JAPAN AIRLINES

[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 year Ended March 31, 2019 (Japanese GAAP)

April 26, 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 of Ordinary General Meeting of Shareholders: June 18, 2019
Scheduled starting date of dividend payment: June 19, 2019
Scheduled date of filing Financial Report for the Fiscal Year 2018: June 19, 2019
Supplementary explanations of Fiscal Year 2018 financial results: Yes
Presentation for the Fiscal Year 2018 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 Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Operating Revenues		Operating Profit		Ordinary Profit		Profit attributable to owners of the parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2018 ended March 31, 2019	1,487,261	7.5	176,160	0.9	165,360	1.3	150,807	11.4
FY2017 ended March 31, 2018	1,383,257	7.3	174,565	2.5	163,180	(1.1)	135,406	(17.5)

* Comprehensive profit ; Year ended March 31, 2019: 158,449 million Yen (1.7%), Year ended March 31, 2018: 155,809 million Yen (-25.8%)

	Earnings per share	Diluted earnings per share	Return on Equity	Ratio of Ordinary profit To total assets	Operating Profit margin ratio
	Yen		%	%	%
FY2018 ended March 31, 2019	432.10	―	13.6	8.5	11.8
FY2017 ended March 31, 2018	383.23	―	13.3	9.1	12.6

(Reference) Equity in profit of affiliates; Year ended March 31, 2019: 1,317 million Yen, Year ended March 31, 2018: 2,521 million Yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's equity ratio (%)	Shareholder's equity Per share
	Millions of Yen	Millions of Yen		Yen
FY2018 ended March 31, 2019	2,030,328	1,200,135	57.4	3,340.15
FY2017 ended March 31, 2018	1,853,997	1,094,127	57.2	3,019.52

(Reference) Shareholder's equity; Year ended March 31, 2019: 1,165,133 million Yen, Year ended March 31, 2018: 1,060,335 million Yen

Note: The Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Corporate Accounting Standard No. 28, February16, 2018),etc. from the beginning of FY2018. The figure as of March 31, 2018 is based on retroactive Application.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2018 ended March 31, 2019	296,717	(189,713)	(37,037)	252,795
FY2017 ended March 31, 2018	281,542	(166,600)	(55,883)	182,870

2. Dividends

	Dividends per Share					Total amount of dividend (Annual)	Payout ratio (Consolidated)	Dividend On equity (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2017	**-**	**52.50**	**-**	**57.50**	**110.00**	**38,758**	**28.7**	**3.8**
FY2018	**-**	**55.00**	**-**	**55.00**	**110.00**	**38,378**	**25.5**	**3.5**
FY2019(Forecast)	**-**	**55.00**	**-**	**55.00**	**110.00**		**33.7**	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2020

(Percentage compared to prior year)

	Operating Revenues		Operating Profit		Ordinary Profit		Profit attributable to owners of the parent		Earnings per share
Entire Fiscal Year	Millions of Yen **1,563,000**	% **5.1**	Millions of Yen **170,000**	% **(3.5)**	Millions of Yen **171,000**	% **3.4**	Millions of Yen **114,000**	% **(24.4)**	Yen **326.81**

Note: Forecast for the six months ending September 30, 2019 is not made.

Notes

(1) Changes in significant consolidated subsidiaries during the fiscal year ended March 31, 2019: None

(2) 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

(3) Number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury stock)
Year ended March 31, 2019: 349,028,700
Year ended March 31, 2018: 353,715,800

(b) Number of treasury stock at the end of the period
Year ended March 31, 2019: 201,957
Year ended March 31, 2018: 2,555,957

(c) Average number of shares outstanding
Year ended March 31, 2019: 349,006,212
Year ended March 31, 2018: 353,334,369

Indication of audit procedure implementation status

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

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. However it does not mean that we guarantee its achievement. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to "1. Outline of Operating results (1) Outline of operating results for the current fiscal year and (4) Future Outlook" in the Attachment for the assumptions used and other notes.

* The Company holds a presentation for institutional investors and analysts on April 26, 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

CONTENTS

1. Outline of operating results

The JAL Group caused a series of incidents that significantly undermined the trust of society from October, 2018. Taking this matter extremely seriously, we will put in Group-wide efforts to prevent 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 these administrative action and administrative guidance, JAL submitted a report with preventive measures to the MLIT on January 18, 2019. Nevertheless, incidents continued to occur, in which the new procedures in the report were not followed when carrying out alcohol tests.

With these administrative action and administrative guidance, JAL recognized those incidents as serious safety issues, and established an in-house review committee directly under the President. The committee conducted thorough studies to solve root problems underlying the unsafe incidents, from a broader perspective. With advices from the Safety Advisory Group consisting of external safety experts, the committee presented their recommendations on March 27, 2019. Based on their recommendations, we will rebuild a fundamental safety system, released from and unbound by existing frameworks, and work determinedly to restore the trust of customers and society.

(1) Outline of operating results for the current fiscal year

The operating revenue for the consolidated fiscal year increased 7.5% year over year to 1,487.2 billion yen, the operating expenses increased 8.5% year over year to 1,311.1 billion yen, the operating profit increased 0.9% year over year to 176.1 billion yen and the ordinary profit increased 1.3% from the previous year to 165.3 billion yen. The net profit attributable to owners of the parent was 150.8 billion yen, up 11.4% from the previous year.

(JPY Bn)	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019	% or points compared to prior period
Operating Revenue	1,383.2	1,487.2	107.5%
International Passenger	462.9	530.6	114.6%
Domestic Passenger	518.2	528.0	101.9%
Cargo / Mail	92.0	100.0	108.6%
Other	310.0	328.4	105.9%
Operating Expense	1,208.6	1,311.1	108.5%
Fuel	215.2	251.2	116.7%
Excluding Fuel	993.4	1,059.8	106.7%
Operating Profit	174.5	176.1	100.9%
Operating Profit Margin (%)	12.6	11.8	△0.8

Ordinary Profit	163.1	165.3	101.3%
Profit attributable to owners of the parent	135.4	150.8	111.4%

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

On April 1, 2018 Yuji Akasaka took office as 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 causes and implement measures to prevent recurrence.

