



Mar/2014 (FY2013) Results

30 April, 2014
Yoshiharu Ueki, President
Norikazu Saito, Senior Managing Executive Officer

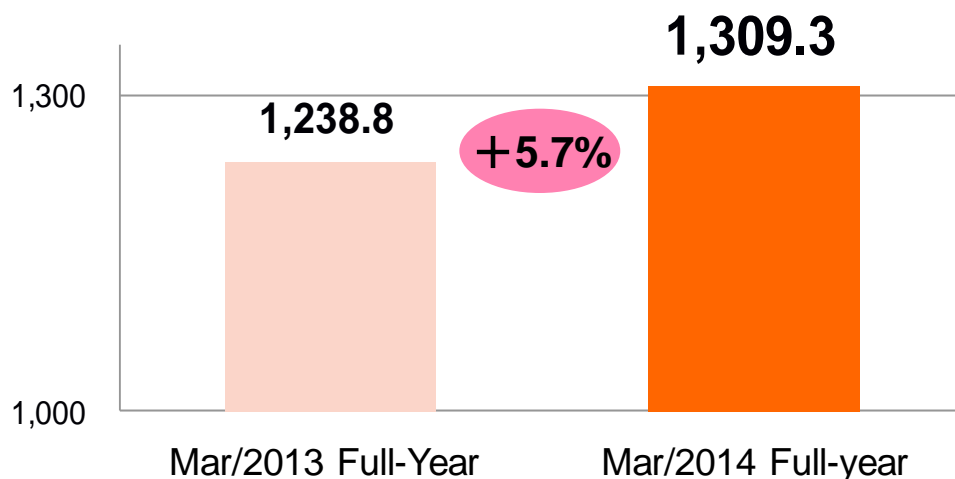
Overview of Full-Year Mar/2014 (FY2013) Results



JAPAN AIRLINES

Operating Revenue

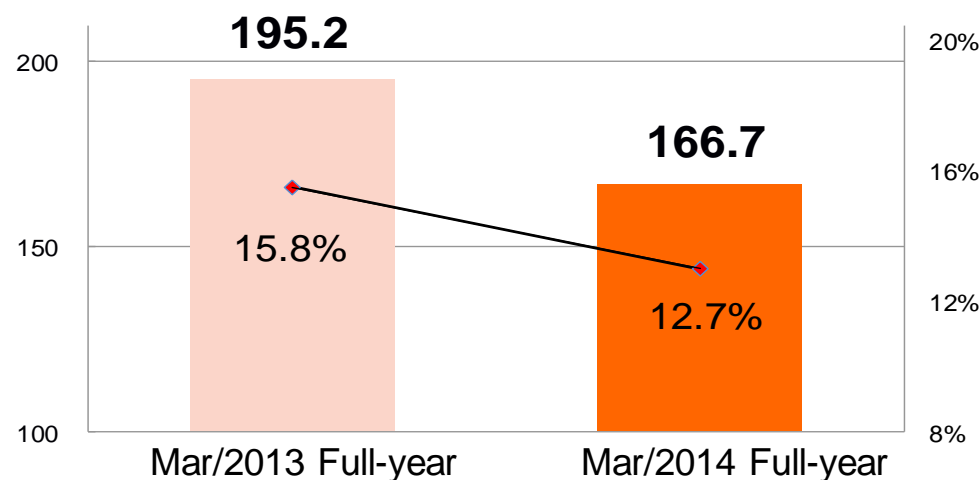
(JPY Bn)



Operating Profit

(JPY Bn)

Operating Profit Margin



Equity Ratio stood 51.5%

| | End of Mar/2013 2013/3/31 | End of Mar/2014 2014/3/31 | Difference |
|-------------------------|---------------------------------|---------------------------------|------------|
| Equity Ratio (%) | 46.4% | 51.5% | +5.1pt |

- ✓ Though we reported lower earnings on higher revenues due to the weaker yen, operating profit was 166.7 billion yen and operating profit margin was 12.7%. We achieved our operating profit margin target (10%+).
- ✓ Equity ratio was 51.5%, and we achieved our equity ratio target (50%+).

- During the reporting period, operating revenue was 1,309.3 billion yen, and operating profit was 166.7 billion yen.

