

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Financial Information

*For the nine months ended December 31, 2008 and 2007
and the year ended March 31, 2008*

Disclaimer

This financial information is unaudited. The original Japanese language version of summary statements of financial results is the official version. This is an English version of the Japanese statement of financial results that has been summarized in English for reference purposes for non-Japanese readers. In the event of a discrepancy between the Japanese and English versions, the Japanese version shall prevail.

1. Consolidated Financial Highlights

(Amounts of less than one million yen have been omitted.)

(1) Consolidated Operating Results for the Nine Months Ended December 31, 2008 and December 31, 2007

(Millions of yen except for per share information)

a. Operating revenues:	FY08Q3	¥1,559,303 million	—
	FY07Q3	¥1,701,198 million	(-1.9%)
b. Operating income:	FY08Q3	¥ (8,856)million	—
	FY07Q3	¥ 82,577 million	—
c. Ordinary income:	FY08Q3	¥ (25,657)million	—
	FY07Q3	¥ 79,257million	—
d. Net income (loss):	FY08Q3	¥ (1,924)million	—
	FY07Q3	¥ 20,448 million	—
e. Net income (loss) per share:	FY08Q3	¥ (0.71)	
	FY07Q3	¥ 7.49	
f. Diluted net income per share:	FY08Q3	¥ —	
	FY07Q3	¥ 7.36	

(2) Consolidated Financial Position at December 31, 2008 and March 31, 2008 (FY07)

(Millions of yen except for per share information)

a. Total assets:	FY08Q3	¥1,886,910 million
	FY07	¥2,122,784 million
b. Net assets:	FY08Q3	¥ 219,920 million
	FY07	¥ 471,070 million
c. Net assets ratio excluding minority interests:	FY08Q3	10.5%
	FY07	21.4%
d. Net assets per share excluding minority interests:	FY08Q3	¥ 16.38
	FY07	¥ 110.08

Note 1. Net assets excluding minority interests:

December 31, 2008	¥ 198,211 million
March 31, 2008	¥ 453,934 million

2. Dividends

Annual dividends per share:	FY07	¥	0.00
	FY08	¥	
	FY08		
	(forecast)	¥	0.00

Note1. Revision of dividends forecast for this period: None

Note2. This information of Dividends is for common stock. Refer to page 3 with regard to dividends forecast of preferred stock.

3. Consolidated Financial Forecast for the Year Ending March 31, 2009

(1) Operating revenues:	¥	1,977,000million	(-11.4%)
(2) Operating income:	¥	(37,000)million	—
(3) Ordinary income:	¥	(63,000)million	—
(4) Net income:	¥	(34,000)million	—
(5) Net income per share:	¥	(14.77)	

Note: Revision of financial forecast for this period: Yes

4. Other Information

(1) Significant changes in scope of consolidation

Not applicable.

(2) Adoption of simplified accounting methods for preparation of quarterly consolidated financial statements

Not applicable.

4. Other Information (continued)

(3) Changes in accounting policy in preparation of quarterly consolidated financial statements

a. Changes due to revision or application of accounting standard

Yes.

b. Other changes

Not applicable.

(4) Number of shares in issue

Note 1. Number of shares in issue including common stock in treasury at end of the period:

December 31, 2008	2,732,383,250
March 31, 2008	2,732,383,250

Note 2. Number of shares of common stock in treasury at end of the period:

December 31, 2008	3,164,467
March 31, 2008	3,037,499

Note 3. Average number of shares of common stock in treasury during period

December 31, 2008	2,729,285,594
December 31, 2007	2,729,448,517

5. Dividends of Preferred Stock

Annual dividends per preferred stock	FY07	¥	0.00
	FY08	¥	
	FY08 (forecast)	¥	10.27

Japan Airlines Corporation and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

For the nine months ended December 31, 2008

Qualitative Information and Financial Statements

1. Summary of JAL Group Results for the First Three Quarters of Fiscal Year 2008

(1) Overview of business performance

In the world economy during the reporting period up to the end of the third quarter of the current fiscal year (the nine months from April 1 to December 31, 2008), relatively strong growth continued in countries such as China and India, even in the face of steep rises in crude oil prices during the first half of the fiscal year. From the third quarter, however, the turmoil in financial markets – sparked principally by the subprime mortgage loan problem -- spread into the real economy worldwide, causing severe economic downturns not only in the United States but also in Europe, while East Asian countries such as China, Thailand, Korea, and Singapore experienced abrupt slowdowns in economic activity.

The Japanese economy underwent a gradual deceleration during the first-half of FY2008 under the impact of the slowing of the world economy and sharp increases in prices of raw materials and energy. From the third quarter, however, it has deteriorated rapidly. The financial crisis in the U.S. threw the deterioration of the world economy into sharp relief, and against that backdrop Japan has suffered setbacks in such forms as a major slump in exports, declines in corporate earnings and capital investment, substantial falls in production, and a serious deterioration in the employment situation.

For the JAL Group, the operating environment remained very harsh throughout the nine-month period. In the first-half of FY2008, the price of jet fuel remained at unprecedented high levels, causing fuel costs to rise substantially. Since the start of the third quarter, the sharply deteriorating state of the domestic and overseas economies has given rise to adverse factors such as cutbacks by companies on business trips, which outweighed positive factors such as the sharp declines in oil prices, leading to a significant fall in aviation demand.

Amid these circumstances, the JAL Group launched a wide range of initiatives in line with its FY2008-2010 Medium-Term Revival Plan, which was drawn up in February 2008. This plan, which is referred to as the “New Medium-Term Revival Plan,” focuses on the expansion of the two major airports in the Tokyo metropolitan area – Narita International Airport and Tokyo International Airport at Haneda – scheduled for completion in 2010. The plan aims to build a corporate structure that will enable the Group to generate stable profit in any environment, no matter how harsh. Under this plan, we have been working tirelessly to reduce costs across the board, strengthen the competitiveness of our product and service offerings, and enhance profitability.

In international passenger operations, we maintained our vigorous progress in aircraft

downsizing with the purpose of enhancing profitability by tailoring supply better to match demand. This included switching from medium-sized Boeing 767s to narrowbody Boeing 737-800s on the routes from Narita to Guangzhou, Shanghai, and Hangzhou, from Osaka (Kansai International Airport) to Shanghai and Guangzhou, and from Nagoya (Centrair) to Busan. We have also been switching from 747-400s to Boeing 777s on the routes between Narita and New York and San Francisco, and between Haneda and Shanghai. These steps have been conducted side by side with restructuring our network with progress being made in switching our resources to fast-growing and highly profitable routes. For example, we increased or inaugurated flights on the routes from Narita to New York, Moscow, Hangzhou, Busan, and Seoul, and from Osaka (Kansai) to Shanghai, Hanoi, and Seoul. We also suspended services on the Narita–Xian, Fukuoka–Shanghai, and Nagoya (Centrair)–Busan routes. In addition, we plan to increase the number of charter flights originating at Haneda to approximately 800 in FY2008, well above the total operated in the previous fiscal year, in part thanks to the inauguration of the Haneda–Hong Kong route in July.

