Today’s Topics

OVERVIEW OF FINANCIAL RESULTS FOR MAR/19

SHAREHOLDER RETURN

DETAILS OF FINANCIAL RESULTS FOR MAR/19

EARNINGS FORECAST FOR MAR/20

REFERENCES

※The Award for Passenger Service System Project

(Note) Regarding figures in tables of this material, amounts are rounded down to the nearest hundred million yen, and the second decimal point in ratios is rounded off to one decimal point.
Overview of Financial Results for Mar/19

- Resulted in an increase both in revenue and net profit compared to the previous year.
- Aim to achieve year-over-year growth in both revenue and profit in FY2019.

### Operating Revenue

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,383.2</td>
<td>1,487.2</td>
<td>1,563.0</td>
</tr>
</tbody>
</table>

- Fuel/FX Markets
  - Singapore Kerosene (USD/bbl): FY2017 67.8, FY2018 83.9, FY2019 (Plan) 90.0
  - Dubai Crude Oil (USD/bbl): FY2017 54.9, FY2018 69.0, FY2019 (Plan) 70.0
  - FX Rate (JPY/USD): FY2017 111.2, FY2018 110.5, FY2019 115.0

- Operational Precondition /ASK
  - FY2018: Int’l +6.0%, Doms +1.1%, Total +4.0%
  - FY2019 (Plan): Int’l +2.5%, Doms +2.6%, Total +2.5%

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(1) NOPAT/Average Fixed Asset (incl. Future Rental Expenses under Operating Leases) at beginning and end of a fiscal year
(2) Before the depreciation method change, all components attached to aircraft were depreciated altogether with aircraft. With the new method, assets are classified to each components, based on economic lives of components such as engines and cabin interiors, and depreciated separately.

※y/y
Shareholder returns

Shareholder Return Policy

- Focuses on continuity, stability and predictability
- From FY2019, approximately 35% will be a benchmark for payout ratio

Dividends
- Dividends per share will remain unchanged in spite of the effective tax rate increase

Focus on Total Return
- Return will be made through the combination of dividends and share repurchase
- Aims for a range of approximately 35% to 50% of total return ratio
- Aims for approximately 3% or above of total shareholder return on equity ratio

- Works on improving capital efficiency through monitoring a return level in comparison with a certain portion of equity capital

Shareholder Return Results and Forecast

- FY2018: 110 yen per annum (year-end dividends 55yen) (Benchmark payout ratio: approximately 30%)
- FY2019 Forecast: 110 yen per annum (interim dividends 55yen, year-end dividends 55yen) (Benchmark payout ratio: approximately 35%)
- Income tax deferred is no longer excluded from 2019, except an extraordinary case, because no special factors in income taxes* exist any more.
  * Income taxes current + income taxes deferred

- Decided to conduct share repurchase up to 20 billion yen (From May 7, 2019 to September 30, 2019)
- All shares will be cancelled

(1) Total Return Ratio =
\[
\frac{\text{Total dividends} + \text{Total share repurchases}}{\text{Net profit attributable to owners of the parent}}
\]

(2) Total Return on Equity Ratio =
\[
\frac{\text{Total dividends} + \text{Total Share repurchases}}{\text{Average shareholders’ equity at beginning and end of a fiscal year}}
\]
### Shareholder Return Result and Forecast

<table>
<thead>
<tr>
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<th>FY2017 (Result)</th>
<th>FY2018 (Result)</th>
<th>FY2019 (Forecast)</th>
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</thead>
<tbody>
<tr>
<td><strong>Dividends per share</strong></td>
<td>110</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td><strong>Interim Dividend</strong></td>
<td>52.5</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td><strong>Year-End Dividend</strong></td>
<td>57.5</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td><strong>Share Repurchase</strong></td>
<td>20.0</td>
<td><strong>20.0</strong></td>
<td>Will be determined</td>
</tr>
<tr>
<td><strong>Payout Ratio</strong></td>
<td>29.4%</td>
<td>32.3%</td>
<td>33.7% (7)</td>
</tr>
<tr>
<td><strong>Total Return Ratio</strong></td>
<td>44.5%</td>
<td>49.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Return on Equity Ratio</strong></td>
<td>5.8%</td>
<td>5.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>135.4</td>
<td>150.8</td>
<td>114.0</td>
</tr>
<tr>
<td><strong>Income Tax Deferred</strong></td>
<td>▲3.4</td>
<td>▲32.1</td>
<td></td>
</tr>
<tr>
<td><strong>Base Profit for Dividends Calculation</strong></td>
<td>131.9</td>
<td>118.6</td>
<td>114.0</td>
</tr>
<tr>
<td><strong>Total Dividends</strong></td>
<td>38.7</td>
<td>38.3</td>
<td>38.3 (7)</td>
</tr>
</tbody>
</table>

(1) Share repurchase of a particular fiscal year includes ones determined before the approval of financial reports of that fiscal year
(2) Payout Ratio = Total amounts of dividends / Base profit for dividends calculation
(3) Total return ratio = (Total dividends + Share repurchase) / Base profit for dividend calculation
(4) Total return on equity ratio = (Total dividends + Share repurchase) / Average shareholders’ equity at beginning and end of a fiscal year
(5) Net profit attributable to owners of the parent
(6) Base profit for dividend calculation = (Net profit attributable to owners of parent + Income tax deferred)
(From 2019, income tax deferred is no longer excluded)
(7) In the FY2019 total dividends and the payout ratio calculation, the number of shares issued at the end of FY2018, excluding treasury stock, is used
OVERVIEW OF FINANCIAL RESULTS FOR MAR/19