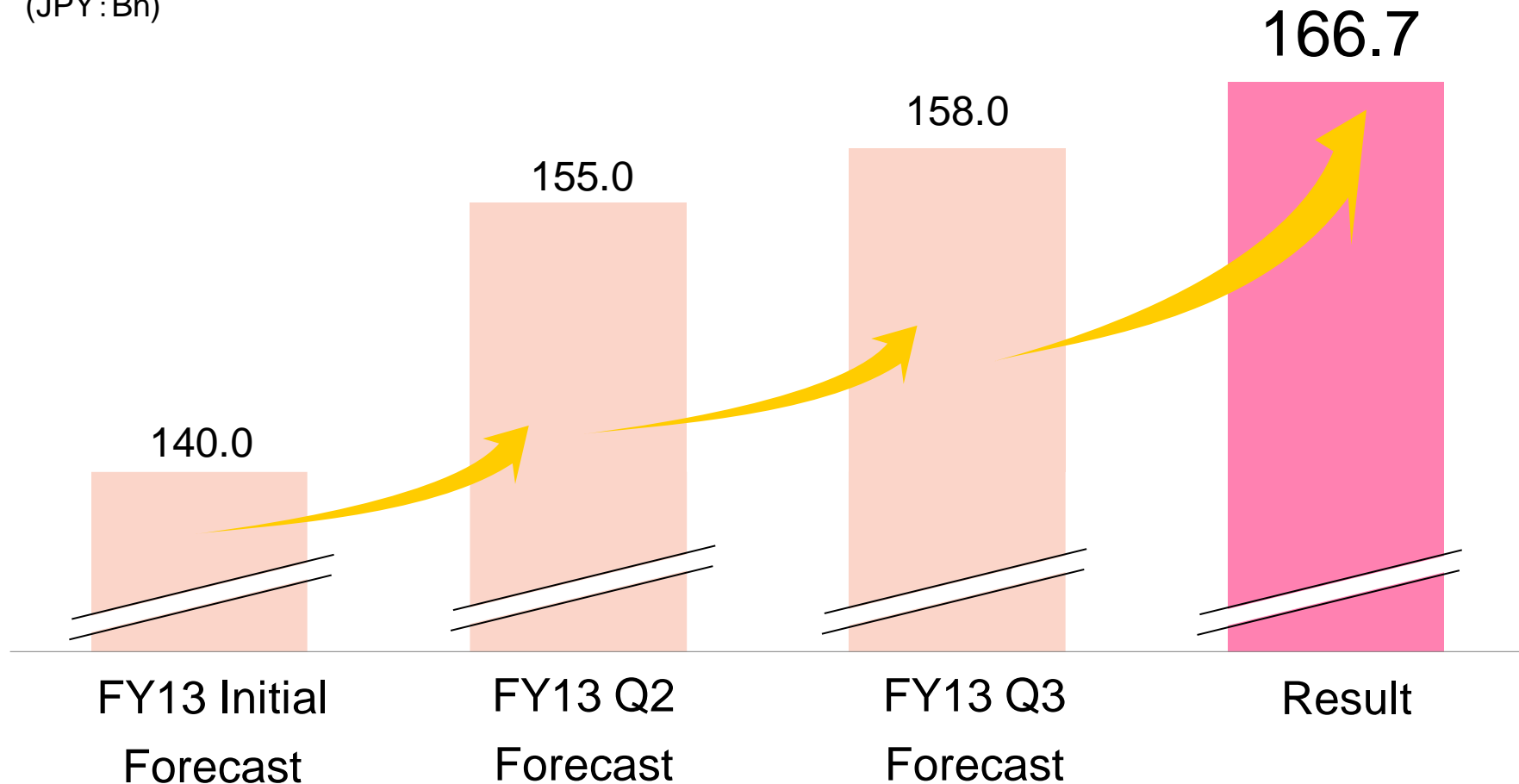
Although operating profit margin declined by 3.0% year-on-year, it came to 12.7%, and we were able to maintain an operating profit margin of over 10%, one of the management target in the Medium Term Management Plan.

- We are accumulating the shareholders' equity steadily, and at the fiscal year-end, the equity ratio reached 51.5% compared to 46.4% of the previous fiscal year.

- It means we achieved our 50% equity ratio target as set out in the Medium Term Management Plan.

