

JAPAN AIRLINES CORPORATION AND CONSOLIDATED SUBSIDIARIES RESULTS FOR THE YEAR ENDED MARCH 31 2005

TOKYO MAY 9,2005: Japan Airlines Corporation, today announced the consolidated financial results of the JAL Group for the year ended March 31, 2005. The announcement includes the company's forecast for the year ending March 31, 2006.

- Total sales revenues were 2,129.8 billion yen (10.2% up on the previous year)
- Total operating costs were 2,073.7 billion yen (3.7% up on the previous year)
- Operating income was 56.1 billion yen (in the previous year, a *loss* of 67 billion yen)
- Ordinary income was 69.8 billion yen (previous year, a *loss* of 71 billion yen)
- Net income was 30 billion yen (previous year, a *loss* of 88 billion yen)
- International passenger traffic increased by 25.5%
- JAL's fuel bill rose 18% on the previous year to a total of 288.9 billion yen.

Units:millions of yen

	Final Result FY 2004 (Year ending Mar 31, 2005)	Forecast revised on March 10, 2005	Previous Result FY2003 (Year ending Mar 31, 2004)
Total operating revenue	2,129,800	2,121,000	1,931,700
International Passenger revenue	671,200	669,000	549,700
Domestic passenger Revenue	674,700	671,000	668,800
International cargo Revenue	171,300	171,100	153,000
Operating income (loss)	56,100	55,000	(-67,600)
Ordinary income (loss)	69,800	68,000	(-71,900)
Net income (loss)	30,000	27,000	(-88,600)

FACTORS IN THE RESULTS

1. International passenger

Although the recovery in demand of group leisure travel on S.E.Asia and China routes was lower than forecast, passenger demand that had fallen due to SARS showed clear signs of steady recovery and the international revenue passenger total was 25.5% up on the previous year.

Revenue totaled 671.2 billion yen, 121.5 billion yen more than in FY2003. The number of international passengers carried by JAL Group airlines rose to 14,743,222. (FY2003 total: 11,745,032).

2. Domestic passenger

JAL made efforts to increase competitiveness by introducing new passengers services, including a new passenger class, "Class J", featuring a new seat and time-saving and more convenient check-in system based on the use of IC (integrated circuit) cards, the JAL IC Check-in service. However travel demand, which had shifted from international travel in FY2003, returned to international travel in FY2004. Another factor was the high occurrence of typhoons in the year, causing many flight cancellations and service disruptions. As a result the total number of domestic passengers was down 3.7% to 44,705,084. However, yield per passenger increased by 4.7% over the previous year. Domestic passenger revenue increased by 5.9 billion yen to 674.7 billion yen.

3. International cargo

International cargo traffic did very well because of an increase in business activities in the USA and China markets. Revenue cargo in terms of revenue ton kilometers performed was up by 7.1% on the previous year and demand significantly increased.

Commodities including DVD players, digital cameras, flat screen televisions – products and parts – showed great growth in exports and imports. Revenues were up by 18.3 billion yen to 171.3 billion yen. Total tonnage carried was 804,940 tons, 8.1% up on the previous year.

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4. Others:

The price of fuel, using the benchmark of Singapore kerosene, had averaged US\$33.0 per barrel in the previous year, but rose to an average of US\$49.8 per barrel in the year ended March 31, 2005, resulting in an increase in JAL's fuel bill of 44.1 billion yen, to a total of 288.9 billion yen (up 18%).

Non-operating income included 29.2 billion yen in credit memos linked to aircraft purchases.

The average US dollar exchange rate changed from the previous year's rate of 114 yen to the dollar to an average rate for the year of 107.6 yen, which had the effect of boosting international air transport segment income by 15.3 billion yen.

Although the business environment is severe due to rising fuel prices and flagging domestic demand, international passenger demand is steadily recovering and because of JAL Group-wide contingency measures to improve revenues such as cost cuts, reviews of route network and flight frequencies, the net profit for the year was 30 billion yen.

