

[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, 2018 (Japanese GAAP)

January 31, 2019

Company name Japan Airlines Co., Ltd
Stock Listing Tokyo Stock Exchange
Code No. 9201 **URL:** <http://www.jal.com>
Representative Yuji Akasaka, President
Contact Yuichiro Kito, General Manager, Finance **Phone:** +81-3-5460-3068
 Scheduled date for filing of quarterly report: February 1, 2019
 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, 2018 (April 1, 2018 to December 31, 2018)
(1) Consolidated Operating Results (Cumulative)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended December 31, 2018	1,131,064	8.1	145,511	0.2	138,598	(2.5)	106,597	(6.6)
Nine months ended December 31, 2017	1,046,054	7.2	145,233	5.8	142,197	4.5	114,125	5.4

*Comprehensive income for the period April 1, 2018 - December 31, 2018 : 99,418 Millions of Yen (27.2%) , April 1, 2017 - December 31 2017 : 136,520 Millions of Yen (8.5%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	305.39	-
Nine months ended December 31, 2017	322.83	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's equity ratio (%)	Shareholder's equity Per share
	Millions of Yen	Millions of Yen		Yen
As of December 31, 2018	1,934,155	1,140,893	57.2	3,172.05
As of March 31, 2018	1,853,997	1,094,127	57.2	3,019.52

(Reference) Shareholder's equity : Nine months ended December 31, 2018 : 1,106,495 Millions of Yen, Year ended March 31, 2018 : 1,060,335 Millions of Yen

Note: The Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Corporate Accounting Standard No. 28, February 16, 2018), etc. from the beginning of the first three months of consolidated financial statements. The figure as of March 31, 2018 is based on retroactive Application.

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, 2018	-	52.50	-	57.50	110.00
Year Ending March 31, 2019	-	55.00	-		
Year Ending March 31, 2019 (Forecast)				55.00	110.00

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

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2019

(Percentage compared to prior year)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Fiscal Year	1,488,000	7.6	175,000	0.2	161,000	(1.3)	138,000	1.9	395.41

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

Notes

- (1) Changes in significant consolidated subsidiaries during the Nine Months ended December 31, 2018: 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, 2018	:	349,028,700
As of March 31, 2018	:	353,715,800
 - (b) Number of treasury stock at the end of the period

As of December 31, 2018	:	201,957
As of March 31, 2018	:	2,555,957
 - (c) Average number of shares outstanding

During the Nine Months ended December 31, 2018	:	349,060,053
During the Nine Months ended December 31, 2017	:	353,515,927

Indication of quarterly review procedure implementation status

This document is unaudited by certificated public accountants or audit firms.

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 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 “1. Qualitative Information concerning Financial Results for the Third Quarter of FY2018” (2) Explanations of Forecast of Consolidated Financial Results” in the Attachment for the assumptions used and other notes.

* The Company will hold a presentation for institutional investors and analysts on January 31, 2019. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

*From the “Summary of Financial Results for the Second-Quarter of Fiscal Year Ending March 2019,” dates has been indicated according to the Western calendar, replacing the Japanese calendar which was previously adopted.

Attachment

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1. Qualitative Information concerning Financial Results for the Third Quarter of FY2018

In the three months ended December 31, 2018 (October 1, 2018 to December 31, 2018), the JAL Group caused a series of incidents that significantly undermined the trust from society. Taking this matter extremely seriously, we will put in Group-wide efforts to prevention of recurrence and will work determinedly to restore public trust and to ensure safety and sense of security.

On December 21, 2018, Japan Airlines was issued a “Business Improvement Order concerning Assurance of Safety in Air Transportation,” by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) due to safety concerns raised by an alcohol-related incident by a flight crew and the change of the number of assigned flight crew. On the same day, Japan Air Commuter was issued an “Administrative Warning regarding Inappropriate Behavior by a Flight Crew and an Insufficient Safety Management System” against an alcohol-related incident by a flight crew. Further, on January 11, 2019, Japan Airlines was issued a “Business Improvement Advisory concerning Assurance of Safety in Air Transportation” against an alcohol-related incident by a cabin attendant.

