

Results of Japan Airlines Corporation and Consolidated Subsidiaries for the Fiscal Year Ended March 31, 2006

Efforts to Regain Trust

Safety in flight operations is the very foundation and social responsibility of the JAL Group. The JAL Group, led by the President and all other members of the new management team with strong will and leadership, is determined to rebuild the JAL Group's safety system, and intends to make a concerted and focused effort to regain the trust of not only its customers but also society in general.

Tokyo May 10, 2006: Japan Airlines Corporation (the "Company") announced the consolidated financial results of the JAL Group for the fiscal year ended March 31, 2006. The announcement includes the Company's consolidated financial targets for the year ending March 31, 2007.

1. JAL Group Consolidated Financial Results

Unit: ¥ million (amounts rounded off to ¥100 million)

	FY 2005 (03/31/2006) Actual results	FY 2005 (03/31/2006) targets announced in medium-term business plan*	FY 2004 (03/31/2005) Actual results	Difference between FY 2004 and FY 2005
Total operating revenues	2,199,300	2,195,000	2,129,800	69,500
International passenger	690,200	692,000	671,200	18,900
Domestic passenger	659,900	662,000	674,700	(14,700)
International cargo	180,500	181,000	171,300	9,100
Other	668,500	660,000	612,400	56,100
Total operating expenses	2,226,200	2,229,000	2,073,700	152,400
Operating income (loss)	(26,800)	(34,000)	56,100	(82,900)
Ordinary income (loss)	(41,600)	(57,000)	69,800	(111,400)
Net income (loss)	(47,200)	(47,000)	30,000	(77,300)

* The Company previously announced targets for FY 2005 results as part of the announcement of its medium-term business plan on March 2, 2006.

Operating revenues remained stagnant as both international and domestic passenger demand continued to be weak and international cargo demand fell short of that of the previous fiscal year. With respect to operating expenses, aircraft fuel prices increased to, and subsequently stayed at, extremely high levels. As a result, despite our group-wide efforts to improve profitability, including measures to reduce costs, we recorded a net loss of ¥47.2 billion on a consolidated basis for the fiscal year ended March 31, 2006. Accordingly, we have regrettably determined to pay no dividend for the fiscal year ended March 31, 2006.

(Notes)

Non-operating income decreased ¥38.0 billion from the previous fiscal year to ¥26.3 billion for the fiscal year ended March 31, 2006, mainly because we no longer record aircraft equipment purchase incentives, which totaled ¥48.3 billion for the previous fiscal year, as non-operating income. Net exchange gain, however, increased ¥10.0 billion to ¥12.1 billion for the fiscal year ended March 31, 2006.

Extraordinary income was ¥30.4 billion for the fiscal year ended March 31, 2006, including income from sales of certain real estate. Extraordinary loss was ¥35.3 billion mainly due to impairment losses relating to fixed assets, etc.

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2. Summary of air transportation segment results

Operating revenues	
International passenger	Although passenger demand was steady for flights to the United States, Korea and Taiwan, passenger demand on routes to Europe and Southeast Asia was slightly below that in the previous fiscal year. Passenger demand on Oceania routes was also stagnant. The effects of anti-Japanese demonstrations in China continued to linger on routes to China, mainly among tourists. As a result, passenger demand (as measured by revenue passenger-kilometer) decreased 2.2% compared to the previous fiscal year. Revenue increased 2.8% to ¥690.2 billion for the fiscal year ended March 31, 2006 compared to the previous fiscal year, and passenger yield increased 5.2% year-on-year primarily due to ticket price increases and fuel surcharges. Available seating capacity (as measured by available seat-kilometers) decreased 2.3% from the previous fiscal year as a result of several route restructuring measures, including reduction or suspension of less profitable routes, such as flights to certain resort destinations, and increase in flights to primarily business destinations.
Domestic passenger	The number of individual passengers failed to grow, mainly due to safety-related occurrences, and the growth in the number of group passengers proved insufficient to offset the decline in individual passenger traffic. As a result, passenger demand (as measured by revenue passenger-kilometer) decreased 1.4% from the previous fiscal year. As passenger yield remained stable, revenues fell 2.2% year-on-year to ¥659.9 billion for the fiscal year ended March 31, 2006. Available seating capacity (as measured by available seat-kilometers) decreased 1.9% from the previous fiscal year.
International cargo	Although overall demand recovered starting in the fall of 2005 as a result of increased shipments of flat-screen televisions, semi-conductor products and auto parts, demand (as measured by revenue cargo ton-kilometer) decreased 3.0% from the previous fiscal year, when demand had been particularly strong. Cargo yield increased 8.6% compared to the previous year, and revenues increased 5.4% to ¥180.5 billion for the fiscal year ended March 31, 2006 primarily due to fuel surcharges.
Operating expenses	
Aircraft fuel	The average market price for aircraft fuel increased significantly from \$49.8 per barrel (Singapore Kerosene) for the previous fiscal year to \$72.1 per barrel for the fiscal year ended March 31, 2006. As a result, our fuel cost increased ¥88.2 billion compared to that of the previous fiscal year.
Personnel	We had recorded a ¥52.9 billion decrease in retirement benefit cost in the previous fiscal year in connection with certain changes we made to our retirement benefit plan. Due to such event in the previous fiscal year, personnel cost increased ¥33.3 billion compared to the previous fiscal year.
Foreign exchange	The average yen-to-dollar exchange rate for the fiscal year ended March 31, 2006 was ¥112.1 to \$1.00 compared to the previous fiscal year's average rate of ¥107.7 to \$1.00. This exchange rate difference had a ¥6.0 billion negative impact on our operating income (loss).

