

**[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 Three Months Ended June 30, 2019 (Japanese GAAP)

July 31, 2019

**Company name** Japan Airlines Co., Ltd  
**Stock Listing** Tokyo Stock Exchange  
**Code No.** 9201 **URL:** <http://www.jal.com>  
**Representative** Yuji Akasaka, President  
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 Scheduled date for filing of Quarterly Report: August 1, 2019  
 Scheduled date for dividend payment: Not Applicable  
 Supplementary explanations of the quarterly financial results: Yes  
 Presentation for the quarterly financial results: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen unless otherwise indicated)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019 to June 30, 2019)

#### (1) Consolidated Operating Results (Cumulative)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of the parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2019	355,743	4.0	21,048	(15.6)	21,274	(7.9)	11,909	(32.1)
Three months ended June 30, 2018	342,101	8.7	24,930	0.7	23,108	(5.9)	17,546	(10.3)

\*Comprehensive income for the period April 1, 2019 - June 30, 2019: 8,280 Millions of Yen (-76.2%), April 1, 2018 - June 30, 2018: 34,755 Millions of Yen (58.2%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	34.23	-
Three months ended June 30, 2018	50.22	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's equity ratio (%)	Shareholder's equity Per share
	Millions of Yen	Millions of Yen		Yen
As of June 30, 2019	2,016,809	1,179,176	56.8	3,304.60
As of March 31, 2019	2,030,328	1,200,135	57.4	3,340.15

(Reference) Shareholder's equity: Three months ended June 30, 2019: 1,145,547 Millions of Yen, Year ended March 31, 2019: 1,165,133 Millions of Yen

### 2. Dividends

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2019	-	55.00	-	55.00	110.00
Year Ending March 31, 2020	-	-	-	-	-
Year Ending March 31, 2020 (Forecast)	-	55.00	-	55.00	110.00

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

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

(Percentage compared to prior year)

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

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

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

## Notes

- (1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2019: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
- 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None
  - 2) Changes in accounting policies other than 1): Yes
  - 3) Changes in accounting estimates: Yes
  - 4) Restatement of corrections: None
- (4) Number of shares issued (common stock)
- (a) Total number of shares issued at the end of the period (including treasury shares)
    - As of June 30, 2019 : 349,028,700
    - As of March 31, 2019 : 349,028,700
  - (b) Number of treasury shares at the end of the period
    - As of June 30, 2019 : 2,376,457
    - As of March 31, 2019 : 201,957
  - (c) Average number of shares outstanding
    - During the three months ended June 30, 2019 : 347,959,893
    - During the three months ended June 30, 2018 : 349,410,018

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

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

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

Remarks on the description on future forecast

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to “1. Qualitative Information concerning Financial Results for the First Quarter of FY2019” (2) Explanations of Forecast of Consolidated Financial Results” in the Attachment for the assumptions used and other notes.

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

# Attachment

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# 1. Qualitative Information concerning Financial Results for the First Quarter of FY 2019

## (1) Explanation of Operating Results

The consolidated operating revenue increased by 4.0% year on year to 355.7 billion yen, the operating expense increased by 5.5% year on year to 334.6 billion yen, the operating profit decreased by 15.6% year on year to 21.0 billion yen and the ordinary profit decreased by 7.9% year on year to 21.2 billion yen. The profit attributable to owners of the parent for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019 hereinafter referred as the “First Quarter Period”) was 11.9 billion yen, down 32.1% year on year.

(JPY Bn)	Three months ended June 30, 2018	Three months ended June 30, 2019	% or points compared to prior period
<b>Operating Revenue</b>	342.1	355.7	104.0%
International Passenger	124.8	127.8	102.4%
Domestic Passenger	117.2	123.9	105.7%
Cargo / Mail	24.2	22.7	93.9%
Other	75.7	81.1	107.1%
<b>Operating Expense</b>	317.1	334.6	105.5%
Fuel	60.3	63.6	105.5%
Excluding Fuel	256.7	271.0	105.5%
<b>Operating Profit</b>	24.9	21.0	84.4%
<b>Operating Profit Margin (%)</b>	7.3	5.9	(1.4)
<b>Ordinary Profit</b>	23.1	21.2	92.1%
<b>Profit attributable to owners of the parent</b>	17.5	11.9	67.9%

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

To summarize the business environment in the First Quarter Period, amid the rising uncertainties due to U.S.-China trade frictions or other factors, the Japanese economy was not very strong. On the other hand, favorable situations for air travel were also seen. For example, inbound foreign visitor demand continued to grow. The 10-consecutive-day holidays of so-called Golden Week due to the new Reiwa era change and the rising travel demand among younger generations due to their consumption pattern shift toward experience from goods contributed to expand air travel both in international and domestic business. In these economic situations, the international passenger and cargo demand was rather weak but the domestic passenger demand continued to be strong both in the Golden Week period and the pre/post Golden week period.

