

**[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 Nine Months Ended December 31, 2013 (Japanese GAAP)**

**Company name** Japan Airlines Co., Ltd  
**Stock Listing** Tokyo Stock Exchange  
**Code No.** 9201 **URL:** <http://www.jal.com> **January 31, 2014**  
**Representative** Yoshiharu Ueki, President  
**Contact** Kojiro Yamashita, Vice President, Finance **Phone:** +81-3-5460-3068  
 Scheduled date for filing of quarterly report: February 3, 2014  
 Scheduled date for dividend payment: Not Applicable  
 Supplementary explanations of 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 Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)**
**(1) Consolidated Operating Results (Cumulative)**

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended December 31, 2013	989,924	5.1	137,499	(13.1)	131,213	(14.9)	123,501	(12.2)
Nine months ended December 31, 2012	942,041	3.6	158,174	(2.2)	154,243	(1.2)	140,636	(3.7)

\*Comprehensive income for the period April 1, 2013 - December 31, 2013: 139,260 Millions of Yen, April 1, 2012 - December 31, 2012: 142,766 Millions of Yen

	Net income per share	Diluted net income per share
Nine months ended December 31, 2013	Yen 681.12	Yen -
Nine months ended December 31, 2012	Yen 775.54	Yen -

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Equity ratio (%)	Net Asset Per share
As of December 31, 2013	Millions of Yen 1,305,151	Millions of Yen 688,136	51.2	Yen 3,685.96
As of March 31, 2013	Millions of Yen 1,216,612	Millions of Yen 583,189	46.4	Yen 3,116.30

(Reference) Shareholder's equity As of December 31, 2013: 668,338 Millions of Yen, As of March 31, 2013: 565,048 Millions of Yen

**2. Dividends**

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
Year Ended March 31, 2013	Yen -	Yen -	Yen -	Yen 190.00	Yen 190.00
Year Ending March 31, 2014	-	-	-	-	-
Year Ending March 31, 2014 (Forecast)	-	-	-	147.00	147.00

Note: Revisions to the most recently disclosed dividend forecasts: Yes

**3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014**

(Percentage compared to prior year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Fiscal Year	1,291,000	4.2	158,000	(19.1)	147,000	(20.9)	148,000	(13.8)	816.24

Note: Revisions to the most recently disclosed earnings forecasts: Yes

## Notes

- (1) Changes in significant consolidated subsidiaries during the Nine months ended December 31, 2013: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
  - 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None
  - 2) Changes in accounting policies other than 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement of corrections: None
- (4) Number of shares issued (common stock)
  - (a) Total number of shares issued at the end of the period (including treasury stock)

As of December 31, 2013:	181,352,000
As of March 31, 2013:	181,352,000
  - (b) Number of treasury stock at the end of the period

As of December 31, 2013:	31,990
As of March 31, 2013:	31,950
  - (c) Average number of shares outstanding

During the Nine months ended December 31, 2013	181,320,022
During the Nine months ended December 31, 2012	181,339,919

## **Indication of quarterly review procedure implementation status**

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Act. The review of quarterly consolidated financial statements as provided in the Financial Instruments and Exchange Act had not been completed as of the date of these Consolidated Financial Results for the Nine Months Ended December 31, 2013.

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

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to “Qualitative Information concerning Financial Results for the Third Quarter of FY2013” in the Attachment for the assumptions used and other notes.

\* The Company will hold a presentation for institutional investors and analysts on January 31, 2014. 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 Third Quarter of FY2013

## (1) Explanation of Operating Results

During the reporting period of consolidated financial results for the third quarter of the fiscal year (April 1 to December 31, 2013)(hereinafter referred to as the “third quarter”), Japan’s economy has been on a moderate recovery track with a last-minute surge in demand ahead of the increase of consumption tax. Exports have shown movements of picking up and the effects of Japanese government policies have been developing, while household income and business investment have increased. However, the slowdown of overseas economies has been a downside risk to the Japanese economy.

Under these economic conditions, JAL Group strived to increase management efficiency and deliver the highest standard of service, founded on its strong commitment to flight safety, in an effort to achieve the targets of Rolling Plan 2013 of the Medium Term Management Plan announced on April 30, 2013.