SHAREHOLDER RETURN

DETAILS OF FINANCIAL RESULTS FOR MAR/19

EARNINGS FORECAST FOR MAR/20

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</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>1,383.2</td>
<td>1,487.2</td>
<td>+104.0</td>
<td>+7.5%</td>
<td>356.1</td>
<td>+18.9</td>
<td>+5.6%</td>
</tr>
<tr>
<td>International Passenger (1)</td>
<td>462.9</td>
<td>530.6</td>
<td>+67.7</td>
<td>+14.6%</td>
<td>127.1</td>
<td>+10.7</td>
<td>+9.2%</td>
</tr>
<tr>
<td>Domestic Passenger (1)</td>
<td>518.2</td>
<td>528.0</td>
<td>+9.8</td>
<td>+1.9%</td>
<td>123.3</td>
<td>+3.6</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Cargo / Mail</td>
<td>92.0</td>
<td>100.0</td>
<td>+7.9</td>
<td>+8.6%</td>
<td>22.7</td>
<td>▲0</td>
<td>▲0.3%</td>
</tr>
<tr>
<td>Other</td>
<td>310.0</td>
<td>328.4</td>
<td>+18.4</td>
<td>+5.9%</td>
<td>82.8</td>
<td>+4.6</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>1,208.6</td>
<td>1,311.1</td>
<td>+102.4</td>
<td>+8.5%</td>
<td>325.5</td>
<td>+17.6</td>
<td>+5.7%</td>
</tr>
<tr>
<td>Fuel</td>
<td>215.2</td>
<td>251.2</td>
<td>+35.9</td>
<td>+16.7%</td>
<td>59.4</td>
<td>+2.1</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Excluding Fuel</td>
<td>993.4</td>
<td>1,059.8</td>
<td>+66.4</td>
<td>+6.7%</td>
<td>266.0</td>
<td>+15.5</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>174.5</td>
<td>176.1</td>
<td>+1.5</td>
<td>+0.9%</td>
<td>30.6</td>
<td>+1.3</td>
<td>+4.5%</td>
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<tr>
<td>Operating Profit Margin (%)</td>
<td>12.6%</td>
<td>11.8%</td>
<td>▲0.8pt</td>
<td>-</td>
<td>8.6%</td>
<td>▲0.1pt</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>163.1</td>
<td>165.3</td>
<td>+2.1</td>
<td>+1.3%</td>
<td>26.7</td>
<td>+5.7</td>
<td>+27.5%</td>
</tr>
<tr>
<td>Net Profit(2)</td>
<td>135.4</td>
<td>150.8</td>
<td>+15.4</td>
<td>+11.4%</td>
<td>44.2</td>
<td>+22.9</td>
<td>+107.7%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>87,550</td>
<td>91,042</td>
<td>+3,492</td>
<td>+4.0%</td>
<td>22,646</td>
<td>+821</td>
<td>+3.8%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>67,656</td>
<td>70,855</td>
<td>+3,200</td>
<td>+4.7%</td>
<td>17,338</td>
<td>+559</td>
<td>+3.3%</td>
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<tr>
<td>EBITDA Margin (%) (3)</td>
<td>20.6%</td>
<td>20.2%</td>
<td>▲0.4pt</td>
<td>-</td>
<td>17.4%</td>
<td>▲0.2pt</td>
<td>-</td>
</tr>
<tr>
<td>EBITDAR Margin (%) (4)</td>
<td>22.1%</td>
<td>21.5%</td>
<td>▲0.6pt</td>
<td>-</td>
<td>18.8%</td>
<td>▲0.3pt</td>
<td>-</td>
</tr>
<tr>
<td>Unit Cost (JPY) (5)</td>
<td>10.1</td>
<td>10.4</td>
<td>+0.3</td>
<td>+3.1%</td>
<td>10.5</td>
<td>+0.3</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Incl. Fuel</td>
<td>12.5</td>
<td>13.1</td>
<td>+0.6</td>
<td>+4.9%</td>
<td>13.1</td>
<td>+0.3</td>
<td>+2.3%</td>
</tr>
</tbody>
</table>

(1) Including the effect of a change of settlement adjustment method for domestic sectors on international itineraries (INT + 6.2Bn, DOM▲6.2Bn)
(2) Net profit attributable to owners of the parent
(3) EBITDA Margin = EBITDA / Operating Revenue  EBITDA=Operating Profit + Depreciation and Amortization
(4) EBITDAR Margin = EBITDAR / Operating Revenue  EBITDAR=Operating Profit + Depreciation and Amortization + Aircraft Leases
(5) Unit Cost = Air Transportation Segment Operating Cost (excluding fuel cost) / ASK
(6) The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from full-year (April to March)

Consolidated Financial Results Mar/19
The effect of the change of the settlement Adjustment method are as follows:
・Int'l passenger: +6.2Bn
・Domestic passenger: ▲6.2Bn
Those are reflected in the figures below.

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>104.0Bn</td>
<td>108.2Bn</td>
</tr>
<tr>
<td>Expenses</td>
<td>▲102.4Bn</td>
<td>▲108.4Bn</td>
</tr>
<tr>
<td>FY2017</td>
<td>174.5</td>
<td>176.1</td>
</tr>
<tr>
<td>FY2018</td>
<td></td>
<td></td>
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</tbody>
</table>

Changes in Operating Profit (Revenues / Expenses)

Mar/19 (FY2018)

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<thead>
<tr>
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<th>FY2018</th>
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<tbody>
<tr>
<td>Revenues</td>
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<td>FY2017</td>
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<td>FY2018</td>
<td></td>
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</tr>
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</table>

*FSC=Fuel Surcharge

"Other Revenues" include Sales of travel agency, etc.

"Aircraft" includes Aircraft Depreciation, Aircraft Leases, Aviation Insurance Premium, etc.

*FSC*TTL

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*FSC*FX

*FSC*TTL

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Changes in Operating Profit (Market / Others)

Mar/19 (FY2018)

(JPY Bn)

Impact from Currency Market +1.2Bn
Revenue ▲1.4Bn
Cost +2.6Bn
Fuel +1.2Bn
Ex. Fuel +1.4Bn

▲ stands for profit increase (revenue increase, cost reduction)
▲ stands for profit decrease (revenue decrease, cost increase)

Revenue increase
Cost increase
Passenger Service System costs ▲9.0
Fuel Volume ▲6.1
Maintenance ▲11.4
Services ▲3.2
Aircraft ▲5.1
Personnel ▲11.9
Other than those above ▲27.2
Total ▲64.9

Revenues ▲1.4Bn
Cost excl. Fuel +1.4
Total +0.0

FX (excl. Fuel) +1.2
Fuel (excl. Hedging) ▲42.8
FSC* ▲12.9

▲42.8 +32.8
Total ▲1.5Bn (+0.9%)

Impact from Currency Market +1.2Bn
Revenue ▲1.4Bn
Cost +2.6Bn
Fuel +1.2Bn
Ex. Fuel +1.4Bn

▲ stands for profit increase (revenue increase, cost reduction)
▲ stands for profit decrease (revenue decrease, cost increase)

Revenue increase
Cost increase
Passenger Service System costs ▲9.0
Fuel Volume ▲6.1
Maintenance ▲11.4
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Other than those above ▲27.2
Total ▲64.9

Revenues ▲1.4Bn
Cost excl. Fuel +1.4
Total +0.0

FX (excl. Fuel) +1.2
Fuel (excl. Hedging) ▲42.8
FSC* ▲12.9

▲42.8 +32.8
Total ▲1.5Bn (+0.9%)

Market impact ▲2.9Bn
Others ▲1.3Bn

*FSC=Fuel Surcharge
## International Passenger Operations

### International Passenger

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y ratio</th>
<th>4th Quarter (Jan-Mar)</th>
<th>y/y ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Revenue(1) (JPY Bn)</td>
<td>462.9</td>
<td>530.6</td>
<td>+14.6% (+13.3%)</td>
<td>127.1 (125.4)</td>
<td>+9.2% (+7.7%)</td>
</tr>
<tr>
<td>Passengers (’000)</td>
<td>8,585</td>
<td>9,128</td>
<td>+6.3%</td>
<td>2,255</td>
<td>+2.0%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>51,836</td>
<td>54,925</td>
<td>+6.0%</td>
<td>13,714</td>
<td>+5.3%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>42,013</td>
<td>44,659</td>
<td>+6.3%</td>
<td>10,960</td>
<td>+3.0%</td>
</tr>
<tr>
<td>L/F (%)</td>
<td>81.0%</td>
<td>81.3%</td>
<td>+0.3pt</td>
<td>79.9%</td>
<td>▲1.8pt</td>
</tr>
<tr>
<td>Revenue per Passenger(1)(2) (JPY)</td>
<td>53,919</td>
<td>58,136</td>
<td>+7.8% (+6.6%)</td>
<td>56,399 (55,621)</td>
<td>+7.1% (+5.6%)</td>
</tr>
<tr>
<td>Yield(1)(3) (JPY)</td>
<td>11.0</td>
<td>11.9</td>
<td>+7.8% (+6.6%)</td>
<td>11.6 (11.4)</td>
<td>+6.0% (+4.5%)</td>
</tr>
<tr>
<td>Unit Revenue(1)(4) (JPY)</td>
<td>8.9</td>
<td>9.7</td>
<td>+8.2% (+6.9%)</td>
<td>9.3 (9.1)</td>
<td>+3.7% (+2.3%)</td>
</tr>
</tbody>
</table>