During the nine-month period we also expanded codesharing with British Airways, a fellow member of the oneworld® global alliance, and China Eastern Airlines, delivering still greater convenience to our customers. Bolstered by this expanded collaboration, the JAL Group's network of routes to Europe increased to 43 covering 31 cities, and routes between Japan and China grew to 37, covering 13 cities in China with a total of 329 flights per week (as of December 31, 2008). This further expanded what was already the largest network among airlines operating between Japan and China.

By expanding codesharing with Vietnam Airlines we further enlarged our network of routes to Vietnam; a country which has been attracting a remarkable number of Japanese companies to set up operations there. We also commenced codesharing with Jetstar Airways on the Osaka (Kansai)–Gold Coast–Sydney route and the Narita–Cairns route.

With regard to airports from which we operate international routes, we took steps to ensure even smoother and speedier check-in procedures for customers. At Narita Terminal 2, our main international hub airport, we revamped Economy Class check-in counters, installed state-of-the-art automated check-in machines, and with the introduction of an inline luggage screening system departing passengers no longer have to present their luggage for x-ray machine security checks, enabling them to go straight to one of the self check-in machines or check-in counters when arriving at the airport. We also established dedicated immigration counters and security checkpoints for passengers transferring at Narita Airport from domestic to international flights operated by JAL, substantially reducing the minimum connection time. Steps such as these have enabled us to greatly enhance the convenience and comfort offered by this major hub.

In addition, our online passenger service for international routes, which enables customers to use personal computers and similar means to check in and select their seats in advance, was expanded to include customers using tours operated by travel companies, making it available to all customers.

With regard to in-flight services on international routes, in response to an increase in the number of passengers from Korea, we became the first Japanese airline to inaugurate a service in which qualified Korean interpreters make in-flight announcements in Korean and provide an interpreting service. This is provided on selected flights on routes from Narita and Haneda to Korean airports, and reflects our ongoing efforts to ensure that overseas passengers using our services find it an increasingly agreeable experience.

JAL was an official partner of the Japanese Olympic Committee for the Beijing Olympics. In that capacity we implemented a variety of measures to stimulate demand and foster the Olympic spirit. For example, we provided charter flights to support the Japanese national team and operated aircraft which were specially decorated with a special Olympic design.

In domestic passenger operations, we continued to pursue improved profitability through revisions to routes and aircraft downsizing. In the first-half of FY2008, we increased the number of flights on the Haneda–Miyazaki and Osaka (Kansai)–Okinawa routes, and suspended operations on the Sapporo–Okinawa and Kushiro–Asahikawa routes. In the third quarter we increased flights on the routes from Haneda to Matsuyama and Miyazaki and from Narita to Fukuoka, and suspended operations on the routes from Osaka (Kansai) to Hakodate, among other steps. We also modified the fleet, starting the commissioning of the 76-seat Embraer 170, which will serve as a strategic small aircraft on domestic routes, in November 2008. It is to be introduced on the routes from Nagoya (Komaki) to Fukuoka and Matsuyama in February 2009.

We have been using fares as a means to counter increasingly intense competition from other airlines and the Shinkansen. We introduced our new “JAL Business Ticket,” a discount fare targeted at business travelers that can be used even when they need to travel at short notice. The scope of our “Sakitoku (Advance) Discount Fares,” which are designed to attract more people to use airline services, was expanded to encompass our entire domestic network. We also sought to stimulate demand by such means as expanding our “JAL Dynamic Package” travel products available via the Internet, and our group tour offerings.

In the sphere of product strategy, during the summer season we formed a tie-up with Tokyo Disneyland[®] and the AEON Group to conduct the “Natsu Natsu Toku Toku (Summer Special)” campaign covering all JAL Group domestic routes, and in December we conducted a promotion on the Haneda–Osaka (Itami) route to mark the first anniversary of our highly regarded JAL First Class on domestic flights.

In our airport facility operations, in conjunction with our expansion of the number of routes on which we offer our JAL First Class service, we have installed special security gates for entry into our Sakura Lounges at Itami (Osaka) and Shin-Chitose (Sapporo) airports for use by First Class passengers, affording them a faster and more relaxing boarding experience.

In international cargo operations, our existing program of enhancing profitability by decommissioning conventional Boeing 747 freighters was completed in November 2008. We also met demand in China and Southeast Asia through the flexible deployment of medium-sized Boeing 767 freighters. In addition, in the sphere of route management we enhanced customer convenience still further by such means as inaugurating a route from Nagoya (Centrair) to Chicago via Narita. Also, as part of the enhanced dedication to quality called for in the New Medium-Term Revival Plan, in addition to fundamental quality enhancement we also sought to stimulate demand by expanding our high-value-added J PRODUCTS service, which is designed to meet customer needs more effectively. Specifically, in June 2008 we launched J CARRY (for loading on the fastest flight up to three hours before departure), a freight delivery service by special couriers to meet the demand for the carriage of urgent cargoes, followed in August by J DIRECT (for direct carriage to airports of cargoes not yet cleared through customs), with the aim of shortening all goods distribution lead times.

Steps were also taken to broaden JAL's Premium Strategies, which constitute one of the core components of the New Medium-Term Revival Plan. On international routes, the JAL Premium Economy service, which has been very favorably received since its introduction on the Narita–London route, was gradually introduced during the first half of FY2008 to more routes: Narita–Paris, Narita–New York (flights JL006/005), and Narita–San Francisco. In the third quarter, it was also introduced on the routes from Narita to Amsterdam and Moscow, the Osaka (Kansai)–London route, and the Nagoya–Paris route. (Also of note is that the JAL Sky Shell Seat, exclusive to the Premium Economy service, received a 2008 Japan Industrial Design Promotion Organization Good Design Award.) The aircraft operated on the Narita–New York (flights JL006/005) and Narita–San Francisco routes were switched to Boeing 777-300ERs, and new seats were fitted in First Class in the form of the new JAL Suite, and in Executive Class in the form of the new JAL Shell Flat Neo Seat.

For domestic passengers, the JAL First Class service has received high acclaim since its introduction on the Haneda–Osaka (Itami) route. During the first-half of FY2008, it was also introduced on the Haneda–Fukuoka and Haneda–Sapporo routes, and since July it has been offered on all 15 daily flights on the Haneda–Osaka (Itami) route.