Many natural disasters struck Japan in 2018, such as torrential rains in July 2018 that caused severe damage centered in west Japan, 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.

To summarize the business environment in FY2018, major global economies such as the Japanese and U.S. economies achieved moderate yet sustainable growth despite U.S.-China trade frictions and political instability in Europe. Under these economic conditions, international air travel demand and international air freight demand remained strong in the first-half of the fiscal year, then slowed down in the second-half of the fiscal year, but still remained on a path of growth in general. Domestic air travel demand remained robust. Crude oil prices, which affect fuel costs and international passenger and international cargo revenues, increased significantly over the previous year in the first-half of the fiscal year and dropped in the second-half of the fiscal year due to the slowdown of the Chinese economy. However, fuel prices rose again from January 2019, partly attributable to the OPEC agreement to cut oil production and expectations for progress at U.S.-China trade talks, which left fuel price projections unclear. 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.

The JAL Group 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 world tourists to Japan, regional revitalization and tourism enhancement. To “refine our full service carrier business,” JAL will take actions to improve customer service through new route inauguration, cabin configuration optimization, introduction of new aircraft and partnerships 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. The carrier also won the award for the Best Economy Class Airline Seat for the third time with two consecutive years. In addition, JAL was named the Asia Pacific Airline of the Year 2018 by the Centre for Aviation (CAPA), the Most Consistent Winner by FlightGlobal, and the best Asia-Pacific Major International Airline in the mainline category by FlightStats for the ninth time in seventh consecutive years. To “expand business domains,” JAL will explore and develop new businesses with its know-how and customer base.

In international passenger operations, outbound demand from Japan was strong and inbound demand remained robust, with the number of inbound passenger traffic reaching 31.19 million in 2018, exceeding the 30 million mark for the first time. To capture the increasing demand, JAL proactively increased capacity by optimizing cabin configurations to balance demand and supply and increase seat availability. Together with the new route launches in FY2017 (Tokyo (Narita)=Kona, Tokyo (Narita)=Melbourne and the second flight on Tokyo (Haneda)= London routes), the available seat kilometers (ASK) increased by 6.0% year over year, the passenger traffic increased by 6.3% year over year, the revenue passenger kilometers (RPK) rose by 6.3% year over year, and the load factor reached to 81.3%, the highest ever recorded.

In route operations, JAL launched new services between Tokyo (Haneda) and Manila from February 1, 2019 and between Tokyo (Narita) and Seattle from March 31, 2019. Also JAL disclosed the launch of Tokyo (Narita)=Bengaluru route by the summer schedule of 2020. In order to strengthen and expand partnership with other airlines, JAL expanded or started the codeshare partnership with the following airlines: S7 Airlines (from April 29, 2018), Garuda Indonesia (from October 28, 2018), VietJet Air (from October 28, 2018), Aeroméxico (from February 13, 2019), Fiji Airways (from February 26, 2019) , VISTARA(from February 28, 2019), and Alaska Airlines (from March 31, 2019). For expanding joint business partnership, the followings were added: British Airways' new Kansai=London route (from March 31, 2019) and Finnair's Kansai=Helsinki route (from March 31, 2019). In addition, new Finnair flights on the Sapporo (New Chitose)=Helsinki route (from December 15, 2019) will be added to the joint business. To further 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 and aims to launch a joint business with these partners respectively by March 31, 2020.

On the product and service front, the carrier introduced JAL International Award Ticket PLUS from December to provide customers with more convenient and accessible options to redeem award tickets. By using additional miles, customers can request seats for award travel that would normally be waitlisted under the conventional rules. Also, from April 2019, JAL changed the reservation start date for international flights from 330 days prior to departure to the world standard of 360 days prior to departure, enabling international travelers to book and issue tickets 360 days ahead.

On Hawaii routes, JAL introduced new services to meet the diversified needs of its customers to further increase the carrier's brand preference through a new concept Style yourself ～JAL HAWAII～. JAL opened a new lounge at Daniel K. Inouye International Airport in August, launched an early check-in service program with the carrier's hotel partners and offered a reciprocal mileage program with Hawaiian Airlines in October. In addition, JAL introduced a dedicated self-service check-in counter at Daniel K. Inouye International Airport from March 2019.

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

In international cargo operations, air freight demand in the first-half of the fiscal year mainly from automobile-related shipments was strong, but slowed down in the second-half of the fiscal year, led by slowdown in semiconductor shipments.

In domestic passenger operations, flights were cancelled or affected by high tides caused by Typhoon Jebi (No. 21) at Kansai International Airport and the Hokkaido Eastern Iburi Earthquake in September. However, to cater to robust demand, JAL expanded routes operated by Embraer 190 aircraft, centered on routes to/from Osaka (Itami), and introduced the JAL SKY NEXT-configured Boeing 737-800 aircraft on to/from Okinawa (Naha) operated by Japan Transocean Air. As a result, the available seat kilometers (ASK) increased by 1.1% year over year, the passenger traffic grew by 2.4% year over year, the revenue passenger kilometers (RPK) rose 2.2% year over year, and the load factor reached to 72.5%, the highest ever recorded.

To support the recovery of leisure demand in the aftermath of the 2018 Hokkaido Eastern Iburi Earthquake, JAL offered Support Sakitoku fares with larger discounts than usual on routes to/from Hokkaido, sold JAL Dynamic Package travel products, such as Let's Go with JAL, Hokkaido Recovery Fares and Hokkaido Donation Tours in order to cooperate in restoration of affected areas. In addition, JAL lowered discount domestic fares of JAL Japan Explorer Pass as a limited time offer for inbound visitors on Hokkaido and Kansai region routes (Kansai, Itami, Nanki-Shirahama) to revitalize leisure demand and inbound demand.