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### Change in Revenue

- **FY2018 Revenue per Passenger**: 530.6 (JPY Bn) (+14.6%)

**Factors of changes in Revenue per Passenger (estimate):**
- **Net Unit Price (+)**
- **Change of settlement adjustment method for domestic sectors on international itineraries (+6.2Bn)**
- **Fuel Surcharge (+)**
- **Stable Outbound Demand (+)**
- **Strong Inbound Demand (+)**
- **Flight cancellation due to typhoons and earthquakes and impact on leisure demand**

**Change in Revenue:**

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>▲67.7Bn</td>
<td>(+11.5%)</td>
</tr>
</tbody>
</table>

**Impact of disasters (6):**

- Effects arising out of heavy rain in July in Western Japan, typhoons from July to September and the earthquakes in Hokkaido in September

---

(1) The effect of the change of the settlement adjustment method for domestic sectors on international itineraries is excluded in the figures in parentheses

(2) Revenue per Passenger = Passenger Revenue / Passengers

(3) Yield = Passenger Revenue / RPK

(4) Unit Revenue = Passenger Revenue / ASK

(5) The results for 4Q (January to March) are calculated by deducting the results of the cumulative 3Q (April to December) from the FY2018 full year results (April to March)

(6) Effects arising out of heavy rain in July in Western Japan, typhoons from July to September and the earthquakes in Hokkaido in September
**Domestic Passenger Operations**

### Domestic Passenger

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y ratio</th>
<th>4th Quarter (Jan-Mar)(5)</th>
<th>y/y ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Revenue</strong></td>
<td>518.2</td>
<td><strong>528.0</strong></td>
<td>+1.9% (+3.1%)</td>
<td>123.3 (125.1)</td>
<td>+3.1% (+4.6%)</td>
</tr>
<tr>
<td>(JPY Bn)</td>
<td></td>
<td>(534.3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Passengers ('000')</strong></td>
<td>34,033</td>
<td><strong>34,859</strong></td>
<td>+2.4%</td>
<td>8,421</td>
<td>+3.8%</td>
</tr>
<tr>
<td><strong>ASK (MN seat km)</strong></td>
<td>35,714</td>
<td><strong>36,116</strong></td>
<td>+1.1%</td>
<td>8,932</td>
<td>+1.5%</td>
</tr>
<tr>
<td><strong>RPK (MN passenger km)</strong></td>
<td>25,643</td>
<td><strong>26,195</strong></td>
<td>+2.2%</td>
<td>6,378</td>
<td>+3.9%</td>
</tr>
<tr>
<td><strong>L/F (%)</strong></td>
<td>71.8%</td>
<td><strong>72.5%</strong></td>
<td>+0.7pt</td>
<td>71.4%</td>
<td>+1.7pt</td>
</tr>
<tr>
<td><strong>Revenue per Passenger</strong></td>
<td>15,227</td>
<td><strong>15,149</strong></td>
<td>▲0.5% (+0.7%)</td>
<td>14,651 (14,859)</td>
<td>▲0.7% (+0.7%)</td>
</tr>
<tr>
<td>(JPY)</td>
<td></td>
<td>(15,328)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yield</strong></td>
<td>20.2</td>
<td><strong>20.2</strong></td>
<td>▲0.2% (+0.9%)</td>
<td>19.3 (19.6)</td>
<td>▲0.7% (+0.7%)</td>
</tr>
<tr>
<td>(JPY)</td>
<td></td>
<td>(20.4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unit Revenue</strong></td>
<td>14.5</td>
<td><strong>14.6</strong></td>
<td>+0.8% (+2.0%)</td>
<td>13.8 (14.0)</td>
<td>+1.6% (+3.1%)</td>
</tr>
<tr>
<td>(JPY)</td>
<td></td>
<td>(14.8)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The effect of the change of the settlement adjustment method for domestic sectors on international itineraries is excluded in the figures in parentheses
(2) Revenue per Passenger = Passenger Revenue / Passengers
(3) Yield = Passenger Revenue / RPK
(4) Unit Revenue = Passenger Revenue / ASK
(5) The results for 4Q (January to March) are calculated by deducting the results of cumulative 3Q (April to December) from the FY2018 full-year results (April to March)
(6) Effects arising out of heavy rain in July in Western Japan, typhoons from July to September and the earthquakes in Hokkaido in September

### Change in Revenue

- **+9.8Bn (+1.9%)**
- • Flight cancellation due to typhoons and earthquakes and impact on leisure demand
- • Increase in individual passengers (+)
- • Increase in revenue per passenger due to more sales of business fares, etc. (+)
- • Change of settlement adjustment method for domestic sectors on international itineraries (▲6.2Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Revenue</strong></td>
<td>518.2</td>
<td>▲2.6</td>
<td></td>
</tr>
<tr>
<td>(JPY Bn)</td>
<td></td>
<td>528.0</td>
<td></td>
</tr>
<tr>
<td><strong>Number of Passengers</strong></td>
<td></td>
<td>+16.4</td>
<td>▲4.0</td>
</tr>
<tr>
<td><strong>Impact of disasters (6)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY2017</td>
<td>FY2018</td>
<td></td>
</tr>
</tbody>
</table>
The New Passenger Service System

The Effect during FY18
20 billion yen (estimated as maximum)
International flights: 10.0 Bn yen
Domestic flights: 10.0 Bn yen

Improvement of Load Factor

\[ \text{International}: +0.3\text{pt} \]
\[ \text{Domestic}: +0.7\text{pt} \]

Improvement of Yield \(^{(1)}\)

\[ \text{International}: +2\% \]
\[ \text{Domestic}: +1\% \]

Improvement of Unit Revenue \(^{(1)}\)

\[ \text{Y/Y} \]
\[ \text{International}: +0.3\text{pt} \]
\[ \text{Domestic}: +0.7\text{pt} \]

Main functional enhancements

Improved Functions of Overseas Websites

- Fare/Class Display
- Multilingual services

Reservation Control on Itinerary Basis, instead of a Single Flight Basis

More Precise and Advanced Revenue Management

Major Improvements

Revenue Increase from Inbound Business Class and Premium Economy Class Sales

Ref. Total revenue of above classes purchased at overseas websites (Excluding fuel surcharge)

\[ \text{FY17}: 100 \]
\[ \text{FY18}: 134 \]

Captured more transit passengers

Ref. Revenue through overall transit passengers (Excluding fuel surcharge)

\[ \text{FY17}: 100 \]
\[ \text{FY18}: 122 \]

Reservation Forecasts with Greater Precision

Ref. Revenue from high-yield business farers \(^{(2)}\) in domestic passenger

\[ \text{FY17}: 100 \]
\[ \text{FY18}: 103 \]

\(^{(1)}\) Fuel surcharge, FX, the effect of the change of settlement adjustment method for domestic sectors on international itineraries and etc. are excluded.