Upward Revision of Operating Profit Mar/2014

(JPY:Bn)



- ✓ We initially forecast an operating profit of 140 billion yen, but by steadily accumulating profit, we achieved an operating profit of 166.7 billion yen for the full fiscal year, up 26.7 billion yen from our initial forecast.

- We initially forecast an operating profit of 140 billion yen for the full fiscal year. As operating revenue moved steadily mainly in international passengers, coupled by steady cost reduction efforts by staff, we were able to report an operating profit of 166.7 billion yen for the full fiscal year, and revise our forecast upward substantially.

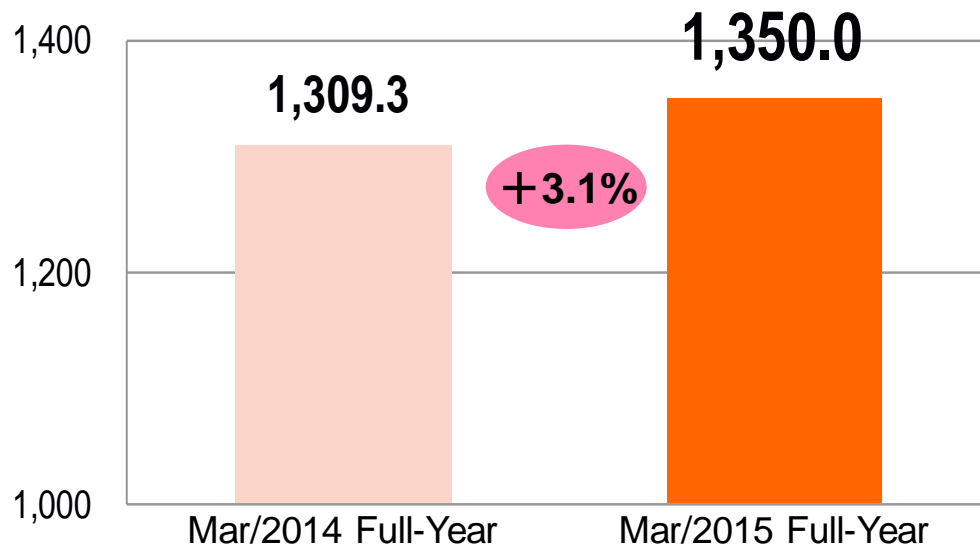
Forecast Overview of Full-Year Mar/2015 (FY2014)



JAPAN AIRLINES

Operating Revenue

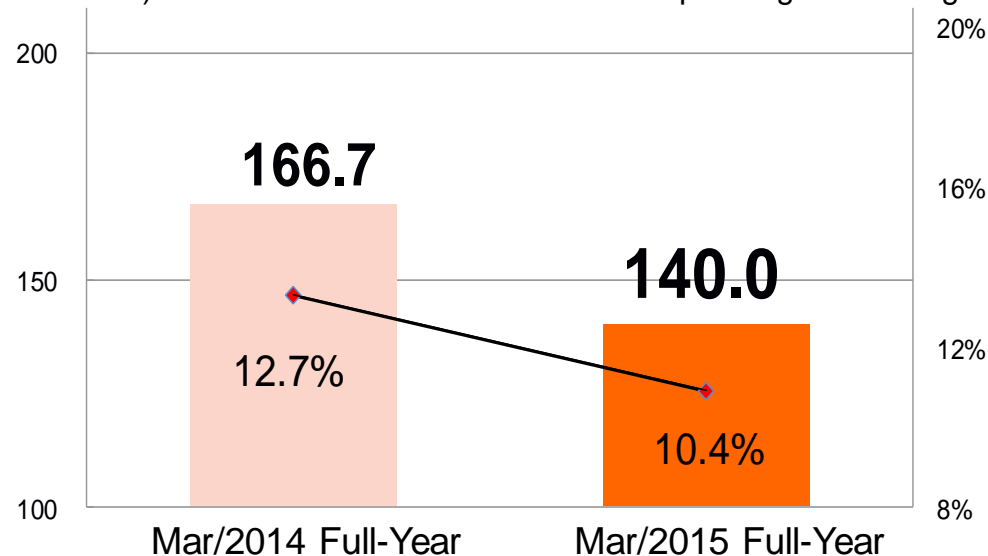
(JPY Bn)



Operating Profit

(JPY Bn)

Operating Profit Margin



- ✓ In fiscal year 2014 ending March 31, 2015, we expect an operating profit of 140 billion yen and operating profit margin of 10.4%. We aim to achieve our operating profit margin target of 10%+ as set out in the Medium Term Management Plan.
- ✓ We also aim to achieve our 50%+ equity ratio target as set out in the Medium Term Management Plan.