The JAL Group proposes a dividend of four yen per share for FY2004 (subject to the annual general meeting of stockholders in June).

OUTLOOK FOR FY2005

1. Consolidated Financial Forecast for the Year Ending March 31, 2006

The current forecasts of consolidated results for the next fiscal year (FY2005) are as follows:

Units: millions of yen

	FY 2005 - Year ended March 31, 2006	Difference on FY2004 Year ended March 31, 2005
(1) Consolidated operating revenues:	2,209,000	+79,100
International passenger revenue	(720,000)	(+48,700)
Domestic passenger revenue	(685,000)	(+10,200)
International cargo revenue	(175,000)	(+3,600)
(2) Consolidated operating income	60,000	+3,800
(3) Consolidated ordinary income	29,000	(- 40,800)
(4) Consolidated net income	17,000	(- 13,000)

2. Factors in FY2005 outlook

International passenger: JAL will suspend low yield routes and reallocate resources to high yield, high growth routes, notably in Asia and China, rebuilding the network with the focus on profitability. JAL will plan and introduce new passenger services to meet customer needs. The group expects an increase in international passenger revenues of 48.7 billion yen on the year just ended.

Domestic passenger: JAL will promote customer convenience and competitiveness through e-marketing and the expansion of services such as Class J and IC check-in service. JAL expects an increase of revenue of 10.2 billion yen.

International cargo: JAL will actively expand into growth markets in Asia and China and forecasts a revenue increase of 3.6 billion yen.

Others: Fuel prices continue to rise from the average cost per barrel of US\$54.00, the figure on which JAL's current 2005-2007 business plan is based, but JAL doesn't plan to change the forecast because the company expects to take further counter measures to improve revenues. These counter measures include personnel costs reductions, structural reform of international passenger business, revision of outsourcing policies, reduction of sales costs based on expansion of e-business and asset reviews and debt reduction, as announced in March in the

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JAL Group's current medium term business plan for the period April 1st 2005 to March 31st 2007.

JAL has no plans to post more aircraft credit memos.

In the current fiscal year due to end March 31, 2006, the JAL Group expects operating income of 60 billion yen, ordinary income of 29 billion yen and net income of 17 billion yen, with a dividend of four yen per share.

JAL GROUP-COMPARATIVE CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE YEAR ENDED MARCH 31 2005

Units: millions of yen

Year Ended	2005.3.31	2004.3.31
Category	JAL Group consolidated	JAL Group consolidated
Operating revenues	2,129,876	1,931,742
Operating expenses	2,073,727	1,999,387
Operating costs	(1,685,675)	(1,605,917)
Sales expenses, etc	(388,051)	(393,470)
Operating income (loss)	56,149	(-67,645)
Non-operating income	64,446	43,024
Non-operating expenses	50,790	47,317
Ordinary income (loss)	69,805	(-71,938)
Extraordinary profit	6,571	6,923
Extraordinary loss	31,710	17,134
Income before income taxes	44,666	(-82,148)
Income taxes, current	7,897	8,854
Income taxes, deferred	4,251	(-3,092)
Minority interests	2,420	709
Net income	30,096	(-88,619)

JAL GROUP: INTERNATIONAL DATA - PASSENGERS/ RPK/ ASK & LOAD FACTORS FY2004 - JAL, JAA and JALWAYS only

ROUTE	PAX NBR FY2004	2003 %	RPK 000s FY2004	2003 %	ASK 000s FY2004	2003 %	Seat L/F FY2004	2003 L/F%
Transpacific	3,397,866	107.5	26,019,557	107.0	33,637,898	99.6	77.4	107.5
Europe	1,570,847	115.3	14,608,174	115.4	20,980,997	110.0	69.6	104.9
S.E.Asia	4,478,227	135.7	14,870,895	130.2	24,624,752	117.1	60.4	111.2
Oceania	851,984	104.9	5,925,197	105.3	8,182,373	105.2	72.4	100.0
Guam & Saipan	1,076,967	126.4	2,673,266	129.0	3,869,963	111.5	69.1	115.8
Korea	1,616,502	128.6	1,616,749	132.0	2,201,660	108.4	73.4	121.8
China	1,750,251	174.9	3,270,299	177.1	5,980,454	133.6	54.7	132.5
Others	578	/	2,181	/	14,159	/	15.4	/
JAL GROUP TOTAL	14,743,222	125.5	68,986,317	116.6	99,492,256	108.6	69.3	107.4