3. JAL Group Consolidated Financial Targets*

Unit: ¥ million (amounts rounded off to ¥100 million)

	FY 2006 (03/31/2007)	Difference vs. FY 2005
Total operating revenues	2,301,000	101,600
International passenger	725,000	34,700
Domestic passenger	703,000	43,000
International cargo	198,000	17,400
Other	675,000	6,400
Operating income	17,000	43,800
Ordinary income	500	42,100
Net income	3,000	50,200

* Key assumptions used for above figures: ¥120 = US\$1.00; average aircraft fuel price = \$75 per barrel

International passenger	During fiscal 2006, which is the first year of the business foundation rebuilding phase (FY 2006 to FY 2008) of our medium-term business plan, we will endeavor to improve profitability by streamlining less profitable routes, renewing and restructuring our fleet, and expanding the operation of JALways. With respect to our expected membership in oneworld , in order to enhance customer convenience, we plan to gradually launch new programs, such as an expanded frequent flyer mileage program, as they become available through the alliance after our expected formal invitation. (Our full participation in all programs of the alliance is expected in FY 2007.)
Domestic passenger	We will aim to further enhance customer convenience and comfort by developing safe, comfortable and convenient products and services, such as expanding Class J seating, introducing smaller-sized aircraft and strengthening our e-marketing initiatives. We also intend to introduce new aircraft, such as Boeing 737-800s, at an accelerated pace in order to improve our competitiveness.
International cargo	We will endeavor to secure stable profitability, rebuild an efficient operational structure, and seek to expand the scope of our operations. We also plan to better serve the demands of the Japanese outbound international cargo market, which is our most important market, and aggressively enter into potential growth markets, such as the Chinese market, by expanding and strengthening our strategic alliances with freight forwarders and by other means.

Based on the above targets, we currently expect to pay no dividend for the fiscal year ending March 31, 2007.

(Cautionary Note)

This document has been prepared as a summary for background information purposes only. Because it is a summary, it does not contain all of the information that may be important to you. Please see other disclosure and public filings we made or will make for detailed information regarding our results of operations. Certain statements made in this document, including some management strategies and targets, may contain forward-looking statements which reflect management's views and assumptions. We may not be successful in implementing our business strategies, and management may fail to achieve its targets. 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 without limitations adverse economic or political conditions in Japan or other countries; increased jet fuel prices; negative changes in foreign exchange rates; terrorist attacks and military conflicts, and health epidemics. Please see other disclosure and public filings we made or will make for additional information regarding the risks in our businesses. To the extent this document contains such forward-looking statements, we have no obligation or intent to update them unless required by law.

JAL GROUP-COMPARATIVE CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE YEAR ENDED MARCH 31 2006

Units: millions of yen

Year Ended	2006.3.31	2005.3.31
Category	JAL Group consolidated	JAL Group consolidated
Operating revenues	2,199,385	2,129,876
Operating expenses	2,226,220	2,073,727
Operating costs	1,839,190	1,685,675
Sales expenses, etc	387,029	388,051
Operating income (loss)	- 26,834	56,149
Non-operating income	26,378	64,446
Non-operating expenses	41,152	50,790
Ordinary income (loss)	- 41,608	69,805
Extraordinary profit	30,471	6,571
Extraordinary loss	35,303	31,710
Income before income taxes	- 46,440	44,666
Income taxes, current	8,419	7,897
Income taxes, deferred	- 9,966	4,251
Minority interests	2,350	2,420
Net income	- 47,243	30,096