\(^{(2)}\) Business Fares: Normal Fares, Round-trip Discount, Coupon Tickets, Business Kippu and Tokubin Waribiki
## Major Operating Expense Items

### Operating Expenses

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Diff.</th>
<th>y/y</th>
<th>4th Quarter (Jan-Mar)</th>
<th>Diff.</th>
<th>y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>215.2</td>
<td>251.2</td>
<td>+35.9</td>
<td>+16.7%</td>
<td>59.4</td>
<td>+2.1</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Landing and navigation fees</td>
<td>83.5</td>
<td>86.3</td>
<td>+2.8</td>
<td>+3.4%</td>
<td>21.4</td>
<td>+0.4</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>62.0</td>
<td>72.9</td>
<td>+10.8</td>
<td>+17.5%</td>
<td>17.8</td>
<td>+7.1</td>
<td>+67.1%</td>
</tr>
<tr>
<td>Sales commissions (Air Transport)</td>
<td>17.9</td>
<td>18.9</td>
<td>+0.9</td>
<td>+5.5%</td>
<td>4.8</td>
<td>▲0.0</td>
<td>▲0.6%</td>
</tr>
<tr>
<td>Aircraft (1)</td>
<td>107.1</td>
<td>112.2</td>
<td>+5.0</td>
<td>+4.7%</td>
<td>28.3</td>
<td>+1.3</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Services (2)</td>
<td>42.2</td>
<td>45.3</td>
<td>+3.1</td>
<td>+7.5%</td>
<td>10.9</td>
<td>+0.5</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Personnel</td>
<td>290.3</td>
<td>302.1</td>
<td>+11.8</td>
<td>+4.1%</td>
<td>76.1</td>
<td>+0.5</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Expenses of travel agency</td>
<td>83.8</td>
<td>86.6</td>
<td>+2.7</td>
<td>+3.3%</td>
<td>20.2</td>
<td>+0.2</td>
<td>+1.5%</td>
</tr>
<tr>
<td>Other</td>
<td>306.1</td>
<td>335.2</td>
<td>+29.0 (4)</td>
<td>+9.5%</td>
<td>86.1</td>
<td>+5.2</td>
<td>+6.5%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>1,208.6</td>
<td>1,311.1</td>
<td>+102.4</td>
<td>+8.5%</td>
<td>325.5</td>
<td>+17.6</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

**ASK y/y : +4.0%**

(1) Aircraft = Aircraft Depreciation+ Aircraft Leases+ Aviation Insurance Premium, etc.
(2) Services = Expenses regarding inflight services, airport lounges, cargo equipment, etc.
(3) The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from the FY2018 full-year results (April to March)
(4) Includes Passenger Service System related expenses (+9.0Bn)
### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>End of FY2017</th>
<th>End of FY2018</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (1)</td>
<td>1,853.9</td>
<td>2,030.3</td>
<td>+176.3</td>
</tr>
<tr>
<td>Cash and Deposits (2)</td>
<td>448.8</td>
<td>522.0</td>
<td>+73.2</td>
</tr>
<tr>
<td>Balance of Interest-bearing Debt (3)</td>
<td>125.7</td>
<td>142.3</td>
<td>+16.5</td>
</tr>
<tr>
<td>Future Rental Expenses under Operating Leases</td>
<td>67.4</td>
<td>81.1</td>
<td>+13.7</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>1,060.3</td>
<td>1,165.1</td>
<td>+104.7</td>
</tr>
<tr>
<td>Shareholders’ Equity Ratio (%)</td>
<td>57.2%</td>
<td>57.4%</td>
<td>+0.2pt</td>
</tr>
<tr>
<td>D/E Ratio (x) (4)</td>
<td>0.1x</td>
<td>0.1x</td>
<td>+0.0x</td>
</tr>
<tr>
<td>ROIC (%) (5)</td>
<td>10.1%</td>
<td>9.5%</td>
<td>▲0.6pt</td>
</tr>
<tr>
<td>ROE (%) (6)</td>
<td>13.3%</td>
<td>13.6%</td>
<td>+0.2pt</td>
</tr>
<tr>
<td>ROA (%) (7)</td>
<td>9.7%</td>
<td>9.1%</td>
<td>▲0.7pt</td>
</tr>
</tbody>
</table>

### Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>281.5</td>
<td>296.7</td>
<td>+15.1</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>110.8</td>
<td>124.1</td>
<td>+13.2</td>
</tr>
<tr>
<td>Cash Flow from Investing Activities (8)</td>
<td>▲180.1</td>
<td>▲186.3</td>
<td>▲6.2</td>
</tr>
<tr>
<td>Capital Investment (9)</td>
<td>▲211.9</td>
<td>▲226.2</td>
<td>▲14.3</td>
</tr>
<tr>
<td>Free Cash Flow (10)</td>
<td>101.3</td>
<td>110.3</td>
<td>+8.9</td>
</tr>
<tr>
<td>Cash Flow from Financing Activities</td>
<td>▲55.8</td>
<td>▲37.0</td>
<td>+18.8</td>
</tr>
<tr>
<td>Total Cash Flow (11)</td>
<td>45.5</td>
<td>73.2</td>
<td>+27.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>285.4</td>
<td>300.2</td>
<td>+14.8</td>
</tr>
<tr>
<td>EBITDAR</td>
<td>305.4</td>
<td>320.1</td>
<td>+14.7</td>
</tr>
</tbody>
</table>

---

1. Total Assets amount as of the end of March, 2018 has been changed due to the revision of the accounting standards and other regulations regarding indication of deferred tax assets and liabilities from FY2018 (It was 1,854.2Bn when disclosed on April 27, 2018)
2. Certificate of Deposits etc. included
3. Accounts Payable installment Purchase included
4. On-balance sheet Interest-bearing Debt / Shareholders’ Equity
5. NOPAT/Average Fixed Asset (incl. Future Rental Expenses under Operating Leases) at beginning and end of a fiscal year
6. (Net income attributable to owners of the parent) / (Average of shareholder’s equity at beginning and end of a fiscal year)
7. (Operating profit) / (Average of total assets at beginning and end of a fiscal year)
8. Excluding deposits and withdrawals from deposit accounts
9. Investment, capital contribution or etc.
10. Cash Flow from Operating Activities + Cash Flow from Investing Activities
11. Cash flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities
### Passenger Revenue

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
<th>FY2018</th>
<th>4Q 3Months</th>
<th>Component Ratio</th>
<th>4Q Component Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>y/y</td>
<td>y/y</td>
<td></td>
<td>FY2017</td>
<td>FY2018</td>
</tr>
<tr>
<td>America</td>
<td>+13.4%</td>
<td>+21.4%</td>
<td></td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Europe</td>
<td>+12.8%</td>
<td>▲2.0%</td>
<td></td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Asia/Oceania</td>
<td>+11.5%</td>
<td>+3.2%</td>
<td></td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>China</td>
<td>+24.4%</td>
<td>+7.7%</td>
<td></td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Hawaii/Guam</td>
<td>+19.2%</td>
<td>+19.1%</td>
<td></td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>+14.6%</td>
<td>+9.2%</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### ASK

