

Japan Airlines Corporation and Consolidated Subsidiaries FY2005 Third Quarter Results

Tokyo February 6, 2006: Japan Airlines Corporation the holding company of the JAL Group today announced consolidated results for the third quarter (October-December 2005 inclusive) of the financial year ending March 31 2006 (FY 2005).

Total operating revenues for the three-month period were 556.9 billion Japanese yen, up 3.9% on the same period last year. Operating costs were 573.5 billion yen (6.28% up on last year), resulting in a third quarter operating loss of 16.6 billion yen. JAL recorded an ordinary loss of 20.6 billion yen and a net loss of 11.0 billion yen.

For the first three quarters of financial year 2005 (April 1 – December 31, 2005), total operating revenues were 1,669.2 billion yen, up 3.6% on the same period last year. Operating expenses were 1,670.1 billion yen (9.2% up on last year), resulting in an operating loss of 0.8 billion yen over the nine-month period. An ordinary loss of 10.8 billion yen and a net loss of 23.0 billion yen were recorded.

JAL Group Consolidated FY05 Results for the Period April 2005 - December 2005

Units: Japanese yen - billions	FY05 (Year ending March 2006)	FY04 (Year ended March 2005)	Variation	% change on previous year, same period
Operating revenue	1,669.2	1,611.6	57.6	103.6%
1. <i>International Passenger</i>	528.2	512.4	15.7	103.1%
2. <i>Domestic passenger</i>	504.2	511.4	- 7.2	98.6%
3. <i>International cargo</i>	138.6	132.5	6.1	104.6%
4. <i>Other</i>	498.2	455.2	43.0	109.4%
Operating expenses	1,670.1	1,528.5	141.6	109.3%
Operating income (loss)	- 0.8	83.0	- 83.9	-
Ordinary income (loss)	- 10.8	108.8	- 119.6	-
3rd Quarter Net income (loss)	- 23.0	79.2	- 102.3	-

**All figures rounded down to the nearest tenth of a billion yen.*

1) FACTORS (April - December 2005)

International passenger traffic: Demand on Transpacific, and Taiwan routes was bullish. There was no change in demand on Europe routes when compared to the same period of the previous year. On South East Asia, and Oceania routes demand continued to be sluggish. Anti-Japanese demonstrations in China in April 2005, continued to affect demand on Japan-China routes with tourist demand still slow to recover. Overall traffic fell by 1.4% in terms of revenue passenger-kilometers on a year-on-year basis and the total number of passengers carried was 10,689,357. Yield rose by 4.5% and sales revenues rose 3.1% to 528.2 billion yen, 15.7 billion yen more than the same period last year.

Domestic passenger traffic: Group passenger demand was above past year's levels, but individual passenger demand remained stagnant as a result of adverse publicity over safety-related issues. Total passenger demand was down by 1.5% on the same period last year, with a total of 33,354,973 domestic passengers carried. Traffic volume in terms of revenue passenger kilometers performed also went down by 0.8%. Domestic passenger revenue was down by 7.2 billion yen (-1.4%) to a total of 504.2 billion yen.

International cargo traffic: Throughout the nine month period there was steady cargo traffic out of Asia and China to the USA. Cargo traffic from Japan to Europe and the US, which had been sluggish in the first half of FY2005, picked up at the beginning of the third quarter primarily due to increased demand for consumer electrical goods such as flat-screen televisions. Demand measured in revenue cargo ton kilometers fell by 2.5% on last year. Yield rose 7.3% and sales revenue grew by 6.1 billion yen (+4.6% on same period last year) to 138.6 billion yen. Volume carried decreased by 3.4% to 601,217 tons.

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Fuel cost: Fuel costs in the period averaged US\$71.3 per barrel of Singapore Kerosene versus US\$49.0 per barrel over the same period last year. At the start of the period the price was US\$54 per barrel. The final fuel bill was 284.0 billion yen up by 66.4 billion yen, over 30% more than the same period last year. The total fuel bill increase including exchange rate adjustments came to 76.0 billion yen. This was, however, slightly offset by fuel consumption reductions saving 2.2 billion yen, and other cost-saving measures including fuel hedging totaling 7.4 billion yen.

Operating expenses: Despite various cost reduction measures, operating expenses increased by 141.6 billion yen compared to the same period last year, to a total of 1,670.1 billion yen, mostly due to increased fuel cost. Personnel costs increased on the same period last year, when there was a reduction of personnel costs totaling 63.3 billion yen as a result of revisions to the pension scheme.