The JAL Mileage Bank (JMB), Japan and one of the world's largest frequent flyer programs, was made even more user-friendly and attractive. For example, we extended the cutoff period for the redemption of miles to the end of the month 36 months after flying and introduced the JMB WAON Special, a program that enables JMB members to convert their accumulated mileage into electronic money. As a result of measures such as these, the number of JMB members has been increasing steadily, rising by 4% year-on-year to a total of 21.76 million as of December 31, 2008.

As companies assume increasing social responsibility for protecting the environment, the JAL Group regards environment-conscious practices as an important management issue. In consequence, in April 2008 JAL issued its “Sky Eco” declaration, in which it pledged to further strengthen and promote the environmental measures it has long been implementing. We have been working to cut carbon dioxide emissions through the implementation of a wide range of steps to reduce consumption of jet fuel. These include the replacement of older planes with more fuel-efficient models, the proactive adoption of optimum flight operations, reductions in the weight of on-board equipment and fixtures, and more frequent cleaning of engines to increase their fuel efficiency.

On international routes, JAL engages in environmental activities such as the conduct of atmospheric observations and the provision of information on forest fires gathered from aircraft flying at high altitudes.

In December we announced our participation in the Experimental Introduction of an Integrated Domestic Market for Emissions Trading, which is being operated by the Japanese government, further promoting the environment-oriented policies we have adopted and increasing our involvement in emission trading, which is in the spotlight worldwide. Also in December, JAL announced plans to make a demonstration flight (scheduled for January 30, 2009) using biofuel of which the principal component is camelina (a plant of the brassica family): a world “first.” In addition, in the autumn of 2007 JAL began environment education courses called “Soraiku,” in which currently serving aircraft captains go out into the community, primarily to tell elementary and junior high school children about the state of the Earth as seen from the sky, and about the JAL Group's environmental-conservation efforts. During the nine-month reporting period, 31

courses were held in various parts of the country.

Total operating revenues on a consolidated basis during the nine-month reporting period fell by ¥141.8 billion year-on-year, to ¥1,559.3 billion. This was primarily because operating revenues in the air transportation segment were down year-on-year due to the reduction in air traffic demand against the backdrop of the downturn in the world economy from the early autumn, in addition to the fact that former consolidated subsidiary Pacific Fuel Trading Corporation (PFTC) was removed from the scope of consolidation as a result of the sale of its shares, and because revenue declined in the recession-hit travel services business segment.

Operating costs were impacted by the unprecedented volatility of fuel prices, which dropped from around the beginning of the second half of FY2008, after having remained at all-time highs during the first half of the fiscal year. Amid this, we endeavored to curb the rise in fuel costs by such means as a variety of measures to reduce fuel consumption and increase fuel efficiency, but ultimately we were unable to prevent fuel costs from rising substantially compared with the same period a year earlier. With regard to non-fuel costs, we stepped up the intensity of our existing 'nothing-is-exempt' cost-cutting measures, at the same time accelerating the implementation of cost restructuring, which included a radical overhaul of business design and business processes, and implementing supplementary emergency measures to enhance profitability in the second half. As a result, we were able to cut costs to below their year-earlier levels in most categories. Additionally, PFTC was removed from the consolidation. In consequence, consolidated operating costs declined by ¥50.4 billion to ¥1,568.1 billion.

As net result of this, consolidated operating income in the nine-month reporting period fell by ¥91.4 billion year-on-year, to ¥-8.8 billion, and ordinary income declined by ¥104.9 billion to ¥-25.6 billion. In spite of a year-on-year increase in extraordinary income in the reporting period and a decline in extraordinary losses, net income for the nine-month period fell by ¥22.3 billion to ¥-1.9 billion.

(2) Results by business segment (prior to adjustments for intersegment transactions)

a. Air Transportation Business

On international routes we continued to enhance profitability through steady progress in route restructuring, including the suspension of underperforming routes and a reduction in flight frequency, as well as the downsizing of aircraft, particularly on routes to the US and China. As a result, passenger capacity on international routes declined by 4.5% year-on-year as measured by available seat-kilometers (ASK). On the demand side, tourist demand remained sluggish throughout the period, and although demand from business customers and overseas customers had been brisk through the first quarter, it slackened from the early autumn under the impact of the rapid economic deterioration worldwide.

Consequently, on a route-by-route basis there were substantial year-on-year falls in demand on routes to China, where past food-related scares at the beginning of 2008 continued to have an impact. Passenger traffic was below year-earlier levels on routes to the Americas, Europe, Southeast Asia, Oceania, Guam, and all other routes. In consequence, revenue passenger kilometers (RPK) fell by 12.5%, and the passenger load factor (L/F) was 65.8%, down by 6.1 points. Despite the downward impact of a decline in sales overseas due to the yen's appreciation, passenger yield rose by 13.8% from the previous year, owing primarily to rises in fares and the fuel surcharge. As a result, revenues

from international passenger operations decreased by 0.5% year-on-year to ¥570.2 billion.

Capacity on domestic routes fell by 1.2% year-on-year in terms of available seat-kilometers (ASK), owing to the ongoing progress made in route restructuring and aircraft downsizing for the purpose of enhancing profitability. There was a year-on-year decline in demand from the first half in the case of individual passengers, impacted in part by the above-mentioned capacity cuts, and from November onwards the effect of the economic slowdown was to accentuate the decline. In contrast, up to November demand for group travel was up on the previous year, buoyed by demand stimulus package such as active development of travel products.

As a result, the combined demand of individual and group passengers remained at around its year-earlier level in terms of revenue passenger kilometers (RPK), up by 0.6%, and the passenger load factor (L/F) rose by 1.2 points, to 64.7%. Passenger yield was down slightly (-0.4%) year-on-year, with the result that domestic passenger revenues remained at around their year-earlier level (up 0.2%), at ¥520.9 billion.

Total capacity for international air cargo transportation declined substantially by 5.8% year-on-year in terms of available cargo ton-kilometers. This was attributable principally to completion of the program for retiring conventional Boeing 747 freighters to improve profitability, and the reduction of cargo space resulting from the suspension and reduction of the number of flights by passenger aircraft.

Regarding cargo demand on international routes, factors such as the global economic slowdown and the accelerating appreciation of the yen led to a substantial year-on-year decrease on routes to the Americas and Europe through the reporting nine-month period accentuated by the capacity reductions. Factors such as the reduction of capacity by rival airlines had helped to boost demand on routes to Southeast Asia and China in the first half, but demand slumped on these routes too in the third quarter.