<table>
<thead>
<tr>
<th></th>
<th>(MN seat km)</th>
<th>4Q (Cumulative)</th>
<th>4Q (3Months)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y</th>
<th>FY2018</th>
<th>y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td></td>
<td></td>
<td></td>
<td>14,971</td>
<td>15,581</td>
<td>+4.1%</td>
<td>3,866</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td>7,962</td>
<td>7,790</td>
<td>▲2.2%</td>
<td>1,857</td>
<td>▲2.9%</td>
</tr>
<tr>
<td>Asia/Oceania</td>
<td></td>
<td></td>
<td></td>
<td>18,042</td>
<td>19,322</td>
<td>+7.1%</td>
<td>4,944</td>
<td>+3.7%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td>3,292</td>
<td>3,422</td>
<td>+4.0%</td>
<td>854</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Hawaii/Guam</td>
<td></td>
<td></td>
<td></td>
<td>7,569</td>
<td>8,808</td>
<td>+16.4%</td>
<td>2,191</td>
<td>+19.4%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>51,836</td>
<td>54,925</td>
<td>+6.0%</td>
<td>13,714</td>
<td>+5.3%</td>
</tr>
</tbody>
</table>

### RPK

<table>
<thead>
<tr>
<th></th>
<th>(MN passenger km)</th>
<th>4Q (Cumulative)</th>
<th>4Q (3Months)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y</th>
<th>FY2018</th>
<th>y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td></td>
<td></td>
<td></td>
<td>11,735</td>
<td>12,714</td>
<td>+8.3%</td>
<td>3,113</td>
<td>+10.5%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td>6,571</td>
<td>6,580</td>
<td>▲0.1%</td>
<td>1,500</td>
<td>▲4.7%</td>
</tr>
<tr>
<td>Asia/Oceania</td>
<td></td>
<td></td>
<td></td>
<td>14,936</td>
<td>15,661</td>
<td>+4.9%</td>
<td>3,978</td>
<td>▲1.2%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td>2,610</td>
<td>2,870</td>
<td>+10.0%</td>
<td>692</td>
<td>▲0.1%</td>
</tr>
<tr>
<td>Hawaii/Guam</td>
<td></td>
<td></td>
<td></td>
<td>6,158</td>
<td>6,831</td>
<td>+10.9%</td>
<td>1,674</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>42,013</td>
<td>44,659</td>
<td>+6.3%</td>
<td>10,960</td>
<td>+3.0%</td>
</tr>
</tbody>
</table>

### Load Factor

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
<th>4Q (Cumulative)</th>
<th>4Q (3Months)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>y/y</th>
<th>FY2018</th>
<th>y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>78.4%</td>
<td>81.6%</td>
<td>+3.2pt</td>
<td>80.5%</td>
<td>+3.9pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>82.5%</td>
<td>84.5%</td>
<td>+1.9pt</td>
<td>80.8%</td>
<td>▲1.5pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia/Oceania</td>
<td>82.8%</td>
<td>81.1%</td>
<td>▲1.7pt</td>
<td>80.5%</td>
<td>▲4.0pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>79.3%</td>
<td>83.9%</td>
<td>+4.6pt</td>
<td>81.1%</td>
<td>▲2.8pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaii/Guam</td>
<td>81.4%</td>
<td>77.6%</td>
<td>▲3.8pt</td>
<td>76.4%</td>
<td>▲6.7pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>81.0%</td>
<td>81.3%</td>
<td>+0.3pt</td>
<td>79.9%</td>
<td>▲1.8pt</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Number of Aircraft

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>End of Mar/18</th>
<th>End of Mar/19</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
<td>Leased</td>
<td>Total</td>
</tr>
<tr>
<td>Boeing 777-200</td>
<td>12</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Boeing 777-200ER</td>
<td>11</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Boeing 777-300</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Boeing 777-300ER</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td><strong>Large-sized Total</strong></td>
<td>40</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Boeing 787-8</td>
<td>25</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Boeing 787-9</td>
<td>10</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Boeing 767-300</td>
<td>6</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Boeing 767-300ER</td>
<td>28</td>
<td>1</td>
<td>29</td>
</tr>
<tr>
<td><strong>Middle-sized Total</strong></td>
<td>69</td>
<td>2</td>
<td>71</td>
</tr>
<tr>
<td>Boeing 737-400</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Boeing 737-800</td>
<td>34</td>
<td>23</td>
<td>57</td>
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<tr>
<td><strong>Small-sized Total</strong></td>
<td>42</td>
<td>23</td>
<td>65</td>
</tr>
<tr>
<td>Embraer 170</td>
<td>17</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Embraer 190</td>
<td>12</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Bombardier D8-400</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Bombardier D8-400CC</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>SAAB340B</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Bombardier D8-300</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>ATR42-600</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>ATR72-600</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Regional Total</strong></td>
<td>54</td>
<td>1</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>205</td>
<td>26</td>
<td>231</td>
</tr>
</tbody>
</table>
OVERVIEW OF FINANCIAL RESULTS FOR MAR/19

SHAREHOLDER RETURN

DETAILS OF FINANCIAL RESULTS FOR MAR/19

EARNINGS FORECAST FOR MAR/20

REFERENCES
### FY2019 Earnings Forecast

#### Revenue and Expenditure Plan (JPY Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
<th>Diff.</th>
<th>y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>1,487.2</td>
<td>1,563.0</td>
<td>+75.7</td>
<td>+5.1%</td>
</tr>
<tr>
<td>International Passenger</td>
<td>530.6</td>
<td>575.0</td>
<td>+44.3</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Domestic Passenger</td>
<td>528.0</td>
<td>539.0</td>
<td>+10.9</td>
<td>+2.1%</td>
</tr>
<tr>
<td>Cargo / Mail</td>
<td>100.0</td>
<td>106.0</td>
<td>+5.9</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Other</td>
<td>328.4</td>
<td>343.0</td>
<td>+14.5</td>
<td>+4.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,174.2</td>
<td>2,278.0</td>
<td>+104.6</td>
<td>+4.9%</td>
</tr>
</tbody>
</table>

| Operating Expense    | 1,311.1 | 1,393.0       | +81.8 | +6.2% |
| Excluding Fuel       | 1,059.8 | 1,109.0       | +50.2 | +4.7% |
| **Excluding Fuel**   | 1,059.8 | 1,109.0       | +50.2 | +4.7% |

| Operating Profit     | 176.1   | 170.0         | ▲6.1  | ▲3.5% |
| Operating Profit Margin (%) | 11.8%  | 10.9%         | ▲1.0pt| ▲1.5pt |
| Ordinary Profit      | 165.3   | 171.0         | ▲5.7  | ▲3.4% |
| Net Profit           | 150.8   | 114.0         | ▲36.8 | ▲24.4%|
| Unit Cost (JPY)      | 10.4    | 10.6          | ▲0.2  | ▲0.1% |
| ROIC (1) (4)         | 9.5%    | 8.6%          | ▲0.9pt| ▲1.5pt |
| EBITDA Margin (%)    | 20.2%   | 19.8%         | ▲0.4pt| ▲0.4pt |
| EBITDAR Margin (%)   | 21.5%   | 20.9%         | ▲0.6pt| -     |