In route operations, JAL launched new services between the islands of Tokunoshima=Okinoerabu=Okinawa (Naha), also known as the Amami Islands Hopping Route, operated by Japan Air Commuter from July 2018 to further expand travel among the Amami Islands. In addition, the ATR72-600 aircraft was launched on routes to/from Kagoshima for the first time in Japan.

On the product and service front, the carrier started to accept domestic award reservations up to one-day prior to departure from October to make mileage services more convenient to use. In addition, JAL partnered with Shikoku Railway Company and Kyushu Railway Company to offer optional services such as redeeming miles for free railway tickets for customers using the domestic award ticket program Dokokani Mile.

From February to March 2019, a new check-in system was progressively introduced to airports in Japan and the passenger service system renewal project was finally completed. This new system generates yield management with greater precision in domestic passenger operations.

JAL will create new products, services and businesses through innovation enhanced by integrating JAL Group human resources and advanced technology. A preparatory company to launch a medium- and long-haul low cost carrier business on international routes was established in July 2018. In March 2019, the company name was changed to ZIPAIR Tokyo Inc. and the airline brand was named ZIPAIR. An application for grant of an airline operating permit was filed to the MLIT. Preparations are in progress to launch flights with two Boeing 787-8 aircraft between Tokyo (Narita) and Bangkok and between Tokyo (Narita) and Seoul from the summer schedule of 2020. Also, JAL is promoting projects based on the business concept of “open innovation,” where internal and external knowledge is used to create added-value and new businesses. Further, to accelerate initiatives to “create new value one step ahead of competitors,” JAL established a corporate venture capital fund firm called Japan Airlines Innovation Fund to invest in startup companies, JAL Digital Experience Co., Ltd. to provide new services utilizing the most advanced digital marketing technology, and JAL Business Aviation Co., Ltd. to meet the expanding demand of the business jet service in Japan.

To contribute to solving social issues of which goals are represented in the SDGs, in September JAL invested in Fulcrum BioEnergy, Inc., a U.S.-based company which produces biojet fuel, to promote the use of biojet fuels to reduce CO_2 emissions. Fulcrum BioEnergy is currently constructing its first commercial plant to begin operation in 2020. In January 2019, JAL operated a flight between San Francisco and Tokyo (Haneda) with biojet fuel, as a proactive effort to solve environmental issues such as reducing CO_2 emissions.

In financial strategies, to increase capital efficiency, JAL cancelled 4,687,100 shares (2,354,000 shares repurchased in March 2018 and 2,333,100 shares repurchased in April 2018) in May, issued straight bonds (5-year, 10-year, 20-year bonds) totaling 30 billion yen in September 2018 and March 2019 as part of disciplinary debt utilization for maintaining a firm financial structure and high capital efficiency at the same time, and took action to realize stable shareholder returns. 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.

Air Transportation Segment

The operating revenue increased 8.0% year over year to 1,357.6 billion yen and the operating profit increased 0.7% year over year to 162.3 billion yen (both figures are before elimination of transactions between segments).

Details are provided below.

a. International operations

	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	462,919	530,679	114.6%
Revenue passengers carried (number of passengers)	8,585,399	9,128,236	106.3%
Revenue passenger km (RPK) (1,000 passenger-km)	42,013,111	44,659,463	106.3%
Available seat km (ASK) (thousands-km)	51,836,491	54,925,904	106.0%
Revenue passenger-load factor (L/F) (%)	81.0	81.3	0.3
Revenue from Cargo Operations (millions of Yen)	56,036	65,496	116.9%
Revenue cargo ton-km (RCTK)	2,233,387	2,429,268	108.8%

b. Domestic operations

	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	518,239	528,098	101.9%
Revenue passengers carried (number of passengers)	34,033,475	34,859,576	102.4%
Revenue passenger km (RPK) (1,000 passenger-km)	25,643,092	26,195,658	102.2%
Available seat km (ASK) (thousands-km)	35,714,021	36,116,930	101.1%
Revenue passenger-load factor (L/F) (%)	71.8	72.5	0.7
Revenue from Cargo Operations (millions of Yen)	22,444	21,853	97.4%
Revenue cargo ton-km (RCTK)	364,089	343,529	94.4%

Fleet as of March 31, 2019

Type of Aircraft	Owned	Leased	Total
Boeing 777-200	12	0	12
Boeing 777-200ER	11	0	11
Boeing 777-300	4	0	4
Boeing 777-300ER	13	0	13
Large-sized Total	40	0	40
Boeing 787-8	25	0	25
Boeing 787-9	14	3	17
Boeing 767-300	6	0	6
Boeing 767-300ER	29	0	29
Medium-sized Total	74	3	77
Boeing 737-400	3	0	3
Boeing 737-800	42	20	62
Small-sized Total	45	20	65
Embraer 170	18	0	18
Embraer 190	14	0	14
Bombardier DHC-8-400	1	0	1
Bombardier DHC-8-400CC	5	0	5
SAAB340B	8	0	8
ATR42-600	5	1	6
ATR72-600	1	0	1
Regional Total	52	1	53
Total	211	24	235

Note: Aircraft shown as “Leased” are the aircraft introduced under the operating lease scheme.

Components of Revenues from the Air Transportation Segment are as follows.

	FY2017 April 1, 2017 to March 31, 2018 [Millions of Yen]	% contribution to total	FY2018 April 1, 2018 to March 31, 2019 [Millions of Yen]	% contribution to total	% compared to prior period
International:					
Passenger operations	462,919	36.8	530,679	39.1	114.6
Cargo operations	56,036	4.5	65,496	4.8	116.9
Mail-service operations	9,858	0.8	9,123	0.7	92.5
Luggage operations	749	0.1	795	0.1	106.2
Sub-total	529,563	42.1	606,095	44.6	114.5
Domestic:					
Passenger operations	518,239	41.2	528,098	38.9	101.9
Cargo operations	22,444	1.8	21,853	1.6	97.4
Mail-service operations	3,718	0.3	3,547	0.3	95.4
Luggage operations	304	0.0	301	0.0	98.8
Sub-total	544,706	43.3	553,799	40.8	101.7
Total revenues from international and domestic operations	1,074,269	85.4	1,159,895	85.4	108.0
Other revenues	182,995	14.6	197,708	14.6	108.0
Total revenues	1,257,265	100.0	1,357,603	100.0	108.0

Note: The amounts are rounded down to the nearest million yen and the percentages are round off to the first decimal place.