In response to this administrative action and administrative guidance, JAL submitted a report to the MLIT on January 18, 2019. With sincere apology for causing this issue, we have established an in-house review committee directly under the President and will rebuild safety systems beyond existing frameworks. We will make all-out efforts to restore the trust from customers and society. The committee will focus on root problems that are lying in the background of these unsafe acts that eventually triggered impediments to safety and sense of security recently. In this process, the committee will receive recommendations from the JAL Safety Advisory Group, an external panel of safety experts.

(1) Explanation of Operating Results

Consolidated operating revenue increased by 8.1% year-on-year to 1,131 billion yen, operating expense increased by 9.4% to 985.5 billion yen, and operating profit increased by 0.2% year on year to 145.5 billion yen and ordinary profit decreased by 2.5% to 138.5 billion yen. Profit attributable to owners of parent for the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018, hereinafter referred as the “Third Quarter Period”) was 106.5 billion yen, down 6.6% year on year.

(JPY Bn)	Nine Months ended December 31, 2017	Nine Months ended December 31, 2018	% or points compared to prior period
Operating Revenue	1,046.0	1,131.0	108.1%
International Passenger	346.4	403.4	116.5%
Domestic Passenger	398.5	404.7	101.5%
Cargo / Mail	69.2	77.2	111.6%
Other	231.8	245.6	105.9%
Operating Expense	900.8	985.5	109.4%
Fuel	157.9	191.7	121.4%
Excluding Fuel	742.8	793.8	106.9%
Operating Profit	145.2	145.5	100.2%
Operating Profit Margin (%)	13.9	12.9	(1.0)
Ordinary Profit	142.1	138.5	97.5%
Profit attributable to owners of parent	114.1	106.5	93.4%

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

On April 1, 2018 Yuji Akasaka took office of President of Japan Airlines and a new management team was established. JAL will continue to pursue safety and sense of security and implement initiatives to accomplish the Medium Term Management Plan up until FY2020 under the theme, “Challenge, Leading to Growth.”

Regarding safety, an incident in May, in which metallic parts of an engine fell to the ground shortly after takeoff from Kumamoto Airport, was rated a Serious Incident (*1), and an incident in June, in which a cabin attendant suffered a fractured bone during cruising, was rated an Aircraft Accident (*2) by the MLIT. We will thoroughly investigate into their cause, implement measures to prevent recurrence.

Many natural disasters struck Japan, such as the torrential rains in July 2018 that caused severe damage centered in west Japan, the landfall of typhoons such as Typhoon Jebi (Typhoon No. 21) and the Hokkaido Eastern Iburi Earthquake. In response to these natural disasters, the JAL Group proactively implemented measures to fulfill its social mission as a public transport operator, such as providing emergency transportation services for relief supplies and offering discount fares to support recovery assistance of the affected areas. At the same time, we disseminated information to domestic and international visitors that there would be no safety concern when traveling to these regions.

To summarize the business environment in the Third Quarter Period, although U.S.-China trade frictions and political instability in Europe were observed in global economies, but major global economies including the Japanese and the U.S. economies remained robust and spurred both international and domestic air travel demand and global demand for airfreight. On the other hand, crude oil prices, which affect our fuel costs and international passenger and international cargo revenues, increased significantly over the previous year, because of the extended oil production cuts by OPEC and heightening geopolitical risks caused by growing tension in the Middle East. This caused unstable oil price fluctuations such as a steep rise in the first-half of the fiscal year ending March 2019 and a sharp drop from December. The JAL Group will do its best to mitigate the negative impacts of oil price volatility on its financial performance through the collection of fuel surcharge, appropriate hedging and monitoring of impacts on economic trends and the Group’s financial performance.

JAL will proceed with the JAL Group Medium Term Management Plan for Fiscal Years 2017-2020. JAL will grow further and contribute to the success of the Tokyo 2020 Olympic and Paralympic Games, the achievement of the goal of 40 million foreign tourists to Japan, regional revitalization and tourism enhancement. To “refine our full service carrier business”, JAL will take actions to improve customer service thorough new route inauguration, cabin configuration optimization, introduction of new aircraft and partnership with partner airlines. With improvement of its products, services and on-time performance, JAL was awarded the 5-Star rating in the World Airline Awards by SKYTRAX. Also, it won the award for the Best Economy Class Airline Seat for the third time with two consecutive years. Further, JAL was named Asia Pacific Airline of the Year 2018 by the Centre for Aviation (CAPA) and the Most Consistent Winner, an award given to the airline with the best on-time performance in domestic and international flights in the past five years, by FlightGlobal. To “expand business domain”, JAL will explore and develop new business with our know-how and customer base.