Exchange rate: The average US\$-Yen exchange rate was 110.7 yen compared to 108.9 yen during the same period of the previous year. This produced benefits amounting to 0.8 billion yen in the air transport segment.

2) FORECAST

Consolidated Financial Forecast for the Year Ending March 31, 2006: There is no change to the forecast for the full year ending March 31 2006 announced at the mid-term on November 7, 2005.

FY2005 FORECAST	Units: Japanese yen – billions
	For year ending March 31, 2006
Operating revenues:	2,195.0
1. <i>International passenger</i>	688.0
2. <i>Domestic passenger</i>	667.5
3. <i>International cargo</i>	177.0
4. <i>Other</i>	662.5
Operating income	-34.0
Ordinary income	-57.0
Net income	-47.0

*All figures rounded down to the nearest tenth of a billion yen

JAL Group Consolidated FY2005 Third Quarter Result

Period: October 2005 - December 2005

Units: Japanese yen – billions

	3 rd Quarter FY05 (Year ending March 2006)	3 rd Quarter FY04 (Year ended March 2005)	Difference	Same period % comparison on previous year
Operating revenue	556.9	535.8	21.0	103.9%
1. <i>International Passenger</i>	167.7	166.4	1.3	100.8%
2. <i>Domestic passenger</i>	163.7	166.5	-2.8	98.3%
3. <i>International cargo</i>	53.1	48.9	4.1	108.6%
4. <i>Other</i>	172.2	153.9	18.3	111.9%
Operating expenses	573.5	539.6	33.9	106.3%
Operating income (loss)	-16.6	-3.8	-12.8	-
Ordinary income (loss)	-20.6	0.9	-21.5	-
3rd Quarter Net income (loss)	-11.0	-3.7	-7.3	-

*All figures rounded down to the nearest tenth of a billion yen

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JAL GROUP - CONSOLIDATED TRAFFIC STATISTICS

April 1 – December 31, 2005 vs. April 1 – December 31, 2004

	April 1 – December 31, 2005 (FY05 - year ending March 2006)	April 1 – December 31, 2004 (FY04 - year ended March 2005)	Same period % comparison or point change on previous year
INTERNATIONAL			
Passenger number	10,689,357	10,992,739	97.2%
Revenue passenger kms (000)	50,968,697	51,696,473	98.6%
Available seat kms (000)	74,639,911	74,848,343	99.7%
Revenue seat load factor	68.3%	69.1%	-0.8 points
Revenue cargo ton kms (000)	3,522,121	3,611,454	97.5%
Mail ton kilometers (000)	123,686	112,371	110.1%
Revenue ton kms (000)	8,371,301	8,535,119	98.1%
Available ton kms (000)	12,652,057	12,532,966	101.0%
Revenue weight load factor	66.2%	68.1%	-1.9 points
DOMESTIC			
Passenger number	33,354,973	33,850,918	98.5%
Revenue passenger kms (000)	24,961,266	25,157,161	99.2%
Available seat kms (000)	38,783,130	39,482,401	98.2%
Revenue seat load factor	64.4%	63.7%	+0.7 points
Revenue cargo ton kms (000)	299,404	304,763	98.2%
Mail ton kilometers (000)	66,760	60,426	110.5%
Revenue ton kms (000)	2,236,657	2,250,791	99.4%
Available ton kms (000)	4,552,915	4,462,242	98.1%
Revenue weight l/factor	49.1%	48.5%	+0.6 points
TOTAL			
Passenger number	44,044,330	44,843,657	98.2%
Revenue passenger kms (000)	75,929,963	76,853,634	98.8%
Available seat kms (000)	113,423,041	114,330,744	99.2%
Revenue seat load factor	66.9%	67.2%	- 0.3 points
Revenue cargo ton kms (000)	3,821,525	3,916,217	97.6%
Mail ton kilometers (000)	190,446	172,797	110.2%
Revenue ton kms (000)	10,607,958	10,785,910	98.4%
Available ton kms (000)	17,204,972	17,175,208	100.2%
Revenue weight load factor	61.7%	62.8%	-1.1 points

- International results include data from JAL International, Japan Asia Airways and JALways

- Domestic results include data from JAL International, JAL Domestic, Japan TransoceanAir, JAL Express, Japan Air Commuter, Hokkaido Air System, J-Air and Ryukyu Air Commuter

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