Consolidated Traffic Results

	FY2017 April 1,2017 to March 31,2018	FY2018 April 1,2018 to March 31,2019	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	8,585,399	9,128,236	106.3%
Revenue passenger km (1,000 passenger-km)	42,013,111	44,659,463	106.3%
Available seat km (thousands)	51,836,491	54,925,904	106.0%
Revenue passenger-load factor (%)	81.0	81.3	0.3
Revenue cargo ton-km (thousands)	2,233,387	2,429,268	108.8%
Mail ton-km (thousands)	254,679	228,093	89.6%
DOMESTIC			
Revenue passengers carried (number of passengers)	34,033,475	34,859,576	102.4%
Revenue passenger-km (1,000 passenger-km)	25,643,092	26,195,658	102.2%
Available seat km (thousands)	35,714,021	36,116,930	101.1%
Revenue passenger-load factor (%)	71.8	72.5	0.7
Revenue cargo ton-km (thousands)	364,089	343,529	94.4%
Mail ton-km (thousands)	24,697	25,527	103.4%
TOTAL			
Revenue passengers carried (number of passengers)	42,618,874	43,987,812	103.2%
Revenue passenger-km (1,000 passenger-km)	67,656,203	70,855,121	104.7%
Available seat km (thousands)	87,550,512	91,042,834	104.0%
Revenue passenger-load factor (%)	77.3	77.8	0.5
Revenue cargo ton-km (thousands)	2,597,477	2,772,797	106.7%
Mail ton-km (thousands)	279,377	253,621	90.8%

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

<Others>

In other businesses, JAL established JAL Agriport Co., Ltd. in April to operate a tourist farm near Narita Airport to provide an entertaining activity for international visitors, who are expected to increase toward 2020. In addition, JAL Payment Port Co., Ltd. started a prepaid card business JAL Global WALLET from November and will provide new financial services such as exchanging currencies for international travelers.

Results of JALPAK Co., Ltd. and JAL Card Co, Ltd. are shown below.

JALPAK Co., Ltd.

	FY2017	FY2018	% or points compared to prior period
	April 1,2017 to March 31,2018	April 1,2018 to March 31,2019	
Overseas travelers handled (10,000 number of travelers)	23.1	22.2	96.1%
Domestic travelers handled (10,000 number of travelers)	254.5	271.8	106.8%
Operating Revenue (before elimination of consolidated transactions, billions of yen)	1,751	1,820	104.0%

JAL Card Co., Ltd

	FY2017	FY2018	% or points compared to prior period
	April 1,2017 to March 31,2018	April 1,2018 to March 31,2019	
Memberships (10,000 number of members)	342.6	357.9	104.5%
Operating Revenue (before elimination of consolidated transactions, billions of yen)	183	194	106.1%

(2) Outline of financial condition for the current fiscal year

Assets, liabilities and net assets

The assets at the fiscal year-end increased by 176.3 billion yen from the end of the previous fiscal year to 2,030.3 billion yen, mainly due to procurement of aircraft and advance aircraft payments.

The liabilities increased by 70.3 billion yen from the end of the previous fiscal year to 830.1 billion yen due to increase advances received and bonds payable.

The net assets increased by 106.0 billion yen from the end of the previous fiscal year to 1,200.1 billion yen, as a result of paying dividends and acquiring own shares, and also the net profit attributable to owners of the parent in the current fiscal year and an increase in accumulated other comprehensive income.

As a result of the above, shareholders' equity ended at 1,165.1 billion yen, and the equity ratio rose by 0.2 percentage points from the end of the previous fiscal year to 57.4%. For details, refer to "3. Consolidated Financial Statements (1) Consolidated Balance Sheets as of March 31, 2018 and as of March 31, 2019".

(3) Outline of Cash Flows for the current fiscal year

Cash Flows from Operating Activities

As a result of adjusting net profit before income tax deferred etc. of 156.2 billion yen with non-cash items, such as depreciation costs, and net defined benefit liabilities and debts and credits in operating activities, cash flow from operating activities (inflow) increased by 15.1 billion yen year-over-year to 296.7 billion yen.

Cash Flows from Investing Activities

Cash flow from investing activities (outflow) increased by 23.1 billion yen year-over-year to 189.7 billion yen, mainly for expenditures for acquiring fixed assets.

Cash Flows from Financing Activities

Cash flow from financing activities (outflow) declined by 18.8 billion yen year-over-year to 37.0 billion yen due to payment of dividends and share repurchase and issuance of bonds.

As a result, the balance of cash and cash equivalents at the end of the current fiscal year increased by 69.9 billion yen from the end of the previous fiscal year to 252.7 billion yen.

(4) Future Outlook

JAL will steadily implement JAL Group Medium Term Management Plan - Rolling Plan 2019 disclosed on February 25, 2019 to achieve the management vision defined in the JAL Group Medium Term Management Plan for Fiscal Years 2017-2020.

In Rolling Plan 2019, JAL will focus on rebuilding safety and sense of security and restoring the trust of customers and society in order to enhance a strong foundation for future growth and work steadily to prepare for expansion at Tokyo metropolitan airports in 2020.

2020 will be a milestone for the aviation industry as the expansion at Tokyo metropolitan airports is expected and the Olympic and Paralympic Games Tokyo 2020 will be held in that year. Therefore, we will aim to achieve our management goals including an operating profit of 180 billion yen (before the depreciation method change*1), ahead of schedule in the fiscal year ending March 31, 2020. Moreover, we will set a new medium term management plan initiated from the fiscal year ending March 31, 2021 to realize our long-term goal, the Grand Design, after reviewing our initiatives and accomplishments by then.

We commit to restore public trust and increase corporate value by fulfilling the expectations of all our customers including regions and society.