As a result of the above, consolidated operating revenues and operating expenses increased to 989.9 billion yen (up 5.1 %) and to 852.4 billion yen (up 8.7 %) respectively year-on-year, while operating income and ordinary income declined to 137.4 billion yen (down 13.1 %) and 131.2 billion yen (down 14.9 %) respectively from the previous year. Net income declined to 123.5 billion yen (down 12.2 %) from a year ago.

Financial results of each business segment are described below.

From the first quarter consolidated accounting period, there have been changes in companies included in the air transportation segment indicated as reporting segments. Comparisons and analyses for the third quarter are made according to the categorization after this change. For details, please refer to “ 3. Consolidated Financial Statements, (4) Notes for Consolidated Financial Statements, Segment Information, etc.”.

### <Air Transportation Segment>

During the reporting period, the air transportation segment posted operating revenue of 883.6 billion yen (up 4.1 %) and operating income of 123.8 billion yen (down 14.5 %) from the previous year. (Operating revenue and operating income are results before elimination of intra-segment transactions.)

Details are as follows.

### a. International operations

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	308,348	331,324	107.5%
Revenue passengers carried (number of passengers)	5,618,809	5,786,863	103.0%
Revenue passenger km (RPK) (1,000 passenger-km)	25,430,408	26,557,413	104.4%
Available seat km (ASK) (thousands)	33,387,948	34,842,100	104.4%
Revenue passenger-load factor (L/F) (%)	76.2	76.2	0.1
Revenue from Cargo Operations (millions of Yen)	38,180	40,500	106.1%
Revenue cargo ton-km (RCTK) (thousands)	1,037,759	1,139,685	109.8%

In international passenger operations, we took steps to maximize revenue such as expanding our Boeing 787 network, and enhance our product and service lineup, including the introduction of newly designed cabin seats.

Regarding route operations, we resumed operations of the Boeing 787 from/after June 1, 2013 on Narita=Boston, Narita=San Diego, Haneda=Beijing routes, etc., and inaugurated the Narita=Helsinki route on July 1, 2013 to increase product competitiveness and operational cost-efficiency. To keep supply in better balance with demand, we temporarily reduced flights between Narita and Beijing to flexibly cope with sluggish demand and improve profitability, while replacing the Boeing 767 with the larger Boeing 777-200ER to meet robust demand on Narita=Honolulu (JL782/781), Chubu=Honolulu and Kansai=Honolulu routes.

Sales-wise, to promote sales during the winter low season, special time-limited fares were offered to short-haul Asian destinations and to Helsinki, and to counter the decline in load factor in Business Class during the year-end holidays, we offered time-limited fares on business class travel for leisure passengers to improve the load factor and maximize revenue.

As for our alliances and code-shares with other global airlines, Japan's Ministry of Land, Infrastructure, Transport and Tourism has granted anti-trust immunity for the inclusion of Finnair in the joint business between Japan Airlines and British Airways between Japan and Europe, which commenced in October 2012. Meanwhile JAL and Qatar Airways, both members of the oneworld alliance, agreed to codeshare, and on December 3, 2013 launched new nonstop codeshare services from Narita and Kansai to Doha, one of the hubs in the Middle East with thriving growth for air travel demand, so as to offer customers more convenience when travelling to South Europe, Middle East and Africa.

On the product side, the JAL SKY SUITE 777, a fully revamped Boeing 777-300ER with sweeping upgrades in spaciousness, comfort and functionality in every class, was deployed between Narita and Los Angeles in November 2013, and will be put into service between Narita and Chicago in January 2014, in addition to current services on Narita=London, Narita=New York and Narita=Paris routes. Incidentally, the Sky Wider in Sky Suite 777, our newest Economy Class seat with as much as 10cm more legroom, won the Good Design Award in 2013. Similarly, new Boeing 767-300ER "JAL SKY SUITE 767" featuring fully-flat seats in Business Class with direct access to the aisle and the JAL SKY WIDER in Economy Class, was

rolled out between Narita and Vancouver in December 2013, and will be progressively expanded to long-haul Southeast Asia routes, such as between Narita and Kuala Lumpur in January 2014, and to Honolulu. JAL's inflight Internet service, JAL SKY Wi-Fi, is now available on flights between Narita and New York/Chicago/Los Angeles/London/Paris/Frankfurt and Jakarta. In this way, we will continuously enhance our products and services.