The net result of these developments was that revenue cargo ton-kilometers (RCTK) fell by 14.0% year-on-year. On the other hand, cargo yield was up by 8.2%, boosted by the expansion of the high-value-added J-PRODUCTS range and sales-promotion measures and by the upward revision of the fuel surcharge. The net result of these factors was that revenue from international cargo operations declined by 7.0% year-on-year, to ¥133.5 billion.

Domestic cargo operations were buoyed by the success of painstaking sales measures and by the switch to the handling of Japan Post “You Pack” parcels as airfreight rather than postal items, with the result that both demand and yield showed year-on-year increases.

In international mail services there was firm demand for mail originating in Japan and in the U.S. In the field of domestic mail, however, demand was down year-on-year owing to the switch to handling “You Pack” parcels as freight.

With regard to operating costs in the air transportation segment, fuel costs ultimately rose by ¥107.4 billion from the corresponding period of the previous year, to ¥414.5 billion. On the other hand, thanks to steps such as the continuation and stepping-up of our self-help efforts to cut costs including wages, the implementation of emergency measures to improve profitability, and the acceleration of cost restructuring, almost all categories of non-fuel costs in the air transportation segment showed year-on-year declines. We did everything else possible to absorb the impact of soaring fuel prices by implementing a variety of

measures, including Premium Strategies, to increase revenues.

As a result of the factors outlined above, total operating revenues in the air transportation segment in the nine-month reporting period decreased by ¥18.1 billion to ¥1,374.3 billion, and we recorded an operating loss of ¥17.5 billion, a deterioration of ¥88.8 billion from the previous term.

b. Airline-Related Business

TFK Corporation, an in-flight catering company, posted declines in both revenue and earnings on a year-on-year comparison. Owing to the overall weakness of airline passenger demand, positive factors during the nine-month period -- the commencement of catering services on international charter flights from Haneda Airport and the provision of First Class services on domestic flights -- proved insufficient to offset a decrease in revenues, including those from overseas carriers.

The revenues of the airline-related business segment fell by ¥101.4 billion year-on-year, to ¥162.2 billion (see Note below), and operating income was down by ¥1.8 billion at ¥-2.8 billion.

Note: The principal reasons for the decline in revenues and earnings were the change in status of AGP Corporation from consolidated subsidiary to affiliated accounted for by the equity method, and the sale of subsidiary PFTC.

c. Travel Services Business

From the start of December, JALPAK enjoyed an increase in demand for travel from Japan to South Korea on the back of the appreciation of the Japanese yen against the Korean won. Despite this positive revenue factor, however, revenues and earnings as a whole for the nine-month reporting period declined year-on-year against the background of a worsening economy and the upward trend of the fuel surcharge.

At JAL Tours, the average price of travel packages dropped slightly due to a shift in the overall product lineup toward lower-priced products. On the other hand, the number of passengers per tour to almost all destinations registered a year-on-year increase, and steps to raise productivity were successful in holding down costs. As a result, growth was posted in both revenues and earnings.

Revenues of the travel services business segment declined by ¥36.5 billion year-on-year, to ¥254.9 billion, whereas operating income increased by ¥0.6 billion to ¥1.7 billion.

d. Credit Card and Leasing Services Business

The separation of JALCard's non-card operations as a result of a capital alliance with the Bank of Tokyo-Mitsubishi UFJ exerted a downward impact on both revenues and expenses. However, as a result of aggressive measures to attract new cardholders, such as by offering the "JAL Business Ticket" exclusively to members, the number of cardholders at the end of December 2008 was up by 11% year-on-year, at approximately 2.19 million. The resultant increase in transaction volume led to higher earnings.

Revenues of this segment posted a year-on-year decrease of ¥0.5 billion to ¥48.9 billion, whereas operating income rose by ¥0.6 billion to ¥3.8 billion.

e. Other Businesses

AXESS International Network, which operates reservation systems, suffered declines in both revenues and earnings. This was mainly due to lower revenue from airline reservation charges and commissions from other carriers, owing to the global decline in aviation demand and the yen's appreciation.

The hotel operating company JAL Hotels posted decreases in both revenues and earnings due to the termination of leasing contracts for the Hotel Nikko Winds Narita and the Hotel Nikko Bayside Osaka, as well as the selloff of subsidiaries Nikko Hotels (U.K.) Ltd. and Hotel Nikko Saipan, Inc.

Total revenues of the Other Businesses segment declined by ¥10.6 billion year-on-year, to ¥64.7 billion, while operating income fell ¥1.5 billion to ¥0.8 billion.

2. Qualitative information relating to consolidated financial condition

(1) Assets, liabilities and net assets

Although the value of property, plant and equipment as of the end of the reporting nine-month period, on a consolidated basis, was roughly on a par with the previous term-end, total assets posted a year-on-year decline of ¥235.8 billion to ¥1,886.9 billion as a result of a ¥216.7 billion drop in current assets, mainly due to a fall in cash and cash equivalents resulting from implementation of capital expenditure. Meanwhile, in spite of progress in the redemption of bonds and the repayment of long-term debt, liabilities remained almost unchanged from the previous term-end, at ¥1,666.9 billion, mainly as a result of a large increase in liabilities arising from derivatives transactions. As a result of a sharp increase in deferred hedge losses brought forward under the application of hedge accounting, net assets declined by ¥251.1 billion to ¥219.9 billion.

(2) Cash flows

Cash flows from operating activities

Net cash provided by operating activities came to ¥31.4 billion for the reporting nine-month period as a result of the posting of income before income taxes and minority interests in the amount of ¥2.7 billion after adjustments for non-cash items (primarily depreciation and amortization) and trade receivables/payables.

Cash flows from investing activities

Net cash used in investing activities was ¥124.0 billion, as cash inflow from the sale of tangible fixed assets declined from the corresponding period of the previous year, while cash outflow on the acquisition of investment securities and tangible fixed assets posted a year-on-year increase.

Cash flows from financing activities

Net cash used in financing activities stood at ¥88.1 billion, as a result of the redemption of corporate bonds and the repayment of long-term loans.

Cash and cash equivalents as of the end of the reporting nine-month period came to ¥170.4 billion, for a decrease of ¥183.5 billion from the previous term-end.

3. Qualitative information concerning consolidated performance forecasts

The business situation for our international passenger operations was difficult during the first three quarters of fiscal 2008. Tourist demand had been weak from the start of the term. On top of this, business demand and overseas customer demand plummeted due to the sharp downturn in the global economy sparked by the U.S. financial crisis, particularly since the autumn.

Our domestic passenger operations, which had been holding relatively firm, fell short of our projections. The economic slowdown caused the number of individual bookings to plunge from November, and even group bookings, which had been fairly brisk in the first-half six-month period, posted a year-on-year decline in December.

