

# CONSOLIDATED STATEMENTS OF OPERATIONS

Japan Airlines Corporation and Consolidated Subsidiaries

Years ended March 31,	Millions of yen			Thousands of U.S. dollars (Note 2)
	2005	2004	2003	2005
<b>Operating revenues:</b>				
Passenger:				
Domestic	¥ 674,732	¥ 668,888	¥ 629,358	\$ 6,305,906
International	671,291	549,764	668,472	6,273,747
Cargo:				
Domestic	40,497	42,670	42,217	378,476
International	179,031	161,331	165,613	1,673,186
Incidental and other revenues	564,322	509,086	577,818	5,274,037
	<u>2,129,876</u>	<u>1,931,742</u>	<u>2,083,480</u>	<u>19,905,383</u>
<b>Operating expenses (Note 10):</b>				
Wages, salaries and benefits	463,240	510,203	499,448	4,329,345
Aircraft fuel	288,405	244,341	245,921	2,695,373
Aircraft maintenance	89,428	82,206	81,139	835,775
Aircraft rent	100,644	86,720	91,921	940,598
Landing fees and other rent	239,288	233,230	231,835	2,236,336
Purchased services	111,943	106,695	111,922	1,046,196
Depreciation and amortization	124,713	119,388	118,187	1,165,542
Commission	126,264	113,396	125,717	1,180,037
Incidental and other expenses	529,799	503,203	566,796	4,951,392
	<u>2,073,727</u>	<u>1,999,387</u>	<u>2,072,891</u>	<u>19,380,626</u>
<b>Operating income (loss)</b>	<u>56,149</u>	<u>(67,645)</u>	<u>10,589</u>	<u>524,757</u>
<b>Non-operating income (expenses):</b>				
Interest and dividend income	3,170	2,928	2,932	29,626
Interest expense (Note 10)	(24,875)	(28,503)	(34,657)	(232,476)
Exchange gain (loss), net	2,075	424	(1,975)	19,392
Flight equipment purchase incentives	48,386	29,260	42,075	452,205
Gain on sales of ground property and equipment	1,905	1,330	4,446	17,803
Gain on sales of investments in securities	1,334	1,235	4,623	12,467
Subsidies received for purchases of aircraft for isolated island routes	1,716	1,618	—	16,037
Gain recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan	—	755	—	—
Loss on sales and disposal of flight equipment	(17,417)	(13,946)	(10,637)	(162,775)
Loss on sales and disposal of ground property and equipment	(13,840)	(5,153)	(9,852)	(129,345)
Loss on investments in unconsolidated subsidiaries and affiliates	—	(6,518)	—	—
Equity in earnings of affiliates	1,514	1,221	340	14,149
Loss on cancellation of lease contracts	(9,682)	—	—	(90,485)
Expenses arising from business combination	—	—	(7,304)	—
Other, net	(5,767)	846	3,500	(53,897)
	<u>(11,482)</u>	<u>(14,503)</u>	<u>(6,508)</u>	<u>(107,308)</u>
<b>Income (loss) before income taxes and minority interests</b>	<u>44,666</u>	<u>(82,148)</u>	<u>4,081</u>	<u>417,439</u>
<b>Income taxes (Note 7):</b>				
Current	7,897	8,854	8,100	73,803
Deferred	4,251	(3,092)	(16,468)	39,728
	<u>12,148</u>	<u>5,761</u>	<u>(8,368)</u>	<u>113,532</u>
<b>Minority interests</b>	<u>(2,420)</u>	<u>(709)</u>	<u>(804)</u>	<u>(22,616)</u>
<b>Net income (loss)</b>	<u>¥ 30,096</u>	<u>¥ (88,619)</u>	<u>¥ 11,645</u>	<u>\$ 281,271</u>

The accompanying notes are an integral part of these consolidated statements.