Despite impacts of the suspension of Boeing 787 flights and sluggish demand on Korea and China routes, international supply when measured in available-seat-kilometer (ASK) increased by 4.4% year-on-year, demand in terms of revenue-passenger-kilometer (RPK) increased by 4.4% year-on-year, while the load factor (L/F) increased 0.1 point to 76.2%. International passenger revenue increased by 7.5% year-on-year to 331.3 billion yen.

Regarding international cargo operations, in addition to a recovery in outbound demand from Japan since last autumn, we strove to increase volume and maximize revenue by attracting perishable commodities overseas, amongst others. On the sales side, we organized our product lineup, expanded and improved services to meet the shippers' needs, such as providing tailor-made forwarding plans for temperature sensitive shipments and express shipments, and achieved a growth in sales. Though the environment remained severe, we managed to secure demand surpassing the previous year. During the reporting period, the volume of international cargo in terms of revenue-cargo-ton-kilometer (RCTK) increased by 9.8% year-on-year, and international cargo revenue increased by 6.1% year-on-year to 40.5 billion yen.

In international mail operations, we captured new shipments and robust demand, and achieved greater demand than the year before. During the reporting period, the volume of international mail increased by 22.6% from a year ago, and revenue increased by 51.5% to 6.7 billion yen.

**b. Domestic operations**

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	% or points compared to prior period
Revenues from passenger operations (millions of Yen)	373,478	374,935	100.4%
Revenue passengers carried (number of passengers)	22,946,237	23,841,686	103.9%
Revenue passenger km (RPK) (1,000 passenger-km)	17,579,046	18,095,004	102.9%
Available seat km (ASK) (thousands)	27,687,564	28,413,848	102.6%
Revenue passenger-load factor (L/F) (%)	63.5	63.7	0.2
Revenue from Cargo Operations (millions of Yen)	19,395	19,623	101.2%
Revenue cargo ton-km (RCTK) (thousands)	277,791	283,292	102.0%

In domestic passenger operations, we implemented demand-boosting measures and allocated aircraft according to changes in demand to maximize profitability.

In route operations, we endeavored to expand our domestic network following the addition of flight slots at Haneda and Itami airports. Flights were increased on routes to and from Haneda, and the Haneda=Chubu route was opened to improve connectivity to international flights. At Itami, scheduled flights to Matsuyama/Hakodate/Misawa were resumed, and a total of 18 flights were increased on 16 routes. Code-sharing of all flights operated by Hokkaido Air System Co., Ltd. began in July 2013, providing customers with greater convenience, and contributing to the regional and economic development of Hokkaido.

In airport services, we renewed lounges to increase the users' comfort and convenience, and enhanced the quality of lounge services, such as installing newly designed JAL sofas and additional electric sockets in lounges at Itami, Kansai, Hiroshima, Matsuyama, Kumamoto and Kagoshima airports.

In sales activities, we offered a new discount fare called Tokubin Discount 21 from October 27, 2013 to make traveling more affordable. During the year-end holidays, we increased flights for users of Sakitoku Discount and Super Sakitoku fares. Many customers used them to travel home or enjoy the holidays. To boost leisure demand, we collaborated with Disneyland in various projects to celebrate their 30th anniversary, as an official sponsor of Tokyo Disney Resort ® since its opening in 1983. Six JAL Happiness Express jets (two Boeing 777-200's and four Boeing 737-800's) painted with Disney character motifs were put into service on domestic routes, and have been used by many customers. We also tied up with Recruit Lifestyle Co., Ltd., which operates Jalan.net, one of the largest hotel and *ryokan* booking sites in Japan, and started sales of JAL Jalan Pack, a Dynamic Package product that allows users to freely assemble a travel package for themselves using JAL domestic tickets and domestic accommodations made available online. We also increased online sales channels in addition to JAL Raku Pack by accepting bookings over JAL's site for smartphones from November 2013. Furthermore, new functions were added to JAL's popular Countdown application introduced in fiscal year 2012 and JAL Sakitoku Calendar, a JAL application for smartphones, was revamped to meet the diversified needs of the customers.

As a result of the above, domestic supply during the reporting period increased by 2.6% year-on-year when measured in available-seat-kilometer (ASK), demand increased by 2.9% in terms of revenue-passenger-kilometer (RPK), while

the load factor (L/F) increased by 0.2 point year-on-year to 63.7%. Domestic passenger revenue increased by 0.4% year-on-year to 374.9 billion yen.