Demand for international cargo services also fell steeply in response to the economic downturn, and demand remains extremely weak.

Against this backdrop, JAL had hoped that the yen's appreciation and its lowering of fuel surcharges from January 2009 in response to the decline in aviation fuel prices would trigger a recovery in demand. Thus far, however, any such improvement appears to have been offset by the sharp falloff in overall demand resulting from the worsening economic scene. The economic downturn at home and abroad seems set to persist for the foreseeable future, resulting in a concomitant drop in demand for aviation services. In view of this, we now expect JAL's business performance figures for the fiscal 2008 full term to fall even further below the forecast we made on November 7 when announcing the Group's first-half results.

Regarding operating expenses, we have continued to pursue cost-cutting efforts under our policy of making no area of operations exempt from the elimination of unnecessary costs. In addition to the cost-cutting measures implemented by the JAL Group prior to the end of the fiscal year 2008 first half, in the second half we have been conducting an additional package of emergency measures to improve profitability ranging across a wide spectrum of our operations. In addition, jet fuel costs have fallen below our forecasts thanks to the strength of the yen, and total operating costs are expected to be lower than we had forecast at the time of announcement of business results for the first-half period.

As a result of the above, operating revenue is now expected to decrease by ¥116 billion to ¥1,977 billion compared with the forecasts issued together with our first-half earnings statements. On the other hand, due to progress in the reduction of operating costs, operating income is expected to decrease just by ¥65 billion to ¥37 billion (operating loss) and ordinary income is expected to decrease by ¥68 billion to ¥63 billion (ordinary loss). Net loss is expected to be ¥34 billion on a consolidated basis.

Our computation of business performance forecasts is based on the following assumptions: An exchange rate of ¥95.2 = one U.S. dollar for the fiscal 2008 second half and of ¥100.1 = one U.S. dollar for the full term, and with respect to the price of aviation fuel, market prices of US\$77.5 per barrel for Singapore Kerosene for the second half and US\$113.2 per barrel for the full term.

Millions of yen

	Total operating revenues	Operating income	Ordinary income	Net income	Earnings per share
Previous forecast (A)	2,093,000	28,000	5,000	13,000	¥2.45
Revised forecast (B)	1,977,000	(37,000)	(63,000)	(34,000)	¥(14.77)
Increase (decrease) (B-A)	-116,000	-65,000	-68,000	-47,000	—
Percentage change	-5.5	—	—	—	—
(Reference) Figure for previous term (to March 31, 2008)	2,230,416	90,013	69,817	16,921	¥6.20

Note: Please be aware that the above forecasts are based on information available to the management of the Company as of the date of release, and that the actual figures may turn out to be significantly at variance with the forecasts, by reason of a wide variety of factors. The management targets and other forward-looking statements involve current assumptions of future events as well as risks and uncertainties that could significantly affect expected results, including, but not limited to, adverse economic or political conditions in Japan or other countries; increases in aviation fuel prices; negative changes in foreign exchange rates; terrorist attacks and military conflicts, and health epidemics.

Others

(1) Changes in scope of consolidation

Not applicable

(2) Employment of simplified accounting method and special accounting method for the preparation of quarterly financial statements

Not applicable

(3) Changes to accounting standards and special methods for the preparation of quarterly financial statements

1. From the reporting period, we have applied Business Accounting Standard No. 12 (Accounting Standards for the Preparation of Quarterly Financial Statements) and Application Guidelines for Accounting Standard No. 14 (Application Guidelines for Accounting Standards for the Preparation of Quarterly Financial Statements). In addition, our quarterly financial statements have been prepared in accordance with current regulations governing the preparation of consolidated quarterly financial statements.

2. The value of inventories was formerly determined primarily by the cost method based on the moving average method, but the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, Accounting Standards Board, July 5, 2006) is being applied as of the first quarter of reporting period. Inventory value remains to be determined primarily by the cost method based on the moving average method (regarding balance sheet values, however, they are being calculated by a method that reduces book value on the basis of declines in profitability). As a result, during the nine-month reporting period, ordinary loss was ¥553 million larger and income before income taxes and minority interests was ¥553

million lower than these amounts would have been if calculated under the previous accounting standards.

3. As of the first quarter, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force No. 18, May 17, 2006) is being applied. The effect of this on profit and loss is insignificant.

4. Finance lease transactions in which there is no transfer of ownership were formerly accounted for by a method corresponding to that used for ordinary operating lease contracts. However, for quarterly financial statements relating to accounting years commencing on or after April 1, 2008, it is permitted to apply the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (June 17, 1993 (Business Accounting Council, First Subcommittee) revised March 30, 2007) and the Implementation Guidance on the Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee) revised March 30, 2007). Accordingly, they are being duly applied as of the first quarter of reporting period in accordance with accounting relating to ordinary buying and selling transactions. With regard to the method of depreciation of leased assets relating to finance lease transactions in which there is no transfer of ownership, the assets are depreciated by the straight-line method on the assumption that the lease term is the useful life and the residual value is zero.

With regard to finance leases in which there is no transfer of ownership for which contracts were concluded prior to April 1, 2008, they will continue to be accounted for by a method corresponding to that used for ordinary operating lease contracts.

The effect of this on profit and loss is insignificant.

Japan Airlines Corporation and Consolidated Subsidiaries

Comparative Consolidated Balance Sheets

December 31, 2008 and At March 31, 2008

	FY2008	FY2007
	Nine months	As of Mar.31
	ended Dec. 31	
	<i>(Millions of yen)</i>	
Assets		
I. Current assets:		
Cash and time deposits	¥170,997	¥ 354,977
Notes and accounts receivable – trade	219,723	241,349
Short-term investments in securities	31,679	8,795
Supplies	88,450	90,985
Other current assets	85,539	117,783
Allowance for bad debts	(2,800)	(3,575)
Total current assets	<u>593,590</u>	<u>810,315</u>
II. Fixed assets:		
Tangible fixed assets:		
Flight equipment	742,107	721,967
Other tangible fixed assets	318,294	315,149
Total tangible fixed assets	<u>1,060,401</u>	<u>1,037,117</u>
Intangible fixed assets:	<u>80,590</u>	<u>82,838</u>
Investments:	151,043	190,579
Total fixed assets	<u>1,292,035</u>	<u>1,310,534</u>
III. Deferred charges:		
Total deferred charges	<u>1,284</u>	<u>1,933</u>
Total assets	<u>¥1,886,910</u>	<u>¥2,122,784</u>

