,172
Cash and cash equivalents at beginning of period	713,867	749,030
Cash and cash equivalents at end of period	819,382	950,202

(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, 2025 consists of the Company and its subsidiaries (the “JAL Group”) and interests in affiliates and jointly controlled entities.

The Company’s main businesses are “Air Transportation business (FSC • LCC)” and “Mileage/Finance and Commerce business”. Details of each business are described in Note “Revenue”.

(Basis of Preparation)

1) Method of preparation of condensed quarterly consolidated financial statements

The Company’s quarterly consolidated financial statements have been prepared in accordance with the quarterly financial statement preparation standards of the Tokyo Stock Exchange, Inc. In accordance with the provisions of Article 5, Paragraph 2 of these preparation standards, the summary quarterly consolidated financial statements are prepared based on International Accounting Standard 34 “Interim Financial Reporting” (hereinafter “IAS 34”). However, in accordance with the provisions of Article 5, Paragraph 5 of these preparation standards, some of the disclosure items and notes required by IAS 34 have been omitted. Therefore, these financial statements are not a set of condensed financial statements in accordance with IAS 34

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

(Revenue)**(1) Breakdown of Revenue****Revenue and Segment Revenue****Consolidated Financial Results for the First quarter of FY2024 (April 1, 2024 to June 30, 2024)**

	Reportable Segment						Total Millions of Yen
	FSC	LCC	Mileage/ Finance and Commerce	Others	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
International							
Passenger operations	166,106	19,947	-	-	186,053	-	-
Cargo and mail- service operations	31,353	-	-	-	31,353	-	-
Luggage operations	412	-	-	-	412	-	-
Sub-total	197,872	19,947	-	-	217,819	-	-
Domestic							
Passenger operations	124,772	1,042	-	-	125,814	-	-
Cargo and mail- service operations	7,465	-	-	-	7,465	-	-
Luggage operations	103	-	-	-	103	-	-
Sub-total	132,341	1,042	-	-	133,383	-	-
Total revenues from international and domestic operations	330,213	20,989	-	-	351,203	-	-
Mileage/Finance Commerce	-	-	46,083	-	46,083	-	-
Travel agency Revenue	-	-	-	23,866	23,866	-	-
Others	4,455	3,736	-	30,906	39,097	-	-
Total revenues	334,668	24,725	46,083	54,772	460,251	(36,185)	424,065

(Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.

Consolidated Financial Results for the First quarter of FY2025 (April 1, 2025 to June 30, 2025)

	Reportable Segment						Total
	FSC	LCC	Mileage/ Finance and Commerce	Others	Sub-total	Internal transaction adjustment	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
International							
Passenger operations	184,966	25,988	-	-	210,955	-	-
Cargo and mail- service operations	35,523	-	-	-	35,523	-	-
Luggage operations	391	-	-	-	391	-	-
Sub-total	220,880	25,988	-	-	246,869	-	-
Domestic							
Passenger operations	134,268	321	-	-	134,589	-	-
Cargo and mail- service operations	8,115	-	-	-	8,115	-	-
Luggage operations	106	-	-	-	106	-	-
Sub-total	142,489	321	-	-	142,811	-	-
Total revenues from international and domestic operations	363,370	26,310	-	-	389,680	-	-
Mileage/Finance Commerce	-	-	49,713	-	49,713	-	-
Travel agency Revenue	-	-	-	25,359	25,359	-	-
Others	5,980	4,142	-	34,569	44,691	-	-
Total revenues	<u>369,350</u>	<u>30,452</u>	<u>49,713</u>	<u>59,928</u>	<u>509,445</u>	<u>(38,362)</u>	<u>471,083</u>

(Note) 1. Figures of Segment revenue are before elimination of intra-segment transactions.

The JAL Group operates “Full Service Carrier Business”, mainly in passenger and baggage carriage or mail and cargo handling in both international and domestic routes, “LCC Business”, “Mileage/Finance and Commerce” and other businesses.

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 the considerations 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. The transaction price is allocated to each performance obligation based on the ratio of the standalone selling price, considering the utilization rate of the service and the expected expiration. . A transaction value allocated as performance obligations of miles is deferred as contract liabilities in condensed Semi-Annually interim consolidated statement of financial position, and revenue is recognized as miles are redeemed.

Full Service Carrier Business • LCC Business

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 within 2 months 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.