- The business environment is expected to see a significant increase in capacity due to additional flight slots at Tokyo metropolitan airports and an expansion of supply of LCCs. Therefore, we expect the balance in demand and supply of both international and domestic passenger operations to ease, resulting in stiffer competition and a tougher financial environment. We forecast operating revenue of 1,350 billion yen and operating profit of 140 billion yen for fiscal year 2014 ending March 31, 2015.
- We aim for an operating profit margin of 10.4% in order to achieve our operating profit margin target of 10% and over.
- We will also make best effort to maintain the equity ratio of 50% +.

Dividend for Mar/2014



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- ✓ DPS for Mar/2014 based on our financial results



Dividend Calculation Policy⁽¹⁾

Approx. 20% of Consolidated Net Income for the fiscal year excluding Income Tax-Deferred

(1) Before: approx. 20% of our Consolidated Net Income

| (JPY Bn) | Mar/2013 Result | Mar/2014 | |
|--|----------------------------|----------------------------------|------------------------|
| | | New Announcement | Announced on 2014/1/31 |
| Consolidated Net Income | 171.6 JPY Bn | 166.2 JPY Bn | 148.0 JPY Bn |
| —) Income Tax-Deferred | — | 21.4 JPY Bn | 15.0 JPY Bn |
| | 171.6 JPY Bn | 144.7 JPY Bn | 133.0 JPY Bn |
| Total amount for dividends (x approx. 20%) | 32.3 JPY Bn ⁽²⁾ | 29.0 JPY Bn⁽³⁾ | 26.6 JPY Bn |
| Total number of shares issued | 181.352 Mn | 181.352 Mn | 181.352 Mn |
| Dividends per share | 190.00 JPY | 160.00 JPY | 147.00 JPY |

(2) The total amount of dividends for fiscal year 2012 ended March 31, 2013 excludes the amount of dividends equivalent to shares which JAL refused to register in the shareholders' list (adjusted shares held by foreigners), pursuant to the Civil Aeronautics Act, as of March 31, 2013.

(3) Dividends for fiscal year 2013 ended March 31, 2014 include dividends for adjusted shares held by foreigners as of March 31, 2014.

- Returning value to our shareholders is one of our greatest goals of management, and we aim to achieve stable earnings and pay dividends.
- As for the dividends, as I mentioned in our announcement of financial results for the first three quarters of the fiscal year, our dividend policy is to apply approximately 20% of Consolidated Net Income excluding Income Tax-Deferred, based on Tax Effect Accounting. Dividends per share based on estimated profit were seen to decline from last year, but we have revised it upward to 160.00 yen from the previously announced 147 yen.
- We will continue to run the company with an emphasis on profitability so that we may share returns with our shareholders.

Steadily Achieve Our Management Targets to Realize Growth from FY2015

Review

FY2012-2013

A period that our ability to execute the high-profitability was tested

We achieved operating profit margin of 10%+ in FY2013, but lower earnings on higher revenues