	FY2008	FY2007
	Nine months	As of Mar.31
	ended Dec. 31	
	<i>(Millions of yen)</i>	
Liabilities		
I. Current liabilities:		
Accounts payable – trade	¥211,377	¥ 264,914
Short-term borrowings	3,271	3,084
Current portion of bonds	35,000	28,000
Current portion of long-term loans	114,794	130,335
Accrued income taxes	2,438	4,454
Allowance	—	6,529
Other current liabilities	312,616	223,910
Total current liabilities	<u>679,497</u>	<u>661,229</u>
II. Non-current liabilities:		
Bonds	67,229	102,229
Long-term loans	609,592	651,416
Accrued pension and severance costs	95,555	95,485
Other Allowance	5,010	15,210
Other non-current liabilities	210,106	126,142
Total non-current liabilities	<u>987,492</u>	<u>990,483</u>
Total liabilities	<u>1,666,990</u>	<u>1,651,713</u>
Net assets		
I. Stockholders' equity:		
Common stock and preferred stock	251,000	251,000
Capital surplus	155,814	155,836
Retained earnings	39,396	41,320
Common stock in treasury, at cost	(898)	(890)
Total stockholders' equity	<u>445,312</u>	<u>447,266</u>
II. Valuation, translation adjustments and other:		
Net unrealized gain on other securities, net of taxes	(2,037)	2,578
Net unrealized gain on hedging instruments, net of taxes	(239,656)	8,167
Translation adjustments	(5,408)	(4,077)
Total valuation, translation adjustments and other	<u>(247,101)</u>	<u>6,668</u>
III. Minority interests	21,709	17,136
Total net assets	<u>219,920</u>	<u>471,070</u>
Total liabilities and net assets	<u>¥1,886,910</u>	<u>¥2,122,784</u>

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Operations

For the nine months ended December 31, 2008

	FY2008 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Operating revenues	¥1,559,303
Cost of operating revenues	1,325,917
Gross Profit	233,385
Selling, general and administrative expenses	242,242
Operating income	(8,856)
Non-operating income:	
Interest income and dividend income	3,902
Equity in earnings of affiliates	1,449
Income on derivative instruments	13,793
Other non-operating income	4,721
Total non-operating income	23,866
Non-operating expenses:	
Interest expense	13,367
Exchange loss, net	11,960
Other non-operating expenses	15,339
Total non-operating expenses	40,667
Ordinary income	(25,657)
Extraordinary gain:	
Gain from licensing card-related usage rights	23,426
Gain on sales of investments in securities	18,047
Other extraordinary gain	2,576
Total extraordinary gain	44,050
Extraordinary losses:	
Loss recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan, net	8,798
Other extraordinary losses	6,838
Total extraordinary losses	15,636
Income before income taxes and minority interests	2,757
Income taxes	3,771
Minority interests	910
Net (loss) income	¥(1,924)

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Operations

FY2008 third quarter (Oct. 1 ~ Dec. 31)

	FY2008 third quarter
	(Oct. 1 ~ Dec. 31)
	<i>(Millions of yen)</i>
Operating revenues	¥485,706
Cost of operating revenues	450,521
Gross Profit	35,184
Selling, general and administrative expenses	74,270
Operating income	(39,085)
Non-operating income:	
Interest income and dividend income	1,284
Equity in earnings of affiliates	407
Income on derivative instruments	13,328
Other non-operating income	1,163
Total non-operating income	16,183
Non-operating expenses:	
Interest expense	4,336
Exchange loss, net	10,892
Other non-operating expenses	5,549
Total non-operating expenses	20,779
Ordinary income	(43,680)
Extraordinary gain:	
Gain on reversal for loss on antitrust litigation	825
Other extraordinary gain	337
Total extraordinary gain	1,162
Extraordinary losses:	
Loss on sales and disposal of fixed assets	494
Loss on impairment of fixed assets	708
Other extraordinary losses	204
Total extraordinary losses	1,406
Income before income taxes and minority interests	(43,925)
Income taxes	(5,505)
Minority interests	179
Net (loss) income	¥(38,599)

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended December 31, 2008

	FY2008 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Operating activities	
Income before income taxes and minority interests	¥ 2,757
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:	
Depreciation and amortization	87,738
Gain and loss on sales and loss on revaluation of short-term investments in securities and investments in securities, net	(18,011)
Gain and loss on sales and disposal of fixed assets and loss on impairment of fixed assets, net	8,271
Net provision for accrued pension and severance costs	96
Interest and dividend income	(3,902)
Interest expense	13,367
Exchange loss, net	2,378
Equity in earnings of affiliates	(1,449)
Gain from licensing card-related usage rights	(23,426)
Increase in notes and accounts receivable – trade	19,797
Increase in supplies	2,915
Decrease in accounts payable – trade	(51,930)
Other	(15,384)
Subtotal	23,219
Interest and dividends received	4,202
Interest paid	(14,478)
Proceeds from gain from licensing card-related usage rights	23,426
Income taxes paid	(4,968)
Net cash provided by operating activities	31,401
Investing activities	
Purchases of time deposits	(117,710)
Proceeds from maturity of time deposits	116,426
Purchases of fixed assets	(143,063)
Proceeds from sales of fixed assets	24,079
Purchases of short-term investments in securities	(42,328)
Proceeds from sales and maturity of short-term investments in securities	20,443
Purchases of investments in securities	(4,374)
Proceeds from sales and maturity of investments in securities	22,399
Payments for sales of consolidated subsidiaries resulting in change in scope of consolidation	(375)
Proceeds from sales of consolidated subsidiaries resulting in change in scope of consolidation	126
Loans receivable made	(1,708)
Collection of loans receivable	1,302
Other	685
Net cash used in investing activities	(124,096)

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows (continued)

For the nine months ended December 31, 2008

	FY2008 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Financing activities	
Increase in short-term borrowings, net	¥ 11
Proceeds from long-term loans	45,169
Repayment of long-term loans	(102,534)
Redemption of bonds	(28,000)
Dividends paid to minority interests	(207)
Other	(2,551)
Net cash (used in) provided by financing activities	(88,112)
Effect of exchange rate changes on cash and cash equivalents	(2,476)
Net decrease in cash and cash equivalents	(183,284)
Cash and cash equivalents at beginning of year	354,037
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(291)
Cash and cash equivalents at end of year	¥ 170,462

Components of Revenues from the Air Transportation Segment

a. Business segment information

FY2008 Nine months ended Dec. 31								
	Air trans- portation	Airline- related business	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consoli- dated
<i>(Millions of yen)</i>								
Operating revenues:								
Sales to third parties	¥1,225,716	¥27,181	¥252,102	¥14,001	¥40,301	¥1,559,303	¥ -	¥1,559,303
Inter-group sales and transfers	148,603	135,088	2,883	34,901	24,481	345,958	(345,958)	-
Total	1,374,320	162,269	254,985	48,903	64,783	1,905,262	(345,958)	1,559,303
Operating income	¥ (17,585)	¥2,859	¥1,758	¥3,818	¥830	¥(8,317)	¥(539)	¥(8,856)

FY2008 third quarter(Oct. 1~Dec. 31)								
	Air trans- portation	Airline- related business	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consoli- dated
<i>(Millions of yen)</i>								
Operating revenues:								
Sales to third parties	¥384,496	¥9,059	¥73,798	¥4,496	¥13,855	¥485,706	¥ -	¥485,706
Inter-group sales and transfers	48,019	44,870	964	11,211	8,402	113,468	(113,468)	-
Total	432,515	53,929	74,763	15,707	22,258	599,174	(113,468)	485,706
Operating income	¥ (42,555)	¥1,252	¥828	¥900	¥619	¥(38,954)	¥(131)	¥(39,085)

This segmentation has been determined for internal management purposes.