(International Routes)

In the international passenger operations, outbound demand is seen to remain stable, and major events such as the G20 Osaka Summit 2019 and Rugby World Cup 2019 are expected to drive inbound demand further. On the other hand, domestic and international carriers including LCCs are expected to increase their capacity. JAL will, therefore, carefully expand networks while taking into account business volatility risk through curbing excessive investments and increases in fixed costs.

In route operations, JAL will expand networks and provide better services through the followings: launch new services (Tokyo (Haneda)=Manila, Tokyo (Narita)=Seattle, Tokyo (Narita)=Bengaluru), increased number of seats through cabin configuration optimization, and proactive enhancement of partnerships with world partners.

On the product and service front, JAL will improve its competitive advantage in overseas regions and increase its presence in global markets by customized services to meet individual needs and by sales promotions overseas.

(Domestic Routes)

In the domestic passenger operations, as the total demand is expected to grow steadily centered on Tokyo (Haneda) outbound routes, JAL will steadily capture passengers by increasing capacity in conjunction with the growing demand. Also, JAL will improve its services to provide greater convenience and comfort.

In route operations, JAL will increase flight frequency to capture seasonal demands on several routes such as the Tokyo (Haneda)= Sapporo (New Chitose) and Tokyo (Haneda)= Okinawa(Naha) routes during long holidays and the summer period.

On the product and service front, JAL will introduce the Airbus A350-900 aircraft and the Boeing 787-8 aircraft equipped with personal monitors and power outlets. At domestic major airports, JAL will advance smart airports, where passenger wait times are shortened with new technology, from 2020 in order to increase customer convenience and comfort.

(Expenses)

With regard to costs, higher fuel costs are expected due to fuel price fluctuations and fuel consumption increase along with JAL's capacity increases. Also higher personnel costs and other costs are expected to increase in preparation for the capacity expansion at Tokyo metropolitan airports in 2020. Depreciation will increase due to the new depreciation method for components such as aircraft parts. Amid the increasing cost trend, however, JAL will continuously strive to improve cost efficiency by improving productivity and deepening the divisional profit management system. From the medium-and long-term perspective, JAL will improve productivity by utilizing AI and RPA (Robotic Process Automation) in back office departments, and improve cost management in the maintenance division through productivity improvement with IT, enhancing failure prediction precision, and optimizing maintenance inspections.

Fuel price and exchange rate assumptions for the fiscal year ending March 31, 2020 are USD90 per barrel of Singapore kerosene (USD83.9 in the previous year) and JPY115 per USD (JPY 110.5 in the previous year) respectively.

As a result of the above, the earnings forecast for the fiscal year ending March 31, 2020 is the operating revenue of 1,563 billion yen (up 5.1% YoY), the operating profit of 170 billion yen (down 3.5% YoY) , the ordinary profit of 171 billion yen (up 3.4% YoY) and the net profit attributable to owners of the parent of 114 billion yen (down 24.4% YoY), as disclosed on February 25, 2019. With the depreciation method change, the depreciation cost has increased by 10 billion yen. Without the change, the operating profit should have been 180 billion yen (up 2.2% YoY). There should be almost no impacts to the ordinary profit or the net profit attributable to owners of the parent.

*1 Before the depreciation method change, all components attached to aircraft were depreciated altogether with aircraft. With the new method, assets are classified to each component, based on economic lives of components such as engines and cabin interiors, and depreciated separately.

(5) Basic policy on distribution of profits, and dividend for the current and next fiscal years

JAL regards shareholder returns as one of our most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible share repurchases, while securing internal reserves for making investments for corporate growth in the future and changing business environments and to build a strong financial structure.

Our shareholder return policy for the fiscal year ending March 31, 2020 and the following years is as follows:

In order to maintain a stable dividend level despite the upcoming effective tax rate increase, JAL will decide the dividend per share level, considering its continuity, stability and predictability with reference to a payout ratio of approximately 35%. In addition, JAL will proactively and flexibly consider share repurchases, considering its financial position and other factors. As a result, JAL seeks to achieve a total payout ratio, which combines the total dividends paid out and the total amounts of the share repurchases, of an approximately 35% to 50% range through appropriately sharing periodic profits and allocating capitals among all of its stakeholders.

At the same time, JAL continuously strives to improve capital efficiency through monitoring a total return on equity ratio, which is calculated by dividing the sum of total dividends paid out and share repurchases by shareholders' equity. JAL makes its efforts to maintain this ratio at approximately 3% or above.

As a result, JAL plans to pay a year-end dividend of 55 yen per share for the fiscal year ended March 31, 2019. The annual dividend will be 110 yen per share, including the interim dividend of 55 yen per share. The dividend forecast in the fiscal year ending March 31, 2020 is 110 yen per share, with the estimated interim dividend of 55 yen.

JAL decided at the Board of Directors meeting held on April 26, 2019 to conduct share repurchase up to 20 billion yen. All acquired shares herein are planned to be retired based on the resolution at the Board of Directors meeting in accordance with provisions in Article 178 of the Companies Act.

JAL will continuously strive to increase capital efficiency and maintain stable shareholder return.

(6) Business risks

Taking into account the content of its business centering on the scheduled and unscheduled air transportation business, the JAL Group is exposed to the following risks, or items with possible major effects on investors' investment decisions. This does not cover all risks which the JAL Group is exposed to, as risks exist other than those below are unpredictable. The following includes forward-looking matters, but these items were determined as of March 31, 2019.