For crude oil prices, which affect our fuel cost and international passenger and international cargo revenues, they were on a rising trend from the previous financial year, but they started to fall due to concerns about the world economy by U.S.-China trade friction and the increasing inventories of crude oil and oil products. However, they turned to rise again from the middle of June, because of U.S.-Iran situations and other factors, and become unpredictable. 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 trend and the Group’s financial performance.

To “expand networks” and “innovate better products and services”, JAL will take actions to improve customer service through new route inauguration, cabin configuration optimization, introduction of new aircraft and partnership with partner airlines.

For aircraft, the-state-of-the-art Airbus A350-900 will be introduced to the Haneda=Fukuoka route from September 1, 2019. Its new seats, personal monitors and power outlets will provide unprecedentedly comfortable and rich cabin

environment to further improve customer services and comforts.

JAL won the World's Best Economy Class in the World Airline Awards by SKYTRAX in June, 2019. Also, it won the award for the Best Economy Class Airline Seat for the fourth time with three consecutive years. Further, JAL was named as Japan's best airline for the third consecutive year in the 2019 TripAdvisor® Travelers' Choice™ awards for Airlines. JAL will aggressively challenge for "the world's most preferred and valued airline" to provide comfortable air travel to each one of its customers, reflecting their opinions.

In international passenger operations, business demand weakened due to the world economy slowdown and the Japan-outbound demand is weakening on some routes including the North American routes. The supply-demand situation is being worsened on the European routes due to oversupply by competitors. However, inbound demand has been strong for the North American routes and is recovering recently for the China and the Southeast Asian routes. With the new Narita=Seattle route started from March 31, 2019, changes in frequencies in some routes and cabin configuration optimization, the available seat kilometers(ASK) increased by 2.9 % year on year, the passenger traffic grew by 0.5% year on year, the revenue passenger kilometers(RPK) rose by 1.4 % year on year, and the load factor was 80.2%.

For partnership with other airlines, JAL strengthened and expanded partnerships with other airlines. JAL announced the expansion of codeshare flights with Garuda Indonesia (from May 8, 2019), Cathay Dragon (from May 29, 2019) and Xiamen Airlines (from June 3, 2019). To promote joint businesses with partner airlines, JAL disclosed an application for antitrust immunity with Malaysia Airlines Berhad on May 27, 2019.

For the product and service, the food and the services at the first class lounges in Narita Airport were improved from April 1, 2019. For the Hawaiian routes, special painted aircraft "ARASHI HAWAII JET", the most famous Japanese pop idol group, has been in operation from May 22, 2019. Tied up with JTB, JAL will provide package tours from local cities in Japan toward Hawaii with direct flights to strengthen its competitiveness.

In international cargo operations, due to factors including U.S.-China trade frictions, Cargo Revenue decreased by 3.3% year on year.

In domestic passenger operations, both leisure and business demand continued to be strong, especially on the Okinawa and Hokkaido routes. In addition to the competitive products and services, extra flights on high-demand routes such as Haneda=Naha during peak seasons including Golden Week further increased the available seat kilometers (ASK) by 0.7%, the passenger traffic grew by 4.3% year on year, increased the revenue passenger kilometers (RPK) by 5.5% and the load factor reached to 71.9%.

For route operations, JAL agreed to start codesharing with Amakusa Airlines on the Kumamoto=Osaka (Itami) routes from August 1, 2019 and its reservation has been open from June 1, 2019. JAL aims to revitalize the Amakusa areas by encouraging more travel in these areas.

For the product and service, JAL decided to accept reservations and purchases 330 days prior to departure from the reservation date of September 10, 2019. Also, it renewed its website design for domestic reservations and purchases from May 14, 2019 for easier use by renewed design, improved reservation flow and added functions for smartphone websites.