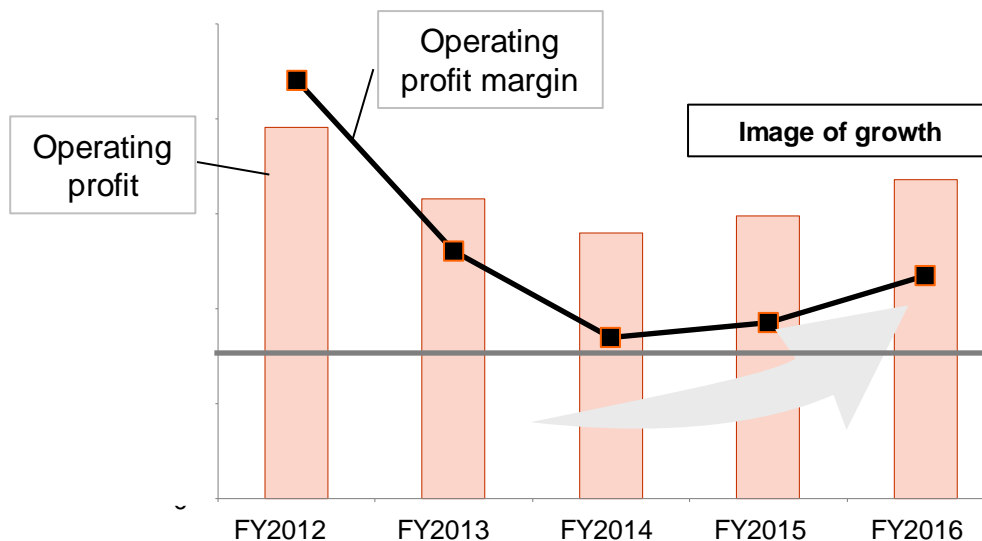
Future Plan

FY2014

A period of establishing a firm business foundation to achieve “growth” in revenue and profit

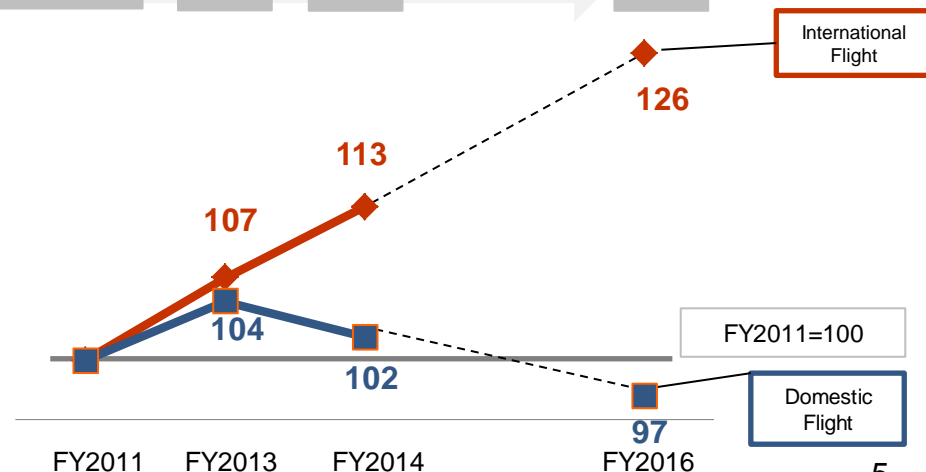
FY2015-2016

A period to achieve Management Targets and start new growth



ASK Plan

Total 106 108 113



- Regrettably, we reported lower earnings on higher revenues in fiscal year 2013. Fiscal year 2014 is defined in the Medium Term Management Plan as being a period to improve business operations so that we may achieve higher earnings on higher revenue. Fiscal years 2015 and 2016 are defined as a period to achieve Management Targets and start new growth, and we will strive to achieve higher earnings on higher revenue.

Mar/2014 (FY2013) Results Details

Norikazu Saito,
Senior Managing Executive Officer



Overview of Consolidated Financial Results

Consolidated Financial Results

| (JPY Bn) | Mar/2013 | Mar/2014 | y/y | 4Q (Jan-Mar) Mar/2014 ⁽¹⁾ | y/y |
|-----------------------------------|----------|----------------|--------|--|--------|
| Revenue | 1,238.8 | 1,309.3 | +5.7% | 319.4 | +7.6% |
| Air Transportation Segment | 1,113.7 | 1,166.6 | +4.8% | 283.0 | +6.9% |
| Operating Expense | 1,043.5 | 1,142.5 | +9.5% | 290.1 | +11.7% |
| Air Transportation Segment | 935.2 | 1,017.5 | +8.8% | 257.7 | +11.5% |
| Operating Profit | 195.2 | 166.7 | ▲14.6% | 29.2 | ▲21.0% |
| Air Transportation Segment | 178.4 | 149.1 | ▲16.4% | 25.2 | ▲24.8% |
| Operating Profit Margin(%) | 15.8% | 12.7% | ▲3.0pt | 9.2% | ▲3.3pt |
| Ordinary Income | 185.8 | 157.6 | ▲15.2% | 26.4 | ▲16.4% |
| Net Income | 171.6 | 166.2 | ▲3.2% | 42.7 | +37.7% |
| ASK (MN seat km) | 81,189 | 83,319 | +2.6% | 20,063 | ▲0.3% |
| RPK (MN passenger km) | 57,049 | 59,135 | +3.7% | 14,483 | +3.2% |
| EBITDA Margin (%) ⁽²⁾ | 22.3% | 19.1% | ▲3.2pt | 15.7% | ▲3.3pt |
| EBITDAR Margin (%) ⁽³⁾ | 24.8% | 21.5% | ▲3.3pt | 18.1% | ▲3.4pt |
| UNIT COST (Yen) ⁽⁴⁾ | 8.5 | 8.8 | +0.3 | 9.3 | +0.8 |
| Incl. Fuel | 11.5 | 12.2 | +0.7 | 12.8 | +1.4 |