- Risks concerning the external management environment such as international affairs and economic trends
- Risks concerning introduction of aircraft
- Risks concerning changes in market environments such as jet fuel and exchange rates
- Risks concerning disasters
- Risks concerning air safety
- Risks concerning legal regulations and litigations
- Risks concerning handling of IT (information system) and customer information
- Risks concerning human resources and industrial affairs

2. Basic policy concerning the selection of accounting standards

The JAL Group creates consolidated financial statements based on Japanese standards, but to improve international comparability of financial information in capital markets and communication with our stakeholders, we plan to apply International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2021.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets as of March 31, 2018 and as of March 31, 2019

(Millions of Yen)

Account	FY2017 As of March 31, 2018	FY2018 As of March 31, 2019
(Assets)		
Current assets		
Cash and deposits	417,842	462,064
Notes and operating account receivable	151,262	153,112
Securities	30,999	60,000
Flight equipment spare parts and supplies	21,996	21,929
Other	58,924	65,095
Allowance for doubtful accounts	(533)	(661)
Total current assets	**680,492**	**761,539**
Non-current assets		
Tangible fixed assets, net		
Buildings and structures	32,247	31,385
Machinery, equipment and vehicles	10,718	11,800
Flight equipment	704,134	733,961
Land	864	861
Advances on flight equipment and other purchases	123,902	141,776
Other tangible fixed assets	8,898	9,431
Total tangible fixed assets	**880,765**	**929,216**
Intangible assets		
Software	95,551	92,076
Other intangible fixed assets	134	179
Total intangible assets	**95,686**	**92,255**
Investments		
Investment securities	90,757	101,289
Long-term loans receivable	7,715	7,240
Deferred tax assets	66,036	96,625
Net defined benefit asset	2,119	2,486
Other investments	30,756	39,950
Allowance for doubtful accounts	(334)	(275)
Total investments	**197,052**	**247,317**
Total non-current assets	**1,173,504**	**1,268,788**
Total assets	**1,853,997**	**2,030,328**

(Millions of Yen)

Account	FY2017 As of March 31, 2018	FY2018 As of March 31, 2019
(Liabilities)		
Current liabilities		
Operating accounts payable	177,937	185,650
Short-term loans payable	3,150	65
Current portion of long-term loans payable	14,555	13,287
Lease obligations	2,389	2,461
Accounts payable-installment purchase	185	190
Income taxes payable	14,074	21,738
Advances received	107,506	129,108
Asset retirement obligations	393	—
Other	76,653	101,896
Total current liabilities	**396,846**	**454,399**
Non-current liabilities		
Bonds payable	20,000	50,000
Long-term loans payable	80,696	73,524
Lease obligations	4,319	2,504
Long-term accounts payable-installment purchase	480	312
Deferred tax liabilities	227	169
Reserve for loss on antitrust litigation	5,931	5,936
Net defined benefit liabilities	230,084	212,672
Asset retirement obligations	3,595	8,657
Other	17,687	22,015
Total non-current liabilities	**363,023**	**375,793**
Total liabilities	**759,869**	**830,192**
(Net Assets)		
Shareholders' equity		
Common stock	181,352	181,352
Capital surplus	183,049	183,050
Retained earnings	731,106	822,554
Treasury shares	(10,535)	(535)
Total shareholders' equity	1,084,972	1,186,421
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,469	20,371
Deferred losses on hedges	6,360	1,837
Foreign currency translation adjustment	(30)	99
Remeasurements of defined benefit plans	(47,436)	(43,596)
Total accumulated other comprehensive income	(24,637)	(21,287)
Non-controlling interests	33,792	35,001
Total net assets	**1,094,127**	**1,200,135**
Total liabilities and net assets	**1,853,997**	**2,030,328**

(2) Consolidated Statement of Income and Comprehensive Income

(Millions of Yen)

Account	FY2017 (April 1, 2017to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Operating revenue	1,383,257	1,487,261
Operating cost	993,635	1,075,233
Operating gross profit	**389,621**	412,028
Selling, general and administrative expenses		
Personnel expenses	69,627	72,861
Retirement benefit expenses	4,931	4,830
Purchased services	11,969	24,045
Other	128,527	134,130
Total selling, general and administrative expenses	**215,055**	**235,867**
Operating profit	**174,565**	**176,160**
Non-operating income		
Interest income	816	1,068
Dividend income	1,446	1,376
Gain on sales of flight equipment	1,761	1,494
Share of profit of entities accounted for using equity method	2,521	1,317
Other	2,239	3,891
Total non-operating income	**8,784**	**9,148**
Non-operating expenses		
Interest expenses	798	803
Loss on sales and disposal of flight equipment	11,964	14,474
Other	7,406	4,670
Total non-operating expenses	**20,169**	**19,948**
Ordinary profit	**163,180**	**165,360**

(Millions of Yen)

Account	FY2017 (April 1, 2017– March 31, 2018)	FY2018 (April 1, 2018– March 31, 2019)
Extraordinary income		
Subsidy income for aircraft purchase	5,477	2,548
Other	1,667	264
Total extraordinary income	**7,144**	**2,812**
Extraordinary losses		
Impairment loss	1,209	7,898
Loss on reduction of aircraft	5,475	2,548
Other	1,158	1,486
Total extraordinary losses	**7,844**	**11,933**
Profit before income taxes	162,480	156,240
Income taxes-current	24,974	33,223
Income taxes-deferred	(3,488)	(32,127)
Total income taxes	21,485	1,096
Profit	140,995	155,144
Breakdown		
Profit attributable to owners of the parent	135,406	150,807
Profit attributable to non-controlling interests	5,588	4,337
Other comprehensive income		
Valuation difference on available-for-sale securities	2,590	3,868
Deferred losses on hedges	6,969	(4,505)
Foreign currency translation adjustment	(296)	25
Remeasurements of defined benefit plans	5,481	3,845
Share of other comprehensive income of entities accounted for using equity method	70	71
Total other comprehensive income	14,814	3,305
Comprehensive income	**155,809**	**158,449**
Breakdown		
Comprehensive income attributable to owners of the parent	150,274	154,156
Comprehensive income attributable to non-controlling interests	5,535	4,292

(3)Consolidated Statements of Changes in Net Assets

FY2017 (April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	181,352	183,047	647,701	(531)	1,011,569
Changes of items during period					
Dividends of surplus			(51,790)		(51,790)
Profit attributable to owners of the parent			135,406		135,406
Purchase of treasury shares				(9,999)	(9,999)
Change of scope of equity method, etc.		2	(211)	(3)	(213)
Net changes of items other than shareholders's equity					
Total changes of items during period	―	2	83,405	(10,003)	73,403
Balance at end of current period	181,352	183,049	731,106	(10,535)	1,084,972