(1) Figures in( ) in FY2019 plan, Diff, and y/y do not include the depreciation method change  
(2) Net profit attributable to owners of the parent  
(3) Unit Cost = Air Transportation Segment Operating Cost (excluding fuel cost) / ASK (including ZIPAIR)  
(4) NOPAT/Average Fixed Asset (incl. Future Rental Expenses under Operating Leases) at beginning and end of a fiscal year  
(5) EBITDA Margin = EBITDA / Operating Revenue  
(6) EBITDAR Margin = EBITDAR / Operating Revenue  

#### Operational Preconditions ※y/y

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASK Int’l</td>
<td>+6.0%</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Doms</td>
<td>+1.1%</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Total</td>
<td>+4.0%</td>
<td>+2.5%</td>
</tr>
<tr>
<td>RPK Int’l</td>
<td>+6.3%</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Doms</td>
<td>+2.2%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Total</td>
<td>+4.7%</td>
<td>+3.2%</td>
</tr>
</tbody>
</table>

#### Fuel/FX Markets

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Kerosene</td>
<td>83.9</td>
<td>90.0</td>
</tr>
<tr>
<td>Dubai Crude Oil</td>
<td>69.0</td>
<td>70.0</td>
</tr>
<tr>
<td>FX Rate (JPY/USD)</td>
<td>110.5</td>
<td>115.0</td>
</tr>
</tbody>
</table>
FY2019 Changes in Operating Profit (Revenues / Expenses)

Mar/20 (FY2019)

( JPY Bn )

ASK y/y : +2.5%
RPK y/y : +3.1%

+3.8Bn (+2.2%)

Domestic Passenger +10.9 +6.0%
Int’l Passenger
+44.3 +8.4%

Cargo & Mail +5.9 +4.4%

"Other Revenues" include Sales of travel agency, etc.

Fuel ▲32.7

Maintenance ▲2.0
Aircraft ▲4.7
Personal ▲10.8
Other than those above ▲21.4
Total ▲39.1

Other Expenses ▲39.1

Other Expenses ▲3.7%

176.1

FSC* +25.5
FX +1.5
(TTL) +27.0

FY2018

Revenues +75.7Bn (+5.1%)

FY2019 (Plan) (excluding the depreciation method change)

180.0

FSC* TTL +26.0
FX TTL +1.0
(TTL) +27.0

Stock

FY2019 (Plan)

170.0

FSC* +0.5
FX ▲0.5
(TTL) +0.0

FSC* +0.5
FX ▲0.5
(TTL) +0.0

FSC* -
FX +0.0
(TTL) +0.0

FSC*TTL +26.0
FX TTL +1.0
(TTL) +27.0

▼ stands for profit increase (revenue increase, cost reduction)
▲ stands for profit decrease (revenue decrease, cost increase)

Other than those above ▲21.4

180.0

FY2019 (Plan)

170.0

Personal ▲10.8

Other than those above ▲21.4

FSC* -
FX +0.0
(TTL) +0.0

Maintenance ▲2.0

176.1

FY2018

FSC* +25.5
FX +1.5
(TTL) +27.0

Revenues +75.7Bn (+5.1%)

176.1

FY2018

Expenses ▲71.8Bn (+5.5%)

Maintenance ▲2.0
Aircraft ▲4.7
Personal ▲10.8
Other than those above ▲21.4
Total ▲39.1

180.0

FY2019 (Plan) (excluding the depreciation method change)

170.0

Maintenance ▲2.0
Aircraft ▲4.7
Personal ▲10.8
Other than those above ▲21.4
Total ▲39.1

180.0

FY2019 (Plan)

170.0

ASK y/y : +2.5%
RPK y/y : +3.1%

+3.8Bn (+2.2%)

Domestic Passenger +10.9 +6.0%
Int’l Passenger
+44.3 +8.4%

Cargo & Mail +5.9 +4.4%

"Other Revenues" include Sales of travel agency, etc.

Fuel ▲32.7

Maintenance ▲2.0
Aircraft ▲4.7
Personal ▲10.8
Other than those above ▲21.4
Total ▲39.1

Other Expenses ▲39.1

Other Expenses ▲3.7%

176.1

FSC* +25.5
FX +1.5
(TTL) +27.0

FY2018

Revenues +75.7Bn (+5.1%)

FY2019 (Plan) (excluding the depreciation method change)

180.0

Stock

FY2019 (Plan)

170.0

FSC* +0.5
FX ▲0.5
(TTL) +0.0

FSC* +0.5
FX ▲0.5
(TTL) +0.0

FSC* -
FX +0.0
(TTL) +0.0

FSC*TTL +26.0
FX TTL +1.0
(TTL) +27.0

▼ stands for profit increase (revenue increase, cost reduction)
▲ stands for profit decrease (revenue decrease, cost increase)

Other than those above ▲21.4

180.0

FY2019 (Plan)

170.0

Personal ▲10.8

Other than those above ▲21.4

FSC* -
FX +0.0
(TTL) +0.0

Maintenance ▲2.0
Aircraft ▲4.7
Personal ▲10.8
Other than those above ▲21.4
Total ▲39.1

180.0

FY2019 (Plan)

170.0
**FY2019 Changes in Operating Profit (Market / Others)**

**Mar/20 (FY2019)**

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel/FX Markets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Kerosene</td>
<td>83.9</td>
<td>90.0</td>
</tr>
<tr>
<td>Dubai Crude Oil</td>
<td>69.0</td>
<td>70.0</td>
</tr>
<tr>
<td>FX Rate</td>
<td>110.5</td>
<td>115.0</td>
</tr>
</tbody>
</table>

+3.8Bn (+2.2%)

▲6.1Bn (▲3.5%)

▲ stands for profit increase (revenue increase, cost decrease)
▲ stands for profit decrease (revenue decrease, cost increase)

**Revenue increase**

+48.7

**Cost increase**

▲37.0

the impact of the change of the depreciation method

▲10.0

**Market impact ▲7.8Bn**

**Others ▲11.6Bn**

**Fuel/FX Markets**

- FX (incl. Fuel): ▲1.5
- Fuel (incl. Hedging): ▲24.1
- FSC: +26.0
- Hedging: ▲8.2

**Revenue**

+1.0

**Cost excl. Fuel**

▲2.5

**Total**

▲1.5

**FX**

▲9.0

**Market**

▲15.1

**Total**

▲24.1

**Revenue**

+25.5

**Int’l Passenger**

+26.0

**Int’l Cargo**

+0.5

**Total**

+26.0

**FY2019 (Plan)**

180.0

**FY2019 (Plan)**

170.0

**FY2018**

176.1

*FSC=Fuel Surcharge*
FY2019 Recent Market Situations

Reservations in the long holidays “Golden Week” *

- Large Increase in Reservation Rate year on year in both International and Domestic Passenger

**Demand Outlook for April to June 2019**

**INT’L**

- Japan-Outbound - Strong business demand  
  - Good outlook on America routes
  - Leisure demand in line with expectation

- Japan-Inbound  - China, temporarily slowed down in 4th Q FY18, is recovering

**Domestic**

- Individuals  - Robust demand in both business and promotional fares will continue throughout 1st Q FY19