Domestic cargo operations were affected by a decline in perishable commodities due to adverse weather conditions, and a partial shift to surface transport, but sales staff strengthened relationships with customers and acquired new shipments to maximize revenue. During the year-end holidays when demand soars, we flexibly operated extra flights to meet the shippers' needs. During the reporting period, the volume of domestic cargo in terms of revenue-cargo-ton-kilometers (RCTK) increased by 2.0% year-on-year, and domestic cargo revenue increased by 1.2% to 19.6 billion yen.



Components of Revenues from the Air Transportation Segment are as follows

	Nine months ended December 31, 2012 Millions of Yen	Percentage contribution to total (%)	Nine months ended December 31, 2013 Millions of Yen	Percentage contribution to total (%)	% compared to prior year
International:					
Passenger operations	308,348	36.3	331,324	37.5	107.5
Cargo operations	38,180	4.5	40,500	4.6	106.1
Mail-service operations	4,442	0.5	6,731	0.8	151.5
Luggage operations	374	0.0	452	0.1	120.8
Sub-total	351,345	41.4	379,009	42.9	107.9
Domestic:					
Passenger operations	373,478	44.0	374,935	42.4	100.4
Cargo operations	19,395	2.3	19,623	2.2	101.2
Mail-service operations	2,370	0.3	2,423	0.3	102.2
Luggage operations	204	0.0	192	0.0	94.1
Sub-total	395,448	46.6	397,174	44.9	100.4
Total revenues of international and domestic operations	746,794	88.0	776,184	87.8	103.9
Other revenues	102,131	12.0	107,429	12.2	105.2
Total revenues	848,925	100.0	883,613	100.0	104.1

Note: Amounts are rounded down to the nearest million yen, percentages are round off to the first decimal place.

From the first quarter consolidated accounting period, the air transportation segment indicated as a reporting segment has been changed, and comparisons and analyses for the third quarter are made according to the categorization after this change. Please refer to “Segment Information, etc.” in the “Notes for Consolidated Financial Statements” for detail.

## Consolidated Traffic Results

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	% or points compared to prior period
<b>INTERNATIONAL</b>			
Revenue passengers carried (number of passengers)	5,618,809	5,786,863	103.0%
Revenue passenger km (1,000 passenger-km)	25,430,408	26,557,413	104.4%
Available seat km (thousands)	33,387,948	34,842,100	104.4%
Revenue passenger-load factor (%)	76.2	76.2	0.1
Revenue cargo ton-km (thousands)	1,037,759	1,139,685	109.8%
Mail ton-km (thousands)	133,405	163,613	122.6%
<b>DOMESTIC</b>			
Revenue passengers carried (number of passengers)	22,946,237	23,841,686	103.9%
Revenue passenger-km (1,000 passenger-km)	17,579,046	18,095,004	102.9%
Available seat km (thousands)	27,687,564	28,413,848	102.6%
Revenue passenger-load factor (%)	63.5	63.7	0.2
Revenue cargo ton-km (thousands)	277,791	283,292	102.0%
Mail ton-km (thousands)	15,894	17,374	109.3%
<b>TOTAL</b>			
Revenue passengers carried (number of passengers)	28,565,046	29,628,549	103.7%
Revenue passenger-km (1,000 passenger-km)	43,009,454	44,652,418	103.8%
Available seat km (thousands)	61,075,512	63,255,948	103.6%
Revenue passenger-load factor (%)	70.4	70.6	0.2
Revenue cargo ton km (thousands)	1,315,551	1,422,978	108.2%
Mail ton km (thousands)	149,300	180,987	121.2%

- Revenue passenger kilometer (RPK) is the number of fare-paying passengers multiplied by the distance flown (km).  
Available seat kilometer (ASK) is the number of available seats multiplied by the distance flown (km).  
Revenue cargo ton kilometer (RCTK) is the amount of cargo (ton) transported multiplied by the distance flown (km).
- 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).
- International operations: Japan Airlines Co., Ltd,  
Domestic operations: Japan Airlines Co., Ltd, Japan Trans Ocean Air Co., Ltd, JAL Express Co., Ltd, Japan Air Commuter Co., Ltd, J Air Co., Ltd, Ryukyu Air Commuter Co., Ltd.
- Figures have been truncated and percentages are rounded off to the first decimal place.