In international passenger operations, outbound demand from Japan was steady while inbound demand remained robust with the number of visitors to Japan in 2018 reaching 31.19 million, exceeding the 30 million mark for the first time. To capture the increasing demand, JAL proactively increased capacity by optimizing cabin configuration to balance demand and supply and increase seat availability. Together with the new routes that had been launched in FY2017 (Tokyo (Narita)=Kona, Tokyo (Narita)=Melbourne and the second flight on Tokyo (Haneda)= London routes), as a result, available seat kilometers (ASK) increased by 6.2% year over year, passenger traffic grew by 7.8% year over year, revenue passenger kilometers (RPK) rose by 7.4% year over year, and load factor was 81.8%, the highest ever recorded.

In route operations, JAL announced new service launches between Tokyo (Haneda)=Manila (from February 1, 2019) and Tokyo (Narita)=Seattle (from March 31, 2019). JAL also strengthened and expanded partnerships with other

airlines. With regard to codeshare agreements, JAL announced the launch and expansion of codeshare flights with S7 Airlines of Russia (from April 29, 2018), Garuda Indonesia (from October 28, 2018), Vietjet Air (from October 28, 2018), Alaska Airlines (from March 31, 2019), British Airways (BA) on the BA-operated Kansai=London route (from March 31, 2019) and Finnair (AY) on the AY-operated Kansai=Helsinki route on which AY will increase its services (from March 31, 2019). To promote joint businesses with partner airlines, JAL filed an application for antitrust immunity with Hawaiian Airlines in June and with China Eastern Airlines in October, aiming to form a joint business with these airlines.

On the product and service front, JAL introduced JAL International Award Ticket PLUS from December to provide more convenience and accessibility of award tickets. By redeeming additional miles, customers can request seats for award travel that would be waitlisted under the conventional JAL International Award Ticket rules.

On Hawaii routes, JAL introduced new services to meet diversifying customer needs and enhanced services to further increase brand preference under a new concept “Style yourself ~JAL HAWAII~”. For example, JAL opened a new lounge at Daniel K. Inouye International Airport in August, launched a new early check-in service with partner hotels and a reciprocal mileage program with Hawaiian Airlines in October, and plans to introduce JAL dedicated self-service check-in at the airport Daniel K. Inouye International Airport from the end of March 2019.

The new passenger service system, which was renewed in November 2017, is running smoothly and effectively, and its effects are being steadily observed such as yield management with greater precision and revenue increases on overseas online sales channels.

In international cargo operations, airfreight demand in the first-half of the fiscal year was strong, centered on automobile- and semiconductor-related shipments, as observed in the previous year, and remained steady even after October.

In domestic passenger operations, to cater the robust demand, JAL further expanded routes operated with the Embraer 190 centered on routes in and out of Osaka (Itami) Airport, and rolled out JAL SKY NEXT-configured Boeing 737-800 aircraft on Okinawa (Naha) routes operated by Japan Transocean Air. As a result, passenger traffic grew by 2.0% year over year, revenue passenger kilometers (RPK) rose by 1.6% year over year, and the load factor was 72.9%, the highest ever recorded.

In route operations, JAL launched new services between the islands of Tokunoshima=Okinoerabu=Okinawa (Naha), also known as the “Amami Islands Hopping Route,” from July 2018 operated by Japan Air Commuter to further expand travel among the Amami Islands. Further, operations with the ATR72-600 were launched for the first time in Japan by Japan Air Commuter.

On the product and service front, to make mileage services more convenient to use, acceptance of award reservations was extended to one day prior to flight departure from October. In addition, JAL tied up with Kyushu Railway Company to offer optional services for customers travelling to airports in Kyushu by redeeming miles as an optional service for customers traveling to airports in Kyushu with the domestic award ticket service “Random Destination Miles(Dokokani Mile).”

To support recovery of leisure demand that had dropped after the 2018 Hokkaido Eastern Iburu Earthquake, JAL launched “Support Sakitoku” fares with larger discounts than usual on routes to and from Hokkaido, and sold JAL Dynamic Package travel products such as “Let’s Go with JAL Hokkaido Recovery Fares” and “Hokkaido Donations Tours” in order to cooperate in restoration of affected areas. In addition, to cater to inbound demand, JAL lowered discount domestic fares of “JAL Japan Explorer Pass” as a limited-time offer for inbound visitors on Hokkaido and Kansai routes (Kansai, Itami, Nanki-Shirahama) to revitalize leisure demand including inbound visitors.