- Groups  - Strong demand especially with increasing last-minute demand

*From April 27 to May 6
## FY2019 Earnings Forecast

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>2,030.3</td>
<td>2,040.0</td>
<td>+9.6</td>
</tr>
<tr>
<td>Balance of Interest-bearing debts</td>
<td>142.3</td>
<td>167.0</td>
<td>+24.6</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>1,165.1</td>
<td>1,192.0</td>
<td>+26.8</td>
</tr>
<tr>
<td>Shareholders’ Equity Ratio (%)</td>
<td>57.4%</td>
<td>58.4%</td>
<td>+1.0pt</td>
</tr>
<tr>
<td>ROIC (%) (1) (2)</td>
<td>9.5%</td>
<td>8.6% (9.1%)</td>
<td>▲1.0pt (▲0.5pt)</td>
</tr>
<tr>
<td>ROE (%) (3)</td>
<td>13.6%</td>
<td>9.7%</td>
<td>▲3.9pt</td>
</tr>
<tr>
<td>ROA (%) (2) (4)</td>
<td>9.1%</td>
<td>8.4% (8.8%)</td>
<td>▲0.7pt (▲0.2pt)</td>
</tr>
</tbody>
</table>

1. NOPAT/Average Fixed Asset (incl. Future Rental Expenses under Operating Leases) at beginning and end of a fiscal year
2. Figures in ( ) in End of FY2019 Plan and Diff do not include the depreciation method change
3. (Net profit attributable to owners of the parent) / (Average of shareholder’s equity at beginning and end of a fiscal year)
4. (Operating profit) / (Average of total assets at beginning and end of a fiscal year)
5. Including approximately JPY 80billion yen injection to Corporate Pension Fund scheduled in the first half of FY2019
6. Exclude deposits and withdrawals from deposit accounts
7. Cash Flow from Operating Activities + Cash Flow from Investing Activities
8. Growth investments = i.e., Introduction of aircraft that will contribute route expansion, flight frequency increase, or operational efficiency improvement, improvement of quality, service or efficiency, or development of new business domains.
9. Replacement investments = i.e., Replacement of old regional prop aircraft or aircraft parts, replacement of existing old facilities, or for compliance to laws and regulations.

### Cash Flow

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>296.7</td>
<td>219.0</td>
<td>▲77.7</td>
</tr>
<tr>
<td>Cash Flow from Investing Activities</td>
<td>▲186.3</td>
<td>▲259.0</td>
<td>▲72.6</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>110.3</td>
<td>▲40.0</td>
<td>▲150.3</td>
</tr>
<tr>
<td>Cash Flow from Financing Activities</td>
<td>▲37.0</td>
<td>▲47.0</td>
<td>▲9.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>300.2</td>
<td>309.0</td>
<td>+8.7</td>
</tr>
<tr>
<td>EBITDAR</td>
<td>320.1</td>
<td>327.0</td>
<td>+6.8</td>
</tr>
</tbody>
</table>

### Investment

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2018</th>
<th>FY2019 Plan</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleet</td>
<td>175.4</td>
<td>189.0</td>
<td>+13.5</td>
</tr>
<tr>
<td>Ground • IT, etc</td>
<td>50.8</td>
<td>75.0</td>
<td>+24.1</td>
</tr>
<tr>
<td>Total</td>
<td>226.2</td>
<td>264.0</td>
<td>+37.7</td>
</tr>
</tbody>
</table>

Growth Investments = 195.0
Replacement investments = 69.0
FY2019 Impact of Fuel and FX Markets

**Fuel Cost Breakdown by Factors**

<table>
<thead>
<tr>
<th>Factor</th>
<th>FY2018</th>
<th>FY2019 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>+15.1</td>
<td>+32.7Bn (+13.0%)</td>
</tr>
<tr>
<td>FX</td>
<td>+9.0</td>
<td>+8.6</td>
</tr>
<tr>
<td>Total</td>
<td>251.2</td>
<td>284.0</td>
</tr>
</tbody>
</table>

**Hedge Ratio**

(As of End of Mar/2019)

- Fuel: Approx. 40%
- FX: Approx. 40%

**Fuel / FX Markets**

<table>
<thead>
<tr>
<th>Fuel / FX Markets</th>
<th>FY2018</th>
<th>FY2019 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Kerosene</td>
<td>83.9</td>
<td>90.0</td>
</tr>
<tr>
<td>Dubai Crude Oil</td>
<td>69.0</td>
<td>70.0</td>
</tr>
<tr>
<td>FX Rate</td>
<td>110.5</td>
<td>115.0</td>
</tr>
</tbody>
</table>

**Profit Impact by Fuel and FX Markets**

(Incl. Hedging, Fuel Surcharge)

<table>
<thead>
<tr>
<th>Fuel / FX Markets</th>
<th>Fuel Surcharge</th>
<th>Profit Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Kerosene</td>
<td>JPY 115</td>
<td>+3.0Bn</td>
</tr>
<tr>
<td></td>
<td>JPY 110</td>
<td>+9.0Bn</td>
</tr>
<tr>
<td></td>
<td>JPY 105</td>
<td>+10.0Bn</td>
</tr>
<tr>
<td>Dubai Crude Oil</td>
<td>JPY 115</td>
<td>+5.0Bn</td>
</tr>
<tr>
<td></td>
<td>JPY 110</td>
<td>+5.5Bn</td>
</tr>
<tr>
<td></td>
<td>JPY 105</td>
<td>+12.5Bn</td>
</tr>
</tbody>
</table>

The fuel surcharge applicable from April to July 2019 has been already determined as below:

- **April-May:**
  - Japan outbound/ Zone: JPY7,000, others excluding Japan outbound/ Zone: USD70
  - June-July:
    - Japan outbound/ Zone: JPY8,000, others excluding Japan outbound/ Zone: USD70