## Other businesses

In other business operations, we strove to maximize corporate value of JAL Group and improve profit margin. The financial results of two major companies in this segment are as follows.

JALPAK Co., Ltd. introduced products to meet demand trends and maximize revenue, while striving to increase cost-efficiency. Though robust passenger numbers were recorded to Hawaii and Europe due to an increase in available seats, leisure demand slumped owing to rising sales prices caused by the weaker yen. As a result, it handled 229,000 customers traveling overseas, down 7.1% from the same period last year. Conversely, on the domestic scene, it handled 1,610,000 customers, up 9.3% from the year before, due to an increase in demand to the Kanto region supported by the 30<sup>th</sup> anniversary of Tokyo Disney Resort®, and strong online sales of JAL Dynamic Package. As a result, operating revenue (prior to elimination of intra-company transactions) increased by 3.8% year-on-year to 129.6 billion yen.

JAL Card Co., Ltd. carried out activities focusing on increasing members, such as JAL Card 30<sup>th</sup> Anniversary Celebration Membership Campaign, a membership campaign in collaboration with Amazon, a 7<sup>th</sup> Anniversary Celebration Campaign to celebrate the issuance of the joint card with Tokyu Group, JAL Card TOP & ClubQ. It also improved services of JAL Card navi for students, and issued JAL CLUB EST, a high value-added card for the younger generation in their 20's to improve products and services for young age groups. As a result, the number of members increased by about 107,000 to 2.87 million members from the end of March 2013. Through aggressive measures to promote the use of JAL Card, such as exploring new partner shops where customers can accumulate double miles, such as community-based companies AEON Retail Co., Ltd in October 2013 and FamilyMart Co., Ltd in November 2013, trading volume increased steadily. As a result, operating revenue (prior to elimination of intra-company transactions) increased by 5.7% year-on-year to 13.5 billion yen.

## (2) Explanation of Financial Conditions

### Assets, liabilities and net assets

Total assets at the end of the third quarter increased by 88.5 billion yen compared to the end of the previous consolidated accounting year to 1,305.1 billion yen, mainly due to an increase in aircraft, cash and deposits.

Liabilities decreased by 16.4 billion yen from the end of the previous consolidated accounting year to 617.0 billion yen, due to the payment of lease obligation and loans.

Net assets increased by 104.9 billion yen from the end of the previous consolidated accounting year to 688.1 billion yen, because of the payment of dividends and the posting of net income for the quarter.

For details, please refer to “3. Consolidated Financial Statements (1) Consolidated Balance Sheets”.

### Cash Flows

#### Cash Flows from Sales Activities

Cash flows from operating activities (inflow) totaled 183.6 billion yen, as a result of addition and subtraction of non-fund accounts such as depreciation costs, and debts and credits relating to operating activities.

#### Cash Flows from Investing Activities

Cash flows from investing activities (outflow) totaled (108.9) billion yen, mainly due to expenditures for acquirement of fixed assets and for time deposits.

#### Cash Flows from Financing Activities

Cash flows from financing activities (outflow) totaled (68.0) billion yen, due to expenditures to pay liabilities and dividends.

As a result of the above, the balance of cash and cash equivalents at the end of the consolidated accounting period of the third quarter increased by 8.1 billion yen from the end of the previous consolidated accounting year to 107.5 billion yen.

## (2) Explanations of Forecast of Consolidated Financial Results

### a. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014

	<b>Operating Revenues</b>	<b>Operating Income</b>	<b>Ordinary Income</b>	<b>Net Income</b>	<b>Net income per share</b>
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Forecast (A)	1,286,000	155,000	144,000	128,000	705.93
<b>New Forecast (B)</b>	<b>1,291,000</b>	<b>158,000</b>	<b>147,000</b>	<b>148,000</b>	<b>816.24</b>
Change (B-A)	+5,000	+3,000	+3,000	+20,000	—
Change (%)	+0.4	+1.9	+2.1	+15.6	—
Ref. Consolidated Operating Result of the Fiscal Year Ended March 31, 2013	1,238,839	195,242	185,863	171,672	946.71