- ✓ Operating revenue reached 1,309.3 billion yen,+5.7% year-on-year.
- ✓ Operating profit was 166.7 billion yen, ▲14.6% year-on-year.
- ✓ Operating profit margin was 12.7%
- ✓ Unit Cost increased by 0.1 yen from the previous forecast due to reduction of ASK owing to snow, an increase in costs associated with revenues, an increase in maintenance costs, etc.

1. The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from Full-Year (April to March)
2. EBITDA Margin = EBITDA / Revenue EBITDA=Operating Profit + Depreciation
3. EBITDAR Margin = EBITDAR / Revenue EBITDAR=Operating Profit + Depreciation+ Aircraft Leases
4. Unit Cost = Air Transportation Segment Operating Cost (excluding fuel cost) / ASK
Unit Costs are calculated based on 32 consolidated companies for both previous and current year.

- Operating revenue for the reporting period was 1,309.3 billion yen, an increase of 5.7% compared to the previous fiscal year, mainly due to an increase in passenger traffic on both international and domestic flights.
- We incurred operating expenses of 1,142.5 billion yen, an increase of 9.5% year-on-year, due to the depreciation of the yen, and others. We will continue to raise staff awareness for profitability through the Amoeba Management system, and put a downward pressure on expenses.
- As a result, operating profit came to 166.7 billion yen and operating profit margin was 12.7% for fiscal year 2013 ended March 31, 2014. Our EBITDAR margin was 21.5%, and we maintained a high level of profitability.
- Unit Cost during the reporting period was 8.8 yen, compared to 8.7 yen as mentioned in Rolling Plan 2014. Increasing factors mainly included a reduction in ASK owing to snow, an increase in expenses associated with revenues, and an increase in engine maintenance costs. As all these factors will be resolved in FY2014, we expect Unit Cost to end at 8.8 yen in FY2014 as well.

