

Japan Airlines net profit falls nearly 65% as virus hits travel

April 30 2020

Japan Airlines' annual net profit plunged nearly 65 percent, the company said Thursday, as it faced the "unprecedented" impact of the coronavirus pandemic on aviation demand.

JAL said net [profit](#) for the [fiscal year](#) ending in March fell 64.6 percent to 53.4 billion yen (\$500 million) on annual sales of 1.4 trillion yen, down 5.1 percent.

The results were largely in line with a profit warning the airline issued last week.

JAL said demand had plunged owing to entry bans around the world, the cancellation of major domestic events, and a state of emergency in Japan with authorities urging citizens not to travel.

"Our group is facing an unprecedented situation," the company said in a statement.

The airline did not release earnings forecasts for the current financial year, citing uncertainty over the pandemic.

For now, JAL plans to cut its number of flights by 90 percent on international routes and more than 60 percent on domestic routes from its flight schedule announced before the pandemic.

But the firm said it remained optimistic about the outlook.

"The decline in flight demand due to the impact of the new coronavirus is a temporary phenomenon and our mid- and long-term forecast that demand for flights from and to Japan will grow greatly has remained unchanged," it said.

On Tuesday, domestic rival ANA Holdings said its annual [net profit](#) dived 75 percent to 27.6 billion yen on sales of 1.9 trillion yen, which were down 4.1 percent.

ANA had been expecting [strong sales](#) but also [higher costs](#) as it prepared to expand services in the greater Tokyo region ahead of the 2020 Olympics.

But the pandemic has forced the Games to be delayed by a year and battered Japan's tourism sector, while many countries have cancelled or limited international and domestic travel.

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