### b. Non-Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014

	<b>Operating Revenues</b>	<b>Ordinary Income</b>	<b>Net Income</b>	<b>Net income per share</b>
	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Forecast (A)	1,034,000	114,000	116,000	639.64
<b>New Forecast (B)</b>	<b>1,038,000</b>	<b>117,000</b>	<b>127,000</b>	<b>700.30</b>
Change (B-A)	+4,000	+3,000	+11,000	—
Change (%)	+0.4	+2.6	+9.5	—
Ref. Non-consolidated Operating Result of the Fiscal Year Ended March 31, 2013	989,989	139,174	152,374	840.21

### c. Reasons for Revisions of Financial Forecast for Fiscal Year Ending March 31, 2014

Consolidated net income is expected to increase by 20.0 billion yen due to an increase in operating income, extraordinary income and Income Tax-Deferred. As a result, we have revised our forecast for the full year upward from the previously announced forecast.

Our forecast includes the addition of Income Tax-Deferred, etc. based on Tax-Effect Accounting. Due to the nature of Tax-Effect Accounting, we must depend on forecasts and estimates of future phenomena, and as they may fluctuate due to changes in the situation, we have decided not to include them in the calculation of dividends. Therefore, we intend to use approximately 20% of consolidated net income for the full year, excluding Income Tax-Deferred for paying dividends

We consider that investments are important for future corporate growth and for dealing with changes in the operating environment. As profit may fluctuate significantly due to event risks in the volatile airline business, we feel that it is important to accumulate internal reserves. As for returns to the shareholders, we will proactively consider the matter when we have reason to believe that we have achieved a strong financial base.

## 2. Regarding Summary Information (Notes)

### (1) Changes in the Scope of Consolidation

None

### (2) Application of Special Accounting Treatment

None

### (3) Change in Accounting Policy and Estimates

None

### 3. Consolidated Financial Statements

(1) Consolidated Balance Sheets as of March 31, 2013 and as of December 31, 2013

(Millions of Yen)

Account	FY2012 As of March 31, 2013	FY2013 As of December 31, 2013
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and time deposits	347,986	366,537
Notes and account receivable-trade	121,058	135,441
Short-term investments in securities	7	-
Flight equipment spare parts and supplies	22,277	20,379
Other	60,782	86,066
Allowance for doubtful accounts	(764)	(804)
<b>Total current assets</b>	<b>551,348</b>	<b>607,620</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets, net</b>		
Flight equipment	385,267	409,551
Other tangible fixed assets	119,170	113,193
<b>Total tangible fixed assets</b>	<b>504,438</b>	<b>522,744</b>
Intangible fixed assets	44,219	48,265
Investments and other assets	116,606	126,520
<b>Total fixed assets</b>	<b>665,263</b>	<b>697,530</b>
<b>Total assets</b>	<b>1,216,612</b>	<b>1,305,151</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable-trade	135,830	142,099
Short-term borrowings	828	284
Current portion of long-term loans payable	9,767	7,284
Lease payable	35,801	33,986
Accounts payable-installment purchase	240	195
Reserves	1,184	960
Other	129,500	145,321
<b>Total current liabilities</b>	<b>313,154</b>	<b>330,132</b>
<b>Non-current liabilities</b>		
Long-term loans payable	34,517	32,657
Lease payable	77,592	52,558
Long-term accounts payable-installment purchase	1,396	1,243
Accrued pension and severance costs	154,483	153,417
Other reserves	6,466	6,510
Other non-current liabilities	45,812	40,496
<b>Total non-current liabilities</b>	<b>320,269</b>	<b>286,882</b>
<b>Total liabilities</b>	<b>633,423</b>	<b>617,015</b>
<b>(Net Assets)</b>		
<b>Stockholders' equity</b>		
Common stock	181,352	181,352
Capital surplus	183,043	183,043
Retained earnings	198,196	289,317
Treasury stock	(122)	(122)
<b>Total stockholders' equity</b>	<b>562,469</b>	<b>653,590</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains(losses) on other securities	2,353	6,428
Deferred gains(losses) on hedges	6,603	13,760
Foreign currency translation adjustments	(6,378)	(5,441)
<b>Total accumulated other comprehensive income</b>	<b>2,578</b>	<b>14,747</b>
Minority interests	18,141	19,798
<b>Total net assets</b>	<b>583,189</b>	<b>688,136</b>
<b>Total liabilities and net assets</b>	<b>1,216,612</b>	<b>1,305,151</b>