Changes in Operating Profit



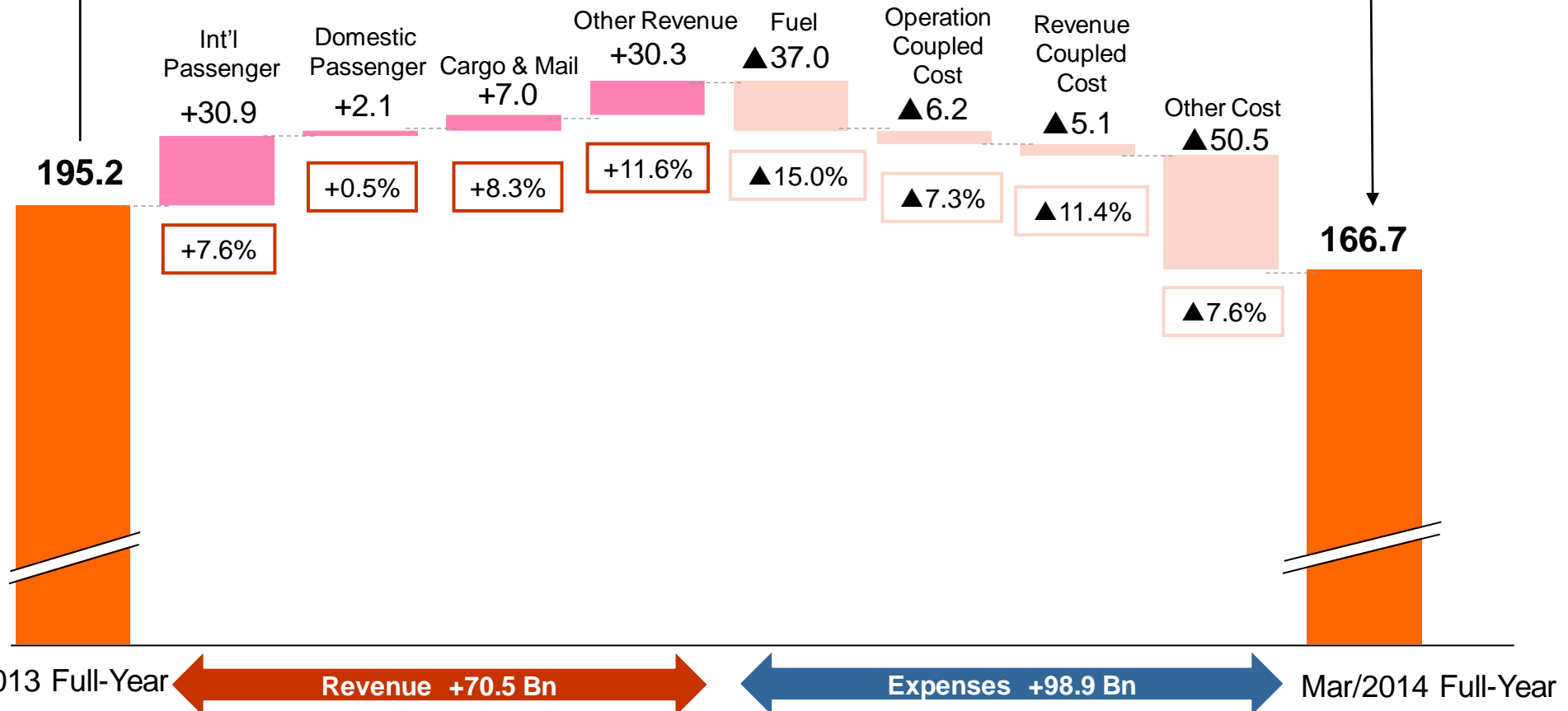
JAPAN AIRLINES

Mar/2014(FY2013)

ASK y/y: +2.6%
RPK y/y: +3.7%

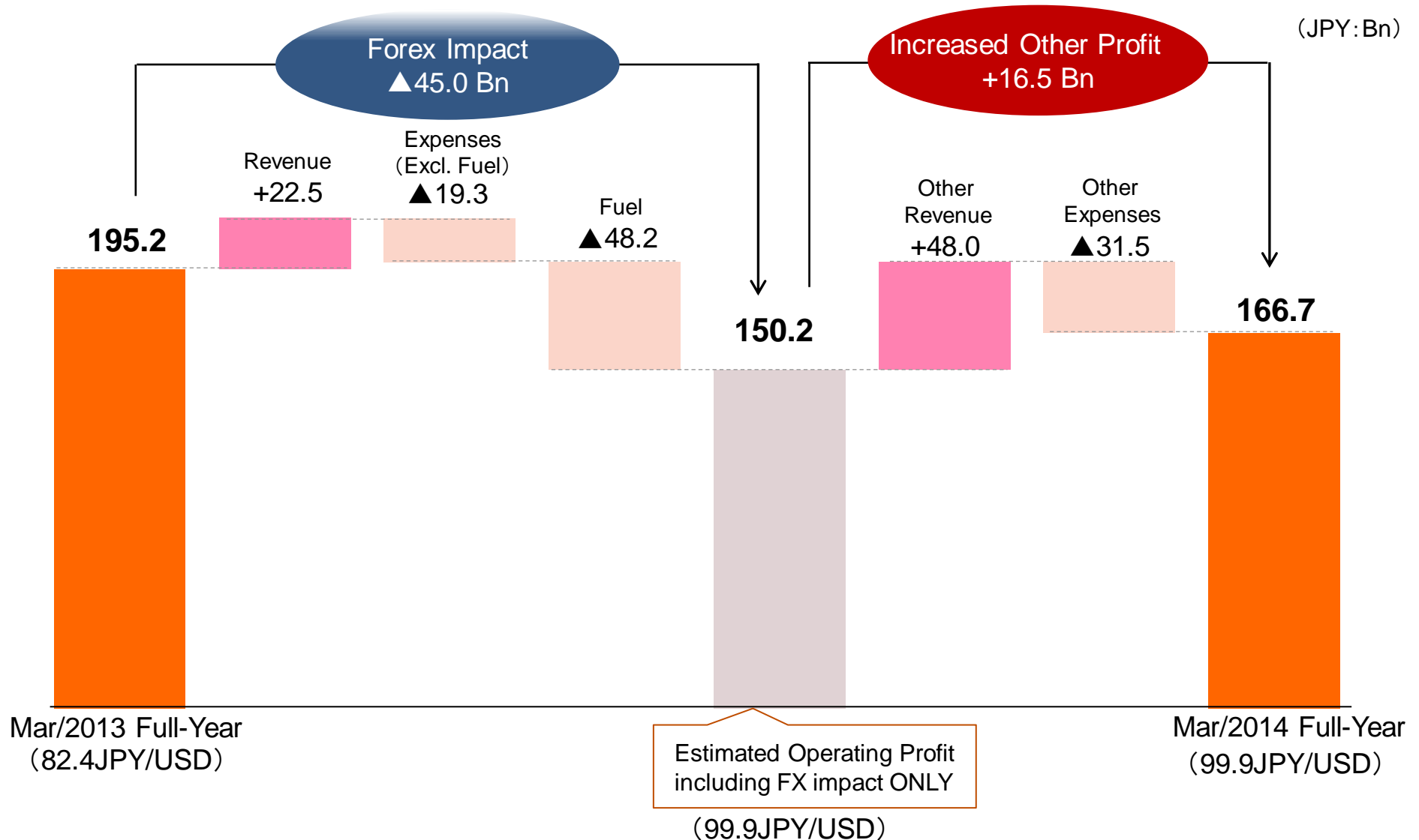
▲ 28.4 Bn
(▲ 14.6%)