For the new business domain, JAL group's strong human resources and advanced technologies are combined for innovation to create new products/services and businesses. A medium- and long-haul low cost carrier business on international route, ZIPAIR Tokyo, is aiming to start its operation in 2020, and its preparation is being made smoothly. For e-commerce business, JAL agreed on April 8, 2019 to establish "JAL Hongyuan Co., Ltd. (JAL Hongyuan)". It will provide a high speed consistent international transportation platform for cross-border EC products for purchases in China. Also, it

will further study new technologies, as a part of measures done by “JAL Innovation Lab”, such as an avatar robot trial at Haneda Airport for better customer guidance and services and better working environments at the same time, and next generation mobile communication standard “5G” or next generation service development using IoT in collaboration with “KDDI DIGITAL GATE” produced by KDDI Corporation.

In financial strategies, to improve capital efficiency and stable shareholder return, JAL started to repurchase its stocks up to 7 million stocks or 20 billion Japanese yen from May 7, 2019. All shares will be cancelled. On May 17, 2019, JAL’s credit rating outlook was improved to A- (positive) from A- (stable) by Rating and Investment Information, Inc. (R&I). We will continue to establish stable financial structure with high capital efficiency at the same time.

Based on “FY2017 to FY2020 JAL Group Medium Term Management Plan – Rolling Plan 2019”, JAL will restore “the trust of customers and society” and improve “corporate value” by reconstructing “safety and sense of security” by all means upon regrets toward administrative actions caused by alcohol-related incidents.

JAL will take firm actions to prepare for the airport capacity expansion in the metropolitan Tokyo area in 2020. JAL will contribute to achieve a national target of 40 million world visitors to Japan annually and the success of the Olympic and Paralympic Games Tokyo 2020. Further, JAL will aggressively take measures toward new value creation, human resource development and social issues solution.

Financial results of each segment are as follows.

## Air Transportation Segment

The operating revenue increased by 3.6% year on year to 324.3 billion yen and the operating profit decreased by 17.2 % year on year to 17.9 billion yen. (The operating revenue and the operating profit are before elimination of transactions between segments.)

The international passenger revenue was 127.8 billion yen, or up 2.4 % year on year.

The domestic passenger revenue was 123.9 billion yen, or up 5.7 % year on year.

The cargo and mail revenue was 22.7 billion yen, or down 6.1 % year on year.

## Consolidated Traffic Results

	Three months ended June 30, 2018	Three months ended June 30, 2019	% or points compared to prior period
<b>INTERNATIONAL</b>			
Revenue passengers carried (number of passengers)	2,251,637	2,262,428	100.5%
Revenue passenger km (1,000 passenger-km)	10,981,570	11,140,493	101.4%
Available seat km (thousands)	13,506,564	13,891,873	102.9%
Revenue passenger-load factor (%)	81.3	80.2	(1.1)
Revenue cargo ton-km (thousands)	601,209	589,970	98.1%
Mail ton-km (thousands)	59,430	40,033	67.4%
<b>DOMESTIC</b>			
Revenue passengers carried (number of passengers)	8,297,288	8,654,594	104.3%
Revenue passenger-km (1,000 passenger-km)	6,153,155	6,488,865	105.5%
Available seat km (thousands)	8,962,079	9,022,198	100.7%
Revenue passenger-load factor (%)	68.7	71.9	3.3
Revenue cargo ton-km (thousands)	83,948	80,716	96.1%
Mail ton-km (thousands)	6,330	6,300	99.5%
<b>TOTAL</b>			
Revenue passengers carried (number of passengers)	10,548,925	10,917,022	103.5%
Revenue passenger-km (1,000 passenger-km)	17,134,726	17,629,359	102.9%
Available seat km (thousands)	22,468,644	22,914,071	102.0%
Revenue passenger-load factor (%)	76.3	76.9	0.7
Revenue cargo ton-km (thousands)	685,157	670,687	97.9%
Mail ton km (thousands)	65,761	46,333	70.5%

- Revenue Passenger Kilometers (RPK) is the number of fare-paying passengers multiplied by the distance flown (km).  
Available Seat Kilometers (ASK) is the number of available seats multiplied by the distance flown (km).  
Revenue Cargo Ton Kilometers (RCTK) is the amount of cargo (ton) transported multiplied by the distance flown (km).
- The distance flown between two points, used for calculations of RPK, ASK and RCTK above is based on the great-circle distance and according to statistical data from IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization).
- International operations: Japan Airlines Co., Ltd.  
Domestic operations: Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., J-Air Co., Ltd., Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd.,
- Figures have been truncated and percentages are rounded off to the first decimal place.