JAL GROUP: INTERNATIONAL DATA - PASSENGERS/ RPK/ ASK & LOAD FACTORS FY2005 - JAL, JAA and JALWAYS only

ROUTE	PAX NBR FY2005	2004 %	RPK 000s FY2005	2004 %	ASK 000s FY2005	2004 %	Seat L/F FY2005	2004 L/F%
Transpacific	3,352,722	98.7	25,877,543	99.5	33,409,435	99.3	77.5	99.5
Europe	1,545,192	98.4	14,364,561	98.3	20,605,094	98.2	69.7	98.3
S.E.Asia	4,340,318	96.9	14,650,728	98.5	23,967,439	97.3	61.1	98.5
Oceania	806,125	94.6	5,608,052	94.6	7,750,500	94.7	72.4	94.6
Guam & Saipan	874,111	81.2	2,188,560	81.9	2,965,429	76.6	73.8	81.9
Korea	1,652,036	102.2	1,695,482	104.9	2,531,520	115.0	67.0	104.9
China	1,616,734	92.4	3,048,511	93.2	5,943,924	99.4	51.3	93.2
Others	388	67.1	1,176	53.9	1,436	10.1	81.9	53.9
JAL GROUP TOTAL	14,187,626	96.2	67,434,613	97.8	97,174,777	97.7	69.4	97.8

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

JAL GROUP - CONSOLIDATED TRAFFIC STATISTICS Years ended March 31, 2006 & 2005

	FY2005 Year ended March 31, 2006	FY2004 Year ended March 31, 2005	Change % or points
INTERNATIONAL			
Passenger number	14,187,626	14,743,222	96.2%
Revenue passenger Kilometers (000)	67,434,613	68,986,317	97.8%
Available seat Kilometers (000)	97,174,777	99,492,256	97.7%
Revenue seat load Factor	69.4%	69.3%	0.1 points
Revenue cargo ton Kilometers (000)	4,541,293	4,681,726	97.0%
Mail ton kilometers (000)	161,690	149,058	108.5%
Revenue ton Kilometers (000)	10,954,502	11,252,602	97.4%
Available ton kilometers (000)	16,414,876	16,613,543	98.8%
Revenue weight load factor	66.7%	67.7%	-1.0 points
DOMESTIC			
Passenger number	43,848,755	44,705,084	98.1%
Revenue passenger Kilometers (000)	32,910,535	33,367,574	98.6%
Available seat Kilometers (000)	51,415,813	52,410,183	98.1%
Revenue seat load factor	64.0%	63.7%	0.3 points
Revenue cargo ton Kilometers (000)	388,443	394,566	98.4%
Mail ton kilometers (000)	85,519	77,769	110.0%
Revenue ton Kilometers (000)	2,938,796	2,973,756	98.8%
Available ton kilometers (000)	6,034,514	6,157,241	98.0%
Revenue weight l/factor	48.7%	48.3%	0.4 points
TOTAL			
Passenger number	58,036,381	59,448,306	97.6%
Revenue passenger Kilometers (000)	100,345,148	102,353,891	98.0%
Available seat Kilometers (000)	148,590,590	151,902,439	97.8%
Revenue seat load factor	67.5%	67.4%	0.1 points
Revenue cargo ton Kilometers (000)	4,929,736	5,076,292	97.1%
Mail ton kilometers (000)	247,209	226,827	109.0%
Revenue ton Kilometers (000)	13,893,298	14,226,358	97.7%
Available ton Kilometers (000)	22,449,390	22,770,784	98.6%
Revenue weight l/f	61.9%	62.5%	-0.6 points

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CONSOLIDATED JAL GROUP AIR TRANSPORT SEGMENT REVENUE

For the year ended March 31, 2006

Units: millions of yen

Year ended	March 2006 (FY 2005)	%	March 2005 (FY 2004)	%
INTERNATIONAL (1)				
Passenger	690,226	39.9%	671,291	39.5
Cargo	180,573	10.4%	171,399	10.1
Mail	8,441	0.5%	7,632	0.4
Baggage	2,270	0.1%	2,487	0.1
Sub total	881,513	50.9%	852,810	50.1
DOMESTIC (2)				
Passenger	659,998	38.1%	674,732	39.7
Cargo	29,440	1.7%	30,534	1.8
Mail	10,819	0.6%	9,963	0.6
Baggage	265	0.0%	234	0.0
Sub total	700,523	40.4%	715,464	42.1
COMBINED TOTAL (1) + (2)	1,582,037	91.3%	1,568,275	92.2
Other flight operations revenues	54,935	3.2%	46,473	2.7
Other operating revenues	96,010	5.5%	86,619	5.1
TOTAL OPERATING REVENUES	1,732,983	100.0%	1,701,367	100.0

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