(Millions of Yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deffered losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other complehensive income		
Balance at the end of previous period	13,828	(667)	232	(52,898)	(39,504)	31,328	1,003,393
Changes of items during period							
Dividends of surplus							(51,790)
Profit attributable to owners of the parent							135,406
Purchase of treasury shares							(9,999)
Change of scope of equity method, etc.							(213)
Net changes of items other than shareholders's equity	2,640	7,027	(262)	5,461	14,867	2,463	17,331
Total changes during the period	2,640	7,027	(262)	5,461	14,867	2,463	90,734
Balance at the end of the period	16,469	6,360	(30)	(47,436)	(24,637)	33,792	1,094,127

FY2018 (April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	181,352	183,049	731,106	(10,535)	1,084,972
Changes of items during period					
Dividends of surplus			(39,377)		(39,377)
Profit attributable to owners of the parent			150,807		150,807
Purchase of treasury shares				(9,999)	(9,999)
Retirement of treasury shares			(19,999)	19,999	—
Change of scope of equity method, etc.		0	17		18
Net changes of items other than shareholders's equity					
Total changes of items during period	—	0	91,447	9,999	101,448
Balance at end of current period	181,352	183,050	822,554	(535)	1,186,421

(Millions of Yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deffered losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other complehensive income		
Balance at the end of previous period	16,469	6,360	(30)	(47,436)	(24,637)	33,792	1,094,127
Changes of items during period							
Dividends of surplus							(39,377)
Profit attributable to owners of the parent							150,807
Purchase of treasury shares							(9,999)
Retirement of treasury shares							—
Change of scope of equity method, etc.							18
Net changes of items other than shareholders's equity	3,902	(4,522)	130	3,839	3,349	1,209	4,559
Total changes during the period	3,902	(4,522)	130	3,839	3,349	1,209	106,007
Balance at the end of the period	20,371	1,837	99	(43,596)	(21,287)	35,001	1,200,135

(4)Consolidated Statement of Cash flows

(Millions of Yen)

Account	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities:		
Profit before income taxes	162,480	156,240
Depreciation and amortization	110,860	124,104
Loss on sales and disposal of non-current assets and impairment loss	9,882	19,271
Decrease in net defined benefit liability	(1,422)	(12,157)
Interest and dividend income	(2,262)	(2,445)
Interest expenses	798	803
Foreign exchange gains	(81)	266
Share of profit of entities accounted for using equity method	(2,521)	(1,317)
Decrease (increase) in notes and operating accounts receivable	(8,621)	(1,852)
Increase in flight equipment spare parts and supplies	(876)	188
Increase in operating accounts payable	18,803	7,707
Other, net	13,780	29,823
Subtotal	**300,820**	**320,632**
Interest and dividends income received	2,895	3,005
Interest expenses paid	(802)	(802)
Income taxes paid	(21,370)	(26,117)
Net cash provided by operating activities	**281,542**	**296,717**
Cash flows from investing activities:		
Payments into time deposits	(408,263)	(529,763)
Proceeds from withdrawal of time deposits	421,808	526,442
Purchase of non-current assets	(208,002)	(222,126)
Proceeds from sales of non-current assets	22,701	33,390
Purchase of investment securities	(2,941)	(4,153)
Proceeds from sales and redemption of investment securities	1,578	247
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	48	―
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	23	―
Payments of loans receivable	(1,270)	(314)
Collection of loans receivable	954	833
Other, net	6,761	5,730
Net cash used in investing activities	(166,600)	(189,713)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(2,221)	(3,085)
Proceeds from long-term loans payable	30,306	10,800
Repayments of long-term loans payable	(13,468)	(19,439)
Repayments of lease obligations	(6,004)	(2,649)
Proceeds from issuance of bonds	―	29,796
Purchase of treasury shares	(10,004)	(10,024)
Cash dividends paid	(51,749)	(39,347)
Dividends paid to non-controlling interests	(2,851)	(3,534)
Other, net	111	447
Net cash used in financing activities	(55,883)	(37,037)
Effect of exchange rate changes on cash and cash equivalents	(354)	2
Net increase (decrease) in cash and cash equivalents	58,704	69,968
Cash and cash equivalents at beginning of period	124,261	182,870
Increase in cash and cash equivalents resulting from merger	122	―
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(218)	(44)
Cash and cash equivalents at end of period	※1 **182,870**	※1 **252,795**

(5) Notes to Consolidated Financial Statements

(Going Concern Assumptions)

None.

(Accounting standards not yet implemented, etc.)

・Accounting Standards on Revenue Recognition （Corporate Accounting Standards No. 29, March 30, 2018 Accounting Standards Board of Japan）

・Implementation Guidelines on Accounting Standard on Revenue Recognition （Corporate Accounting Standards Application Guideline No. 30, March 30, 2018 Accounting Standards Board of Japan）

(1) Overview

The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) co-developed a new comprehensive revenue recognition standard and published “Revenue from Contracts with Customers” in May 2014 (IFRS No. 15 in IASB, Topic 606 in FASB). Considering IFRS No. 15 will be applied from the fiscal year starting January 1, 2018 and Topic 606 from the fiscal year starting December 15, 2017, the Accounting Standards Board of Japan developed comprehensive Accounting Standards on Revenue Recognition and published them together with implementation guidelines.

The fundamental policy for developing Accounting Standards on Revenue Recognition by the Accounting Standards Board of Japan was that the accounting standards would incorporate the fundamental policy of IFRS No.15 as the starting point from the perspective of comparability of financial statements, which is the one of the benefits of achieving consistency with IFRS No. 15 If there are matters to be taken into consideration in Japan in actual practice, etc., alternative handling will be added within a range that would not impair financial statement comparability.