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

There are no changes in the forecast of consolidated financial results and estimated dividends for fiscal year 2019 ending March 31, 2020 disclosed in “Consolidated Financial Results for the year ended March 31, 2019” disclosed on April 26, 2019.

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.



## 2. Consolidated Financial Statements with Some Notes

### (1) Consolidated Balance Sheets as of March 31, 2019 and as of June 30, 2019

(Millions of Yen)

	<b>FY2018</b> <b>As of March 31, 2019</b>	<b>FY2019</b> <b>As of June 30, 2019</b>
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	462,064	431,702
Notes and operating account receivable	153,112	155,230
Securities	60,000	60,000
Flight equipment spare parts and supplies	21,929	23,272
Other	65,095	71,389
Allowance for doubtful accounts	(661)	(646)
<b>Total current assets</b>	<b>761,539</b>	<b>740,948</b>
<b>Non-current assets</b>		
<b>Tangible fixed assets, net</b>		
Flight equipment	733,961	739,859
Other tangible fixed assets	195,254	205,157
<b>Total tangible fixed assets</b>	<b>929,216</b>	<b>945,017</b>
Intangible assets	92,255	92,801
Investments and other assets	247,317	238,042
<b>Total non-current assets</b>	<b>1,268,788</b>	<b>1,275,860</b>
<b>Total assets</b>	<b>2,030,328</b>	<b>2,016,809</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Operating accounts payable	185,650	174,206
Short-term loans payable	65	64
Current portion of long-term loans payable	13,287	13,287
Lease obligations	2,461	2,424
Accounts payable-installment purchase	190	192
Other	252,743	271,274
<b>Total current liabilities</b>	<b>454,399</b>	<b>461,449</b>
<b>Non-current liabilities</b>		
Bonds payable	50,000	50,000
Long-term loans payable	73,524	73,524
Lease obligations	2,504	2,256
Long-term accounts payable-installment purchase	312	263
Provision	5,936	5,930
Net defined benefit liability	212,672	210,400
Other non-current liabilities	30,842	33,807
<b>Total non-current liabilities</b>	<b>375,793</b>	<b>376,183</b>
<b>Total liabilities</b>	<b>830,192</b>	<b>837,633</b>
<b>(Net Assets)</b>		
<b>Shareholders' equity</b>		
Common stock	181,352	181,352
Capital surplus	183,050	183,050
Retained earnings	822,554	815,278
Treasury shares	(535)	(8,211)
<b>Total shareholders' equity</b>	<b>1,186,421</b>	<b>1,171,468</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20,371	18,661
Deferred gains (losses) on hedges	1,837	(2,375)
Foreign currency translation adjustment	99	(43)
Remeasurements of defined benefit plans	(43,596)	(42,162)
<b>Total accumulated other comprehensive income</b>	<b>(21,287)</b>	<b>(25,920)</b>
Non-controlling interests	35,001	33,628
<b>Total net assets</b>	<b>1,200,135</b>	<b>1,179,176</b>
<b>Total liabilities and net assets</b>	<b>2,030,328</b>	<b>2,016,809</b>

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

(Millions of Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating revenue	342,101	355,743
Operating cost	260,698	274,126
Operating gross profit	81,402	81,617
Selling, general and administrative expenses	56,471	60,568
Operating profit	24,930	21,048
Non-operating income		
Interest and dividend income	903	1,356
Other	1,302	1,188
Total non-operating income	2,205	2,545
Non-operating expenses		
Interest expense	202	173
Loss on sales and disposal of flight equipment	3,469	573
Foreign exchange losses	-	1,454
Other	356	118
Total non-operating expenses	4,027	2,318
Ordinary profit	23,108	21,274
Extraordinary income		
Gain on sales of investment securities	-	155
Other	7	19
Total extraordinary income	7	175
Extraordinary losses		
Loss on valuation of investment securities	-	1,151
Provision for doubtful accounts	-	990
Other	300	436
Total extraordinary losses	300	2,577
Profit before income taxes	22,815	18,872
Income taxes	4,122	5,952
Profit	18,693	12,920
<b>Breakdown</b>		
Profit attributable to owners of the parent	17,546	11,909
Profit attributable to non-controlling interests	1,146	1,010
Other comprehensive income		
Valuation difference on available-for-sale securities	5,581	(1,658)
Deferred gains (losses) on hedges	9,046	(3,929)
Foreign currency translation adjustment	(186)	(128)
Remeasurements of defined benefit plans, net of tax	1,354	1,436
Share of other comprehensive income of entities accounted for using equity method	266	(360)
Total other comprehensive income	16,062	(4,640)
Comprehensive income	34,755	8,280
<b>Breakdown</b>		
Comprehensive income attributable to owners of the parent	33,716	7,276
Comprehensive income attributable to non-controlling interests	1,038	1,003