With the fuel surcharges above, the recent fuel prices and the exchange rates from April to May, the impact on profit will be approximately negative 7.0 billion yen (not included in the profit impact matrix chart above).
<table>
<thead>
<tr>
<th>International Passenger</th>
<th>FY2018</th>
<th>FY2019</th>
<th>( y/y(%) )</th>
<th>( y/y(%) )</th>
<th>( y/y(%) )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Full-year (Forecast)</td>
<td>1H (Forecast)</td>
<td>2H (Forecast)</td>
</tr>
<tr>
<td>Passenger Revenue (JPY Bn)</td>
<td>530.6</td>
<td>575.0</td>
<td>+8.5%</td>
<td>+8.5%</td>
<td>+8.5%</td>
</tr>
<tr>
<td>Passengers ('000)</td>
<td>9,128</td>
<td>9,490</td>
<td>+4.0%</td>
<td>+3.1%</td>
<td>+4.8%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>54,925</td>
<td>56,284</td>
<td>+2.5%</td>
<td>+3.1%</td>
<td>+1.8%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>44,659</td>
<td>46,559</td>
<td>+4.3%</td>
<td>+3.7%</td>
<td>+4.8%</td>
</tr>
<tr>
<td>L/F (%)</td>
<td>81.3%</td>
<td>82.7%</td>
<td>82.7%</td>
<td>82.8%</td>
<td>82.6%</td>
</tr>
<tr>
<td>Revenue per Passenger (JPY) (1)</td>
<td>58,136</td>
<td>60,672</td>
<td>+4.4%</td>
<td>+5.2%</td>
<td>+3.5%</td>
</tr>
<tr>
<td>Yield (JPY) (2)</td>
<td>11.9</td>
<td>12.4</td>
<td>+4.1%</td>
<td>+4.6%</td>
<td>+3.5%</td>
</tr>
<tr>
<td>Unit Revenue (JPY) (3)</td>
<td>9.7</td>
<td>10.2</td>
<td>+5.9%</td>
<td>+5.2%</td>
<td>+6.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic Passenger</th>
<th>FY2018</th>
<th>FY2019</th>
<th>( y/y(%) )</th>
<th>( y/y(%) )</th>
<th>( y/y(%) )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Full-year (Forecast)</td>
<td>1H (Forecast)</td>
<td>2H (Forecast)</td>
</tr>
<tr>
<td>Passenger Revenue (JPY Bn)</td>
<td>528.0</td>
<td>539.0</td>
<td>+2.2%</td>
<td>+2.1%</td>
<td>+2.3%</td>
</tr>
<tr>
<td>Passengers ('000)</td>
<td>34,859</td>
<td>35,400</td>
<td>+1.6%</td>
<td>+1.7%</td>
<td>+1.4%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>36,116</td>
<td>37,060</td>
<td>+2.6%</td>
<td>+2.0%</td>
<td>+3.2%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>26,195</td>
<td>26,547</td>
<td>+1.3%</td>
<td>+1.8%</td>
<td>+0.9%</td>
</tr>
<tr>
<td>L/F (%)</td>
<td>72.5%</td>
<td>71.6%</td>
<td>71.6%</td>
<td>71.9%</td>
<td>71.3%</td>
</tr>
<tr>
<td>Revenue per Passenger (JPY) (1)</td>
<td>15,149</td>
<td>15,246</td>
<td>+0.6%</td>
<td>+0.4%</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Yield (JPY) (2)</td>
<td>20.2</td>
<td>20.3</td>
<td>+0.8%</td>
<td>+0.4%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Unit Revenue (JPY) (3)</td>
<td>14.6</td>
<td>14.6</td>
<td>▲0.4%</td>
<td>+0.1%</td>
<td>▲0.9%</td>
</tr>
</tbody>
</table>

(1) Revenue per Passenger = Passenger Revenue / Passengers  
(2) Yield = Passenger Revenue / RPK  
(3) Unit Revenue = Passenger Revenue / ASK
OVERVIEW OF FINANCIAL RESULTS FOR MAR/19
SHAREHOLDER RETURN
DETAILS OF FINANCIAL RESULTS FOR MAR/19
EARNINGS FORECAST FOR MAR/20
REFERENCES
**Environmental**
- Low-Carbon Initiatives: Introduce fuel-efficient aircraft and aim for eco-friendly operation
- Promote usage of Biofuel: Invested in *Fulcrum BioEnergy, Inc.* a Biofuel manufacturer

**Social**
- Diversity promotion initiatives
- Build a sustainable supply chain
- Contribute to regional revitalization through tourism and promote inbound tourism

**Governance**
- High transparency and strict management oversight:
  - 3 Independent External Directors with extensive management experience
  - 3 Independent External Auditors with legal and accounting expertise
  - Voluntarily set up various committees, in which the majority of members of each committee are External Directors
  - The members are publicly disclosed
  - Chairpersons are all External Directors excluding the Personnel Committee, which supervises personnel affairs of Executive Officers

**CO2 Emissions**
- Steadily striving toward the goal of the CO2 emissions reduction by 23% from the FY2005 emission level

**Share of “Fuel-Efficient Aircraft”**
- Applicable Aircraft: A350, 787, 777, 737-800, E170/190
- 2018: Result, 2019~: Plan

**Building a Sustainable Supply Chain**
- Joined to “Global membership” of Sedex
- Formulate a JAL Group Supplier Code of Conduct
- Comply to the Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code
- Conduct CSR audit to suppliers

**Contribute to Regional Revitalization through Tourism and Promote Inbound Tourism**
- Invested in ALL JAPAN Tourism Oriented Country Fund
- Named as Japan’s best airline for the third consecutive year in the 2019 TripAdvisor® Travelers’ Choice awards for Airlines

**Board of Directors**
- 3 External Directors out of ten Directors (30%)
Capital investments will be made within cash flow from operating activities.

Approximately 2/3 of the total investment will be actively used for growth investment to increase corporate value.

Aircraft investments will be accelerated with the additional 40 bn yen for further growth.
We will strategically allocate capital to increase corporate value, while maintaining a firm financial structure with high capital efficiency.

**Improve asset efficiency and capital efficiency**
- Due to investments and preparatory costs for “development at Haneda and Narita” in FY2020, together with temporary supply-demand imbalance, ROE and ROIC will decline temporarily. However, we aim to maintain or increase ROE from 10% and further increase ROIC through sustainable profit growth.

**Capital allocation**
- We will maintain approximately 2.6 months’ worth of revenue as cash on hand required for stable management and allocate the additional capital strategically.
- Growth investment is actively promoted with interest-bearing debt. Also, the 50-billion yen strategic growth investment line will be effectively utilized.
- By the first half of FY2019, approximately 80 billion yen will be injected to the Corporate Pension Fund for strengthening its financial base and reducing debts relating to JAL retirement benefits.

**Further increase shareholder returns**
- We will raise the dividend payout ratio from FY2019 to maintain the current level of dividend per share, after the effective tax rate increase, in order to stabilize dividends while referring to Dividend on Equity Ratio (DOE).
- Combining stable dividends and flexible share repurchases, we will implement shareholder return measures, taking into account a total return ratio *1.

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**Cash & deposits**
- Projection at the end of FY2018

**Capital allocation**
- 2.6 months’ worth of revenue

**Cash & deposits**
- Projection at the end of FY2020

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*1 (Total amount of dividend + Amount of share repurchase) / net profit attributable to owners of the parent

*2 Cash flow from operating activities + cash flow from investing activities
Stable financial structure with high capital efficiency  
Enhancement of shareholder return and capital allocation for corporate value increases

### Financial structure
- **Shareholders’ equity ratio**
  - Equity ratio reached approx. 60%. Having built strong financial structure, we will work to maintain the current level.

### Credit rating
- Aim to achieve and maintain “A flat” or above credit rating by improving cash flows and securing fruits from our growth strategies.

### Capital efficiency
- **Decrease cost of capital**
  - Utilize debt with discipline based on adequate debt repaying capacity with sufficient cash flow from operating activities.

- **Liquidity**
  - Based on our current scale of business operations, standard liquidity on hand is set at approximately 2.6 months’ worth of revenue (currently approx. 330 bn yen) for sufficient event risk tolerance as well as return on assets (ROA).

### Shareholders return
- **To maintain dividend levels despite increase in effective tax rate, raise payout ratio from FY2019 and pay stable dividends with reference to Dividend on Equity Ratio (DOE)**

- **Implement shareholder return enhancement measures by combining stable dividend and active share repurchase, taking into account a total return ratio**

### Total Shareholder Return History (FY2012~FY2018)

(1) Amount of share repurchases include those whose resolutions were passed before the closing of accounts for the current fiscal year.
(2) Dividend payout ratio—Total dividends/Net profit attributable to owners of parent.
(3) Total return ratio—(Total amount of dividend + Amount of share repurchase) / Net profit attributable to owners of parent.

*FY2013~2018 net profit attributable to owners of parent excludes effects of deferred income tax.
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