(2) Planned applicable date

Applied from the beginning of the fiscal year ending in March 2021

(3) Impact of application of these accounting standards, etc.

We are currently assessing the amount of impact of Accounting Standards on Revenue Recognition, etc. on consolidated financial statements.

(Changes of indication)

(Changes of indication in accordance with 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 FY2018. Deferred tax asset is indicated under Investments and Other Assets and deferred tax liability is indicated under Non-current liabilities.

As a result, 5,576 million yen of Net defined benefit asset in Current assets and 230 million yen of deferred tax liabilities in Non-current liabilities is included in 66,036 million yen of Net defined benefit asset in Investments and Other Assets and Deferred tax liabilities in Non-current liabilities is indicated in 227 million yen in Consolidated Balance Sheets as of March 31, 2018.

(Notes to consolidated statements of cash flows)

*1 The components of cash and cash equivalents in the accompanying consolidated statements of cash flows are as follows:

(Millions of Yen)

	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019
Cash and time deposits	417,842	462,064
Securities	30,999	60,000
Time deposits with a maturity of more than three months	(265,971)	(269,268)
Cash and cash equivalents	182,870	252,795

(Segment Information)

Segment Information

1. Overview of reportable segments

The reportable segments of the Company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

Air transportation includes international and domestic passenger operations, cargo operations and other transportation services.

2. Calculation method of reportable segment

The accounting policies of the segments are based on those adopted for the preparation of Consolidated Financial Statements.

Profit of reporting segments is based on operating profit.

Inter-group sales are recorded under the same conditions used in transactions with third parties.

3. Segment Information

FY2017 (April 1, 2017 to March 31, 2018) (Millions of Yen)

	Reportable segment	Others (note1)	Total	Adjustment (note2)	Consolidated (note3)
	Air Transportation				
1.Operating revenues					
(1)Sales to external	1,140,333	242,923	1,383,257	—	1,383,257
(2)Intersegment	116,931	32,386	149,318	(149,318)	—
Total	1,257,265	275,310	1,532,575	(149,318)	1,383,257
Segment profit	161,261	13,401	174,662	(96)	174,565
2.Assets	1,800,285	172,840	1,973,126	(119,128)	1,853,997
Others					
Depreciation and amortization	108,236	2,635	110,872	(11)	110,860
Impairment loss	1,184	25	1,209	—	1,209
Investments in entities accounted for using equity method	8,475	22,192	30,668	—	30,668
Increase in tangible fixed assets and intangible assets	209,541	1,263	210,804	—	210,804

(Note) 1. “Others” refers to a segment which is not included in a reportable segment. It includes the travel planning and sales business.

2. The adjusted amounts of segment profit and segment assets represent elimination inter-segment transactions.

3. Segment profit has been adjusted with operating profit on consolidated financial statements.

4. The effect of the change of indication in accordance with application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”, etc. is included in the figures of Assets.

FY2018 (April 1, 2018 to March 31, 2019) (Millions of Yen)

	Reportable segment	Others (note1)	Total	Adjustment (note2)	Consolidated (note3)
	Air Transportation				
1.Operating revenues					
(1)Sales to external	1,234,497	252,764	1,487,261	—	1,487,261
(2)Intersegment	123,105	35,425	158,531	△158,531	—
Total	1,357,603	288,190	1,645,793	△158,531	1,487,261
Segment profit	162,316	13,880	176,196	△36	176,160
2.Assets	1,971,986	189,582	2,161,569	△131,240	2,030,328
Others					
Depreciation and amortization	121,863	2,249	124,113	△9	124,104
Impairment loss	7,898	—	7,898	—	7,898
Investments in entities accounted for using equity method	8,246	23,323	31,570	—	31,570
Increase in tangible fixed assets and intangible assets	221,708	1,768	223,477	—	223,477

(Note) 1. “Others” refers to a segment which is not included in a reportable segment. It includes the travel planning and sales business.

2. The adjusted amounts of segment profit and segment assets represent elimination inter-segment transactions.

3. Segment profit has been adjusted with operating profit on consolidated financial statements.

(Per share information)

	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019
Net assets per share	3,019.52yen	3,340.15yen
Earnings per share	383.23yen	432.10yen

(Note) 1. Earnings per share (diluted) have not been shown because potential shares do not exist.
2. The basis for calculating is follows:

(1) Net assets per share

	FY2017 As of March 31, 2018	FY2018 As of March 31, 2019
Total net assets (Millions of yen)	1,094,127	1,200,135
Amounts deducted from total net assets (Millions of yen)	33,792	35,001
(Non-controlling interests) (Millions of yen)	(33,792)	(35,001)
Net assets at the balance sheet related to common stock (Millions of yen)	1,060,335	1,165,133
The year-end number of common stock used for the calculation of net assets per share (Thousand shares)	351,159	348,826

(2) Earnings per share

	FY2017 April 1, 2017 to March 31, 2018	FY2018 April 1, 2018 to March 31, 2019
Profit attributable to owners of the parent (Millions of yen)	135,406	150,807
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of the parent in accordance with the common stock (Millions of yen)	135,406	150,807
Average number of shares outstanding during the period (Thousand shares)	353,334	349,006

(Significant Subsequent Event)

Share repurchase

JAL decided at the Board of Directors meeting held on April 26, 2019 to repurchase its own shares in accordance with provisions in Article 156 Clause 1 of the Companies Act, applicable by replacing the phrase pursuant to provisions in Article 165 Clause 3 of the Companies Act.

1. Reason for the share repurchase
   To increase capital efficiency and improve returns to shareholders

2. Content of acquisition
   (1) Type of shares acquired: Common shares of JAL
   (2) Total number of shares acquired: 7 million shares (maximum)
   Percentage against total number of issued shares (excluding own shares): 2.0%
   (3) Total price of shares acquired: 20 billion yen (maximum)
   (4) Period of acquisition: May 7, 2019 to September 30, 2019
   (5) Others: All acquired shares herein are planned to be retired based on the resolution at the Board of Directors meeting in accordance with provisions in Article 178 of the Companies Act.