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

(Millions of Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
I . Cash flows from operating activities (※1)	71,828	52,651
II . Cash flows from investing activities	(62,168)	(51,339)
III . Cash flows from financing activities	(37,564)	(31,273)
IV . Cash and cash equivalents at end of period	420,693	491,702
※1 Included amounts for depreciation and amortization:	30,585	34,338

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

(Millions of Yen)

	FY2018 April 1, 2018 to June 30, 2018	FY2019 April 1, 2019 to June 30, 2019
Cash and time deposits	355,693	431,702
Securities	65,000	60,000
Cash and cash equivalents	420,693	491,702

### (4) Notes for Consolidated Financial Statements

#### Going Concern Assumptions

None

#### Explanatory Note in case of Remarkable Changes in Shareholders' Equity

The Company resolved to repurchase shares at the meeting of the Board of Directors held on April 26, 2019, in accordance with the Companies Act Article 156, Paragraph 1, applied by replacement under Article 165, Paragraph 3 of the same Act, and repurchased shares. As a result, treasury stock increased by 7,676 million yen in the first three months of consolidated financial results.

As a result of the above, the treasury stock was 8,211 million yen at the end of the first three months of consolidated financial statements.

#### Changes in Accounting Policies

(Change in the definition of cash and cash equivalents in the Consolidated Statement of Cash Flows - Summary)

Up till now, time deposits with a maturity of more than three months were not included within cash equivalents. However, from this First Quarter Period, time deposits with a maturity of up to one year will be included.

This is because we determined that by including these time deposits within cash equivalents, we would be able to report cash flows more appropriately, given the fact that time deposits with maturities ranging from three months to one year were actually operated together with time deposits with shorter terms of three months or less in recent years, and based on this situation, internal regulations were clarified from this First Quarter Period.

This change in the accounting policy has been retroactively applied. The amount after retroactive application is indicated also in the previous first quarter period.

As a result, Cash flows from investing activities decreased by 27,868 million yen and Cash and cash equivalents at end of period increased by 238,013 million yen in the First Quarter Period.

## Changes in the Accounting Estimates

### (Change in duration)

JAL has improved its accounting system to reflect more properly a durable period of each asset such as engines and cabin interiors of some aircrafts. As a result, the estimated useful lives of these assets have been changed since the First Quarter Period. Accordingly, the operating profit decreased by 3,370 million yen, and the ordinary profit and the profit before income taxes decreased by 2,100 million yen in the in the First Quarter Period.

Its impact on the segment is shown in the "Segment Information".

## Segment Information, etc.

### Segment information

#### a. Consolidated financial results for the first quarter of FY2018 (April 1, 2018 to June 30, 2018)

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

(millions of yen)

	Reportable segment	Others (Note)1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Air transportation				
Operating revenue					
1. Sales to external	286,386	55,714	342,101	—	342,101
2. Intersegment	26,622	8,292	34,915	(34,915)	—
Total	313,009	64,006	377,016	(34,915)	342,101
Segment profit	21,621	3,314	24,936	(5)	24,930

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

2. Adjustment includes intersegment elimination.

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

#### b. Consolidated financial results for the first quarter of FY2018 (April 1, 2019 to June 30, 2019)

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

(millions of yen)

	Reportable segment	Others (Note) 1	Total	Adjustment (Note) 2	Consolidated Statement (Note) 3
	Air transportation				
Operating revenue					
1. Sales to external	296,430	59,312	355,743	-	355,743
2. Intersegment	27,926	8,658	36,584	(36,584)	-
Total	324,357	67,970	392,328	(36,584)	355,743
Segment profit	17,901	3,162	21,064	(16)	21,048

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

2. Adjustment includes intersegment elimination.

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

## 2) Information regarding changes to reported segments

### (Change in duration)

As described in "Changes in the Accounting Estimates", JAL has improved its accounting system to reflect more properly a durable period of each asset such as engines and cabin interiors of some aircrafts. As a result, the estimated useful lives of these assets have been changed since the First Quarter Period. Accordingly, the segment profit decreased by 3,370 million yen in the First Quarter Period.

## Significant Subsequent Event

None