Businesses other than air transportation, airline-related businesses, travel services and card and lease operations are insignificant to the consolidated results of operations of the Company and its consolidated subsidiaries and, accordingly, have been included in "Other."

b. Geographic segment information

Total operating revenues from operations in Japan for the nine months ended December 31, 2008 and the third quarter from October 1 to December 31, 2008 represented more than 90% of consolidated operating revenues. As a result, geographic segment information for the nine months ended December 31, 2008 and the third quarter from October 1 to December 31, 2008 is not required to be disclosed in accordance with accounting principles generally accepted in Japan.

c. Operating revenues from overseas operations

	FY2008 Nine months ended Dec. 31			
	Asia and Oceania	North and South America	Europe	Total
	<i>(Millions of yen)</i>			
Operating revenues from overseas operations	¥354,921	¥221,867	¥162,840	¥739,630
Consolidated operating revenues				¥1,559,303
Consolidated operating revenues as a percentage of operating revenues from overseas operations	22.8%	14.2%	10.4%	47.4%

	FY2008 third quarter(Oct. 1~Dec. 31)			
	Asia and Oceania	North and South America	Europe	Total
	<i>(Millions of yen)</i>			
Operating revenues from overseas operations	¥108,420	¥67,090	¥45,032	¥220,542
Consolidated operating revenues				¥485,706
Consolidated operating revenues as a percentage of operating revenues from overseas operations	22.3%	13.8%	9.3%	45.4%

Operating revenues from overseas operations, which include international passenger and cargo services of Japan Airlines International Co., Ltd., and JALways Co., Ltd., export sales of domestic subsidiaries, and sales of subsidiaries outside Japan

The major countries and areas included in each region were as follows:

Asia and Oceania:	China, South Korea, Singapore, India, Australia, Guam
North and South America:	U.S.A. (excluding Guam), Canada, Mexico, Brazil
Europe:	U.K., France, Germany, Italy

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Operations

For the nine months ended December 31, 2007

	FY2007 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Operating revenues	¥1,701,198
Cost of operating revenues	1,345,060
Gross Profit	356,137
Selling, general and administrative expenses	273,560
Operating income	82,577
Non-operating income:	
Interest income and dividend income	6,025
Equity in earnings of affiliates	1,986
Other non-operating income	16,868
Total non-operating income	24,880
Non-operating expenses:	
Interest expense	15,154
Other non-operating expenses	13,045
Total non-operating expenses	28,200
Ordinary income	79,257
Extraordinary gain:	
Gain on sales of investments in securities	9,736
Other extraordinary gain	2,904
Total extraordinary gain	12,640
Extraordinary losses:	
Special termination benefits	19,812
Provision of reserve for loss on antitrust litigation	11,543
Other extraordinary losses	19,607
Total extraordinary losses	50,963
Income before income taxes and minority interests	40,935
Income taxes	19,405
Minority interests	1,080
Net (loss) income	¥20,448

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Operations

FY2007 third quarter (Oct. 1 ~ Dec. 31)

	FY2007 second quarter
	(Oct. 1 ~ Dec. 31)
	<i>(Millions of yen)</i>
Operating revenues	¥558,264
Cost of operating revenues	442,191
Gross Profit	116,073
Selling, general and administrative expenses	90,147
Operating income	25,925
Non-operating income:	
Interest income and dividend income	1,983
Equity in earnings of affiliates	543
Other non-operating income	2,616
Total non-operating income	5,144
Non-operating expenses:	
Interest expense	5,120
Other non-operating expenses	5,414
Total non-operating expenses	10,534
Ordinary income	20,534
Extraordinary gain:	
Gain on sales of investments in securities	4,167
Other extraordinary gain	282
Total extraordinary gain	4,449
Extraordinary losses:	
Special termination benefits	7,409
Other extraordinary losses	2,993
Total extraordinary losses	10,402
Income before income taxes and minority interests	14,581
Income taxes	879
Minority interests	562
Net (loss) income	¥13,139

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended December 31, 2007

	FY2007 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Operating activities	
Income before income taxes and minority interests	¥40,935
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:	
Depreciation and amortization	87,313
Gain and loss on sales and loss on revaluation of short-term investments in securities and investments in securities, net	(9,389)
Gain and loss on sales and disposal of fixed assets and loss on impairment of fixed assets, net	18,157
Net provision for accrued pension and severance costs	(4,989)
Interest and dividend income	(6,025)
Interest expense	15,154
Exchange loss, net	(1,028)
Equity in earnings of affiliates	(1,986)
Increase in notes and accounts receivable – trade	(9,601)
Increase in supplies	(7,808)
Increase in accounts payable – trade	(4,351)
Other	15,850
Subtotal	132,230
Interest and dividends received	6,355
Interest paid	(14,558)
Income taxes paid	(6,438)
Net cash provided by operating activities	117,589
Investing activities	
Purchases of time deposits	(909)
Proceeds from maturity of time deposits	8,048
Purchases of fixed assets	(134,999)
Proceeds from sales of fixed assets	51,580
Purchases of short-term investments in securities	(9,006)
Proceeds from sales and maturity of short-term investments in securities	9,087
Purchases of investments in securities	(1,334)
Proceeds from sales and maturity of investments in securities	15,828
Proceeds from sales of consolidated subsidiaries resulting in change in scope of consolidation	7,511
Loans receivable made	(1,338)
Collection of loans receivable	2,663
Other	202
Net cash used in investing activities	(52,667)

Japan Airlines Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows (continued)