RPK = Revenue Passenger Kilometers (product of distance flown multiplied by revenue passengers carried)

ASK=Available Seat Kilometers (capacity)

Seat L/F = Seat Load Factor, the percentage of seats filled per flight

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JAL GROUP - CONSOLIDATED TRAFFIC STATISTICS Years ended March 31, 2005 & 2004

	Year ended March 31, 2005	Year ended March 31, 2004	Change % or points
INTERNATIONAL			
Passenger number	14,743,222	11,745,032	125.5%
Revenue passenger Kilometers (000)	68,986,317	59,159,861	116.6%
Available seat Kilometers (000)	99,492,256	91,644,570	108.6%
Revenue seat load Factor	69.3%	64.6%	4.7 points
Revenue cargo ton Kilometers (000)	4,681,726	4,372,329	107.1%
Mail ton kilometers (000)	149,058	154,621	96.4%
Revenue ton Kilometers (000)	11,252,602	10,032,252	112.2%
Available ton kilometers (000)	16,613,543	15,481,469	107.3%
Revenue weight load factor	67.7%	64.8%	2.9 points
DOMESTIC			
Passenger number	44,705,084	46,427,218	96.3%
Revenue passenger Kilometers (000)	33,367,574	34,627,625	96.4%
Available seat Kilometers (000)	52,410,183	54,206,160	96.7%
Revenue seat load factor	63.7%	63.9%	-0.2 points
Revenue cargo ton Kilometers (000)	394,566	376,283	104.9%
Mail ton kilometers (000)	77,769	78,197	99.5%
Revenue ton Kilometers (000)	2,973,756	3,050,235	97.5%
Available ton kilometers (000)	6,157,241	6,383,940	96.4%
Revenue weight l/factor	48.3%	47.8%	0.5 points
TOTAL			
Passenger number	59,448,306	58,172,250	102.2%
Revenue passenger Kilometers (000)	102,353,891	93,787,486	109.1%
Available seat Kilometers (000)	151,902,439	145,850,730	104.1%
Revenue seat load factor	67.4%	64.3%	3.1 points
Revenue cargo ton Kilometers (000)	5,076,292	4,748,612	106.9%
Mail ton kilometers (000)	226,827	232,818	97.4%
Revenue ton Kilometers (000)	14,226,358	13,082,487	108.7%
Available ton Kilometers (000)	22,770,784	21,865,409	104.1%
Revenue weight l/f	62.5%	59.8%	2.7 points

CONSOLIDATED JAL GROUP AIR TRANSPORT SEGMENT REVENUE

For the year ended March 31, 2005

Units: millions of yen

Year ended	March 2005 (FY 2004)	%	March 2004 (FY 2003)	%
INTERNATIONAL (1)				
Passenger	671,291	39.5	549,764	35.5
Cargo	171,399	10.1	153,015	9.9
Mail	7,632	0.4	8,315	0.5
Baggage	2,487	0.1	2,149	0.1
Sub total	852,810	50.1	713,246	46.0
DOMESTIC (2)				
Passenger	674,732	39.7	668,888	43.2
Cargo	30,534	1.8	30,814	2.0
Mail	9,963	0.6	11,856	0.8
Baggage	234	0.0	306	0.0
Sub total	715,464	42.1	711,866	46.0
COMBINED TOTAL (1) + (2)	1,568,275	92.2	1,425,112	92.0
Other flight operations revenues	46,473	2.7	41,925	2.7
Other operating revenues	86,619	5.1	81,785	5.3
TOTAL OPERATING REVENUES	1,701,367	100.0	1,548,823	100.0