The new passenger service system also generated yield management with greater precision in domestic passenger operations

JAL will create new products, services and business through innovation enhanced by integration of human resources of JAL group and advanced technology. In July, JAL established T.B.L. Co., Ltd. as a preparatory company for a new medium- and long-haul low-cost business and steadily started preparations to launch medium- and long-haul flights to destinations in Asia, Europe and the Americas from its base at Tokyo (Narita) International Airport in 2020. Also, JAL is proceeding with projects based on the business concept of open innovation, where internal and external knowledge is used to create added-value and new businesses.

To contribute to solving social issues such as SDGs, JAL invested in September in Fulcrum BioEnergy, Inc., a US-based company which produces biojet fuel, to promote the use of biojet fuels to reduce CO₂ emissions. Fulcrum BioEnergy is currently constructing its first commercial plant to begin operation in 2020.

For financial strategy and capital policy, JAL took concrete measures to improve capital efficiency and realize stable shareholder returns. In May it cancelled its shares, and in September, issued straight bonds (10-year and 20-year bonds) totaling 20 billion yen as part of disciplinary debt utilization. In October, JAL was honored with the 2018 Award for Excellence in Corporate Disclosure in the Transportation Industry by the Securities Analysts Association of Japan. We will continue to further improve disclosures in quantity and quality to realize constructive dialogue with markets and investors.

*1 “Serious Incident” is defined as an incident with circumstances indicating a high probability of an aircraft accident, such as overrunning or deviating from the runway and emergency evacuations.

*2 “Aircraft Accident” is defined as human death or injury (serious injury or worse) caused by operation of an aircraft, an aircraft crash, collision or fire, damage to aircraft during flight (requiring major repairs), etc.

Financial results of each segment are as follows.

Air Transportation Segment

Operating revenue increased by 8.6% year-on-year to 1,032.1 billion yen and operating profit decreased by 0.3% year-on-year to 133.9 billion yen. (Operating revenue and operating profit are before elimination of transactions between segments.)

International passenger revenue was 403.4 billion yen, or up 16.5% year over year.

Domestic passenger revenue was 404.7 billion yen, or up 1.5% year over year.

Cargo and Mail revenue was 77.2 billion yen, or up 11.6% year over year.

Consolidated Traffic Results

	Nine months ended December 31, 2017	Nine months ended December 31, 2018	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	6,373,871	6,872,951	107.8%
Revenue passenger km (1,000 passenger-km)	31,375,124	33,699,371	107.4%
Available seat km (thousands)	38,815,406	41,211,690	106.2%
Revenue passenger-load factor (%)	80.8	81.8	0.9
Revenue cargo ton-km (thousands)	1,681,333	1,860,322	110.6%
Mail ton-km (thousands)	195,582	180,926	92.5%
DOMESTIC			
Revenue passengers carried (number of passengers)	25,919,577	26,437,937	102.0%
Revenue passenger-km (1,000 passenger-km)	19,501,809	19,817,003	101.6%
Available seat km (thousands)	26,909,360	27,184,275	101.0%
Revenue passenger-load factor (%)	72.5	72.9	0.4
Revenue cargo ton-km (thousands)	281,374	265,280	94.3%
Mail ton-km (thousands)	18,619	19,343	103.9%
TOTAL			
Revenue passengers carried (number of passengers)	32,293,448	33,310,888	103.2%
Revenue passenger-km (1,000 passenger-km)	50,876,933	53,516,374	105.2%
Available seat km (thousands)	65,724,766	68,395,966	104.1%
Revenue passenger-load factor (%)	77.4	78.2	0.8
Revenue cargo ton-km (thousands)	1,962,707	2,125,602	108.3%
Mail ton km (thousands)	214,201	200,270	93.5%

- 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).
- 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 Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., J-Air Co., Ltd., Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd..
- Figures have been truncated and percentages are rounded off to the first decimal place.