For the nine months ended December 31, 2007

	FY2007 Nine months ended Dec. 31
	<i>(Millions of yen)</i>
Financing activities	
Increase in short-term borrowings, net	¥(1,728)
Proceeds from long-term loans	74,962
Repayment of long-term loans	(83,471)
Redemption of bonds	(50,000)
Dividends paid to stockholders	(4)
Dividends paid to minority interests	(260)
Other	(2,019)
Net cash (used in) provided by financing activities	(62,522)
Effect of exchange rate changes on cash and cash equivalents	876
Net increase in cash and cash equivalents	3,275
Cash and cash equivalents at beginning of year	191,381
Cash and cash equivalents at end of year	¥194,657

Components of Revenues from the Air Transportation Segment

a. Business segment information

FY2007 Nine months ended Dec. 31								
	Air trans- portation	Airline- related business	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consoli- dated
<i>(Millions of yen)</i>								
Operating revenues:								
Sales to third parties	¥1,238,690	¥115,324	¥287,900	¥12,996	¥46,286	¥1,701,198	¥ -	¥1,701,198
Inter-group sales and transfers	153,824	148,401	3,601	36,476	29,181	371,485	(371,485)	-
Total	1,392,514	263,725	291,501	49,472	75,468	2,072,683	(371,485)	1,701,198
Operating income	¥71,278	¥4,716	¥1,074	¥3,209	¥2,357	¥82,636	¥(58)	¥82,577
FY2007 third quarter(Oct. 1~Dec. 31)								
	Air trans- portation	Airline- related business	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consoli- dated
<i>(Millions of yen)</i>								
Operating revenues:								
Sales to third parties	¥414,970	¥32,405	¥90,419	¥4,364	¥16,103	¥558,264	¥ -	¥558,264
Inter-group sales and transfers	45,909	49,946	1,324	12,527	9,436	119,144	(119,144)	-
Total	460,879	82,352	91,744	16,892	25,539	677,409	(119,144)	558,264
Operating income	¥21,485	¥2,310	¥4	¥1,064	¥1,284	¥26,149	¥(224)	¥25,925

This segmentation has been determined for internal management purposes.

Businesses other than air transportation, airline-related businesses, travel services and card and lease operations are insignificant to the consolidated results of operations of the Company and its consolidated subsidiaries and, accordingly, have been included in "Other."

Components of Revenues in the Air Transportation Segment

	Nine months ended		Nine months ended		Change
	December 31, 2007		December 31, 2008		Percentage
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Percentage</u>
<i>(Millions of yen)</i>					
International:					
Passenger operations	¥572,967	41.2%	¥570,205	41.5%	99.5%
Cargo operations	143,636	10.3	133,583	9.7	93.0
Mail-service operations	7,605	0.5	6,808	0.5	89.5
Luggage operations	1,478	0.1	1,212	0.1	82.0
Subtotal	<u>725,687</u>	<u>52.1</u>	<u>711,810</u>	<u>51.8</u>	<u>98.1</u>
Domestic:					
Passenger operations	520,112	37.4	520,997	37.9	100.2
Cargo operations	21,430	1.5	27,322	2.0	127.5
Mail-service operations	7,815	0.6	3,471	0.3	44.4
Luggage operations	234	0.0	225	0.0	96.3
Subtotal	<u>549,593</u>	<u>39.5</u>	<u>552,017</u>	<u>40.2</u>	<u>100.4</u>
Other revenues	47,228	3.4	49,573	3.6	105.0
Incidental business revenues	70,005	5.0	60,918	4.4	87.0
Total revenues	<u>¥1,392,514</u>	<u>100.0%</u>	<u>¥1,374,320</u>	<u>100.0%</u>	<u>98.7%</u>

Consolidated Traffic Results

	FY2007	FY2008	Change
	nine months	nine months	
	ended Dec. 31	ended Dec. 31	Percentage
	<u>April 1—December 31</u>	<u>April 1—December 31</u>	
International:			
Number of passengers	10,061,760	8,891,313	88.4
Revenue Passenger-Km(thousand km)	45,697,349	39,970,292	87.5
Available Seat-Km(thousand km)	63,600,428	60,745,669	95.5
Passenger load factor	71.9	65.8	(6.1)
Revenue Cargo Tons-Km(thousand km)	3,374,920	2,901,189	86.0
Mail Tons-Km(thousand km)	144,113	150,115	104.2
Revenue(total) Tons-Km(thousand km)	7,753,143	6,754,908	87.1
Available Tons-Km(thousand km)	11,450,204	10,834,909	94.6
Weight load factor(*)	67.7	62.3	(5.4)
Domestic:			
Number of passengers	31,915,821	31,940,692	100.1
Revenue Passenger-Km(thousand km)	24,106,789	24,254,824	100.6
Available Seat-Km(thousand km)	37,954,571	37,495,690	98.8
Passenger load factor	63.5	64.7	1.2
Revenue Cargo Tons-Km(thousand km)	307,135	358,317	116.7
Mail Tons-Km(thousand km)	66,531	22,012	33.1
Revenue(total) Tons-Km(thousand km)	2,180,237	2,198,078	100.8
Available Tons-Km(thousand km)	4,452,543	4,471,163	100.4
Weight load factor(*)	49.0	49.2	0.2
Total:			
Number of passengers	41,977,581	40,832,005	97.3
Revenue Passenger-Km(thousand km)	69,804,138	64,225,116	92.0
Available Seat-Km(thousand km)	101,554,999	98,241,359	96.7
Passenger load factor	68.7	65.4	(3.3)
Revenue Cargo Tons-Km(thousand km)	3,682,055	3,259,506	88.5
Mail Tons-Km(thousand km)	210,644	172,127	81.7
Revenue(total) Tons-Km(thousand km)	9,933,380	8,952,986	90.1
Available Tons-Km(thousand km)	15,902,747	15,306,072	96.2
Weight load factor(*)	62.5	58.5	(4.0)

Notes:

International: Japan Airlines International Co., Ltd. + Jalways Co., Ltd.

Domestic: Japan Airlines International Co., Ltd. + Japan Trans Ocean Air Co., Ltd. +
Jal Express Co., Ltd. + Japan Air Commuter Co., Ltd. + Hokkaido Air System Co., Ltd.
+ J Air Co., Ltd. + Ryukyu Air Commuter Co., Ltd.

With regard to the first quarter of FY2007,

International: Japan Airlines International Co., Ltd. + Japan Asia Airways Co., Ltd.
+ Jalways Co., Ltd.

Domestic: Japan Airlines International Co., Ltd. + Japan Trans Ocean Air Co., Ltd.
+ Jal Express Co., Ltd. + Japan Air Commuter Co., Ltd. + Hokkaido Air System Co., Ltd.
+ J Air Co., Ltd. + Ryukyu Air Commuter Co., Ltd.

(*)Weight load factor: Revenue(total) Tons-Km(thousand km) / Available Tons-Km(thousand km)