## (2) Consolidated Statement of Income and Comprehensive Income

(Millions of Yen)

Account	Nine months ended December 31, 2012	Nine months ended December 31, 2013
<b>Operating revenues</b>	<b>942,041</b>	<b>989,924</b>
Cost of operating revenues	664,399	726,013
<b>Gross operating profit</b>	<b>277,642</b>	<b>263,910</b>
Selling, general and administrative expenses	119,468	126,410
<b>Operating income</b>	<b>158,174</b>	<b>137,499</b>
<b>Non-operating income</b>		
Interest income and dividend income	1,082	1,549
Other	4,674	3,968
<b>Total non-operating income</b>	<b>5,756</b>	<b>5,517</b>
<b>Non-operating expenses</b>		
Interest expense	2,468	1,600
Loss on sales and disposal of flight equipment	2,041	2,771
Equity in loss of affiliates	1,255	2,492
Other	3,922	4,938
<b>Total non-operating expenses</b>	<b>9,687</b>	<b>11,803</b>
<b>Ordinary income</b>	<b>154,243</b>	<b>131,213</b>
<b>Extraordinary gains</b>		
Gain on compensation	2,616	6,040
Others	1,089	1,054
<b>Total extraordinary gains</b>	<b>3,705</b>	<b>7,094</b>
<b>Extraordinary losses</b>		
Loss on impairment of fixed assets	1,022	1,497
Loss on sales and disposal of fixed assets	269	444
Loss on difference of retirement benefit plan	1,516	-
Other	1,100	204
<b>Total extraordinary losses</b>	<b>3,908</b>	<b>2,145</b>
<b>Income before income taxes and minority interests</b>	<b>154,039</b>	<b>136,162</b>
Income taxes	9,453	9,288
<b>Income before minority interests</b>	<b>144,586</b>	<b>126,874</b>
Minority interests	3,949	3,372
<b>Net income</b>	<b>140,636</b>	<b>123,501</b>
Minority interests	3,949	3,372
<b>Income before minority interests</b>	<b>144,586</b>	<b>126,874</b>
<b>Other comprehensive income</b>		
Net unrealized gains(losses) on other securities, net of taxes	(667)	4,020
Net unrealized gains(losses) on hedging instruments, net of taxes	(1,264)	7,164
Foreign currency translation adjustments	148	1,131
Share of other comprehensive income of associates accounted for using equity method	(37)	68
<b>Total other comprehensive income</b>	<b>(1,820)</b>	<b>12,385</b>
<b>Comprehensive income</b>	<b>142,766</b>	<b>139,260</b>
<b>Breakdown</b>		
Comprehensive income attributable to owners of the parent	138,707	135,670
Comprehensive income attributable to minority interests	4,058	3,589

## (3) Consolidated Statement of Cash Flows - Summary

(Millions of Yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
I. Operating activities: (※ 1)	198,985	183,682
II. Investing activities:	(196,737)	(108,985)
III. Financing activities:	(43,440)	(68,059)
IV. Cash and cash equivalents at end of period	118,971	107,579
※ 1 Depreciation and amortization	61,665	61,932

Relationship between the amount of accounts that are in the consolidated balance sheet and cash and cash equivalents

(Millions of Yen)

	FY2012 April 1, 2012 to December 31, 2012	FY2013 April 1, 2013 to December 31, 2013
Cash and deposits	317,490	366,537
Term deposits for over 3 months	(198,522)	(258,958)
Short-term investments (marketable securities) that mature in 3 months or less	4	—
Cash and cash equivalents	118,971	107,579

## (4) Notes for Consolidated Financial Statements

Going Concern Assumptions

None

Explanatory Note in case of Remarkable Changes in Shareholders' Equity

None

Segment Information, etc.