(2) Explanations of Forecast of Consolidated Financial Results

a. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2019

	Operating Revenue	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings per share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Forecast (A)	1,488,000	167,000	156,000	110,000	315.18
New Forecast (B)	1,488,000	175,000	161,000	138,000	395.41
Change (B-A)	-	8,000	5,000	2,800	-
Change (%)	-	4.8	3.2	25.5	-
Ref.) Consolidated Financial Results of the Fiscal Year Ended March 31, 2018	1,383,257	174,565	163,180	135,406	383.23

b. Reasons for Revisions of Financial Forecast for the Fiscal Year Ending March 31, 2019

We have revised market preconditions to reflect the recent market as follows.

	Exchange Rate (JPY/USD)	Singapore Kerosene (USD/BBL)	Dubai Crude Oil (USD/BBL)
Previous Forecast	112.3	90.5	74.9
New Forecast	110.8	83.9	68.7

Full-year consolidated operating revenue is expected to come to the same amount as the previously announced forecast. However, full-year consolidated operating expenses are expected to be 8 billion yen lower than the previously announced forecast, reflecting the third quarter results and changes in fuel price assumptions, etc. based on recent conditions. As a result, full-year consolidated operating profit is expected to be 8 billion yen higher than previously announced forecast. Full-year consolidated ordinary profit is expected to increase by 5 billion yen, and full-year net profit attributable to owners of the parent is expected to increase by 28 billion yen after additionally recording deferred income tax according to Tax Effect Accounting. As a result, we have revised our earnings forecast for the fiscal year ending March 31, 2019 as shown in the above table.

2. Consolidated Financial Statements with Some Notes

(1) Consolidated Balance Sheets as of March 31, 2018 and December 31, 2018

(Millions of Yen)

	FY2017 As of March 31, 2018	FY2018 As of December 31, 2018
(Assets)		
Current assets		
Cash and deposits	417,842	400,556
Notes and operating account receivable	151,262	151,724
Securities	30,999	60,000
Flight equipment spare parts and supplies	21,996	24,067
Other	58,924	65,370
Allowance for doubtful accounts	(533)	(621)
Total current assets	680,492	701,097
Non-current assets		
Tangible fixed assets, net		
Flight equipment	704,134	733,559
Other tangible fixed assets	176,630	193,976
Total tangible fixed assets	880,765	927,536
Intangible assets	95,686	92,061
Investments and other assets	197,052	213,460
Total non-current assets	1,173,504	1,233,057
Total assets	1,853,997	1,934,155
(Liabilities)		
Current liabilities		
Operating accounts payable	177,937	173,419
Short-term loans payable	3,150	42
Current portion of long-term loans payable	14,555	12,622
Lease obligations	2,389	2,513
Accounts payable-installment purchase	185	189
Other	198,627	233,045
Total current liabilities	396,846	421,831
Non-current liabilities		
Bonds payable	20,000	40,000
Long-term loans payable	80,696	71,005
Lease obligations	4,319	2,741
Long-term accounts payable-installment purchase	480	360
Provision	5,931	5,914
Net defined benefit liability	230,084	223,769
Other non-current liabilities	21,511	27,638
Total non-current liabilities	363,023	371,429
Total liabilities	759,869	793,261
(Net Assets)		
Shareholders' equity		
Common stock	181,352	181,352
Capital surplus	183,049	183,050
Retained earnings	731,106	778,345
Treasury shares	(10,535)	(535)
Total shareholders' equity	1,084,972	1,142,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,469	16,350
Deferred gains (losses) on hedges	6,360	(8,798)
Foreign currency translation adjustment	(30)	139
Remeasurements of defined benefit plans	(47,436)	(43,407)
Total accumulated other comprehensive income	(24,637)	(35,716)
Non-controlling interests	33,792	34,398
Total net assets	1,094,127	1,140,893
Total liabilities and net assets	1,853,997	1,934,155