Mileage/Finance and Commerce

In the Mileage/Finance and Commerce business segment, we provide benefit services and credit card-related service and wholesale and retail business to JAL Mileage Bank members through our group and partner companies. The main revenues are recognized as follows.

Mileage/Finance and Commerce

Revenues include from providing benefit services related to mileage, credit card-related services, and product sales.

Revenues from providing benefit services related to mileage, our group is mainly obligated to provide benefit services through our group or partner companies in exchange for the mileage to member customers. This performance obligation is satisfied upon the completion of providing the benefit services. The timing of receiving the consideration, such as monetary payment, varies depending on the mileage-earning service. For mileage earned through the use of our group's air transportation services, the consideration is mainly received at a certain point before the use of the air transportation service. For mileage earned through the use of services provided by partner companies, the consideration is mainly received at a certain point after the use of the service.

Revenues from providing credit card-related services, our group is mainly obligated to provide payment services to our customers. This performance obligation is satisfied subject to the contract based on the period with our customers, and the consideration for the transaction is mainly received in advance at a certain point before the performance obligation is satisfied.

Revenues from providing wholesale and retail business, our group is mainly obligated to provide product sales in stores and e-commerce, such as clothing, miscellaneous goods, and food, and we are obligated to deliver these products to customers. This performance obligation is satisfied upon the completion of delivery of the products and inspection of products by customers, and the consideration for the transaction is mainly received at a certain point after the performance obligation is satisfied. The amount of variable consideration including revenue is not significant.

Others

In other businesses, we are mainly engaged in planning and sales of air travel package tours and ground handling service for foreign airlines.

Revenues related to planning and sales of air travel package tours and credit card business 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. Also, revenues related to ground handling service for foreign airlines are recognized upon the completion of ground handling services to customers, and consideration for a transaction is generally received after 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 JAL Group has restructured our business portfolio after the company's experience with the COVID pandemic, especially, we are working on promoting business model reform to create new business models and increase the Group profitability.

Regarding the promotion of business model reform, we are focusing on "LCC", "Mileage/Finance and Commerce" and other businesses for the growth and expansion of profit. To achieve growth and expansion of profits, we have refined the previous management system and started a new business management system for each segment from this fiscal year.

Based on this promotion of business model reform and refinement of the management system, we have changed reportable segments to "FSC", "LCC" and "Mileage/Finance and Commerce" after concentration of economically similar business segments from this fiscal year. Also, we have changed segment profit from "Profit or loss before investing, financing and income tax" to "Profit or loss before financing and income tax".

The segment information for the previous first quarter is disclosed based on the revised reporting segments.

(2) Information on reportable segment

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

Intersegment sales are based on the current market price.

Consolidated financial results for the first quarter of FY2024 (April 1, 2024 to June 30, 2024)

	Reportable segment			Sub-total	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	FSC	LCC	Mileage/ Finance and Commerce					
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue								
Sales to external customers	322,824	21,874	31,057	375,755	48,309	424,065	-	424,065
Intersegment	11,844	2,851	15,026	29,723	6,462	36,185	(36,185)	-
Total	334,668	24,725	46,083	405,478	54,772	460,251	(36,185)	424,065
Profit or loss before financing and income tax	7,911	2,207	8,885	19,004	3,813	22,817	(694)	22,123
Finance income	-	-	-	-	-	-	-	2,996
Finance expenses	-	-	-	-	-	-	-	(3,919)
Profit before tax	-	-	-	-	-	-	-	21,200

(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 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 FY2025 (April 1, 2025 to June 30, 2025)

	Reportable segment				Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	FSC	LCC	Mileage/ Finance and Commerce	Sub-total				
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue								
Sales to external customers	357,199	26,996	33,927	418,123	52,959	471,083	-	471,083
Intersegment	12,151	3,456	15,785	31,393	6,969	38,362	(38,362)	-
Total	369,350	30,452	49,713	449,516	59,928	509,445	(38,362)	471,083
Profit or loss before financing and income tax	30,716	4,235	10,240	45,193	1,358	46,552	(1,045)	45,506
Finance income	-	-	-	-	-	-	-	501
Finance expenses	-	-	-	-	-	-	-	(5,146)
Profit before tax	-	-	-	-	-	-	-	40,861

(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 financing and income tax on the condensed quarterly consolidated statement of profit or loss and other comprehensive income.