Segment information

a. Consolidated financial results for the third quarter of FY2012 (April 1, 2012 to December 31, 2012)

1) Information concerning amount of operating revenue and profits or losses by reporting segment

(millions of yen)

	Reporting segment	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Air transportation				
Revenue					
1. Revenue from external customers	756,711	185,330	942,041	-	942,041
2. Intersegment revenue or transfer	92,214	24,171	116,385	(116,385)	-
Total	848,925	209,501	1,058,427	(116,385)	942,041
Segment profit	144,838	13,783	158,621	(447)	158,174

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

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with operating income on the Consolidated Statement of Income and Comprehensive Income.



b. Consolidated financial results for the third quarter of FY2013 (April 1, 2013 to December 31, 2013)

1) Information concerning amount of operating revenue and profits or losses by reporting segment

(millions of yen)

	Reporting segment	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Air transportation				
Revenue					
1. Revenue from external customers	791,816	198,107	989,924	-	989,924
2. Intersegment revenue or transfer	91,797	23,723	115,520	(115,520)	-
Total	883,613	221,831	1,105,445	(115,520)	989,924
Segment profit	123,847	13,662	137,510	(10)	137,499

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

2. Adjustment includes intersegment elimination.

3. Segment profit has been adjusted with operating income on the Consolidated Statement of Income and Comprehensive Income.

2) Information on changes to reporting segments, etc.

Up until the previous consolidated accounting year, six Group transport operators were reported in the reporting segment (air transport segment). However, as the cost structure of the air transport business practically covers many Group company businesses relating to air transportation, we have decided to change the reporting segment (air transport segment) to 32 companies, starting from this first quarter in order to build a more appropriate cost management system.

Segment information for the previous year has been made and disclosed, based on the categorization of reporting segment after this change.

## Significant Subsequent Event

### Notice of Stock Split and Partial Amendment of the Articles of Incorporation

The Board of Directors of JAL has approved at a meeting on January 31, 2014 a stock split of our common shares as below, pending approval of amendments of our Articles of Incorporation at the 65<sup>th</sup> General Shareholders' Meeting scheduled in June 2014.

1. Purpose of the stock split and the partial amendment of our Articles of Incorporation

JAL is aware of the general price of a shareholder's investment in companies listed on the first section of the Tokyo Stock Exchange, and will undertake a two-for-one stock split to develop an environment to make its common shares more affordable to a broader range of investors including individual investors and increase JAL's shareholder base. The Articles of Incorporation will be partially amended to implement the stock split above.

2. Stock split

(1) Method of stock split

The stock split will be implemented by way of a stock dividend whereby each shareholder will receive one additional share of stock for each share owned as of the close of business on the record date, September 30, 2014 (Tue.). Shares which JAL refused to register in the shareholders' list (adjusted shares held by foreigners) pursuant to provisions of the Civil Aeronautics Law will also be split.

(2) Number of shares increasing as a result of the stock split

- ① Total number of issued shares prior to the stock split 181,352,000 shares
- ② Number of shares increasing as a result of the stock split 181,352,000 shares
- ③ Total number of issued shares after the stock split 362,704,000 shares
- ④ Total number of authorized shares after the stock split 800,000,000 shares

3. Schedule of the stock split

- (1) Official notice of record date September 12, 2014 (Fri.)
- (2) Record date for the stock dividend September 30, 2014 (Tue.)
- (3) Effective date October 1, 2014 (Wed.)

4. Share information

Per share information based on the assumption that this stock split had been implemented at the beginning of the previous consolidated fiscal year is shown as follows:

Net income per share

Nine months ended December 31, 2012	¥ 387.77
Nine months ended December 31, 2013	¥ 340.56

5. Partial amendment of Articles of Incorporation

(1) Content of amendment

Article 6 of the Articles of Incorporation will be amended, whereby the total number of authorized shares will be increased by 400,000,000 shares to 800,000,000 shares. The total number of authorized common shares will be 750,000,000 shares.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendment
(Total number of authorized shares) Article 6 The company's total number of authorized shares is <u>400 million shares</u> . The total number of authorized shares in each type is as follows. Common shares <u>350 million shares</u> Type 1 preferred shares 12.5 million shares Type 2 preferred shares 12.5 million shares Type 3 preferred shares 12.5 million shares Type 4 preferred shares 12.5 million shares	(Total number of authorized shares) Article 6 The company's total number of authorized shares is <u>800 million shares</u> . The total number of authorized shares in each type is as follows. Common shares <u>750 million shares</u> Type 1 preferred shares 12.5 million shares Type 2 preferred shares 12.5 million shares Type 3 preferred shares 12.5 million shares Type 4 preferred shares 12.5 million shares

(2) Schedule of amendment

Effective date The date on which the stock split takes force, October 1, 2014, as planned