(2) Consolidated Statement of Income and Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Operating revenue	1,046,054	1,131,064
Operating cost	743,874	810,904
Operating gross profit	302,180	320,159
Selling, general and administrative expenses	156,946	174,647
Operating profit	145,233	145,511
Non-operating income		
Interest and dividend income	2,011	2,049
Gain on sales of flight equipment	1,162	1,326
Other	3,312	2,601
Total non-operating income	6,486	5,977
Non-operating expenses		
Interest expense	605	638
Loss on sales and disposal of flight equipment	6,449	9,681
Other	2,467	2,571
Total non-operating expenses	9,522	12,891
Ordinary profit	142,197	138,598
Extraordinary income		
Gain on sales of non-current assets	151	115
Gain on sales of investment securities	829	—
Other	116	21
Total extraordinary income	1,097	137
Extraordinary losses		
Loss on disposal of non-current assets	418	770
Provision for loss on antitrust litigation	118	251
Other	1,044	210
Total extraordinary losses	1,581	1,231
Profit before income taxes	141,713	137,503
Income taxes	22,830	27,015
Profit	118,883	110,488
Breakdown		
Profit attributable to owners of parent	114,125	106,597
Profit attributable to non-controlling interests	4,758	3,890
Other comprehensive income		
Valuation difference on available-for-sale securities	3,937	(106)
Deferred gains (losses) on hedges	9,347	(14,432)
Foreign currency translation adjustment	(102)	126
Remeasurements of defined benefit plans, net of tax	4,125	4,030
Share of other comprehensive income of entities accounted for using equity method	329	(685)
Total other comprehensive income	17,637	(11,069)
Comprehensive income	136,520	99,418
Breakdown		
Comprehensive income attributable to owners of parent	131,811	95,518
Comprehensive income attributable to non-controlling interests	4,709	3,900

(3) Consolidated Statement of Cash Flows - Summary

(Millions of Yen)

	Nine months ended December 31,2017	Nine months ended December 31,2018
I . Cash flows from operating activities (※1)	204,270	205,699
II . Cash flows from investing activities	(143,639)	(92,063)
III . Cash flows from financing activities	(66,232)	(49,963)
IV . Cash and cash equivalents at end of period	119,042	246,183
※1 Included amounts for depreciation and amortization:	80,760	92,784

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

(Millions of Yen)

	FY2017 April 1, 2017 to December 31, 2017	FY2018 April 1, 2018 to December 31, 2018
Cash and time deposits	364,892	400,556
Securities	21,999	60,000
Time deposits with a maturity of more than three months	(267,849)	(214,373)
Cash and cash equivalents	119,042	246,183

(4) Notes for Consolidated Financial Statements

Going Concern Assumptions

None

Explanatory Note in case of Remarkable Changes in Shareholders' Equity

The Company resolved to repurchase shares at the meeting of the Board of Directors held on February 28, 2018, in accordance with the Companies Act Article 165, Paragraph 1, applied by replacement under Article 165, Paragraph 3 of the same Act, and repurchased shares. As a result, treasury stock increased by 9,999 million yen in the Third Quarter Period of consolidated financial results.

The Company resolved to cancel treasury stock at the meeting of the Board of Directors held on April 27, 2018 in accordance with the Companies Act Article 178, and canceled shares on May 23, 2018. As a result, retained earnings decreased by 19,999 million yen and treasury stock decreased by 19,999 million yen in the Third Quarter Period of consolidated financial statements.

As a result of the above, the value of retained earnings was 778,345 million yen and treasury stock was 535 million yen at the end of the Third Quarter Period of consolidated financial statements.

Additional Information

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”, etc.)

We applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Corporate Accounting Standard No. 28, February16,2018), etc. from the beginning of the first three months of consolidated financial statements. Deferred tax asset is indicated under Investments and Other Assets and deferred tax liability is indicated under Non-current liabilities.

Segment Information, etc.

Segment information

a. Consolidated financial results for the Third quarter of FY2017 (April 1, 2017 to December 31, 2017)

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

(millions of yen)

	Reportable segment	Others (Note) 1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Air transportation				
Operating revenue					
1. Sales to external	860,687	185,367	1,046,054	—	1,046,054
2. Intersegment	89,875	23,772	113,648	(113,648)	—
Total	950,563	209,139	1,159,702	(113,648)	1,046,054
Segment profit	134,305	10,989	145,294	(61)	145,233

(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 operating profit on the Consolidated Statement of Income and Comprehensive Income.

b. Consolidated financial results for the Third quarter of FY2018 (April 1, 2018 to December 31, 2018)

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

(millions of yen)

	Reportable segment	Others (Note) 1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Air transportation				
Operating revenue					
1. Sales to external	937,798	193,265	1,131,064	—	1,131,064
2. Intersegment	94,354	26,274	120,629	(120,629)	—
Total	1,032,153	219,540	1,251,693	(120,629)	1,131,064
Segment profit	133,933	11,597	145,531	(19)	145,511

(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 operating profit on the Consolidated Statement of Income and Comprehensive Income.

Significant Subsequent Event

None