(JPY:Bn)



- As we attracted more demand than the increase in supply compared to the previous fiscal year, international and domestic passenger revenues increased by 30.9 billion yen and 2.1 billion yen respectively. Combined with other revenues, total revenues increased by 70.5 billion yen.
- As for expenses, fuel costs increased by 37 billion yen due to an increase in supply and forex effect. Costs for new products and services, and maintenance costs due to cabin modifications also increased, but we kept cost increases down as much as possible.
- As a result, operating profit amounted to 166.7 billion yen, a decrease of 28.4 billion yen from the previous fiscal year.

Breakdown of the Impact on Our Operating Profit



- Revenue denominated in foreign currencies increased by 22.5 billion yen due to the weak yen. However, as fuel costs totaled 48.2 billion yen and costs excluding fuel costs totaled 19.3 billion yen, profit decreased by 45 billion yen due to the impact of exchange rates.
- When calculating operating profit reflecting the effects of exchanges rates only, it is estimated to come to 150.2 billion yen compared to 195.2 billion yen in operating profit the year before. Revenues and expenses excluding the impact of exchange rates were 48 billion yen and 31.5 billion yen increase respectively, resulting in an increase in operating profit of 16.5 billion yen.

International Passenger Operations (Operating Results)

Mar/2014(FY2013)

| | Mar/2013 | Mar/2014 | % y/y | 4Q(Jan-Mar) Mar/2014 ⁽¹⁾ | % y/y |
|--|----------|---------------|--------|--|--------|
| Passenger Revenue (JPY Bn) | 406.6 | 437.5 | +7.6% | 106.2 | +8.1% |
| ASK (MN seat km) | 44,745 | 46,235 | +3.3% | 11,392 | +0.3% |
| RPK (MN passenger km) | 34,036 | 35,390 | +4.0% | 8,832 | +2.6% |
| Passengers ('000) | 7,525 | 7,723 | +2.6% | 1,936 | +1.6% |
| L/F (%) | 76.1% | 76.5% | +0.5pt | 77.5% | +1.8pt |
| Yield (JPY) ⁽²⁾ | 11.9 | 12.4 | +3.5% | 12.0 | +5.3% |
| Unit Revenue (JPY) ⁽³⁾ | 9.1 | 9.5 | +4.1% | 9.3 | +7.7% |
| Revenue per Passenger (JPY) ⁽⁴⁾ | 54,041 | 56,657 | +4.8% | 54,871 | +6.4% |

- ✓ Passenger revenue was 437.5 billion yen, +7.6% year-on-year.
- ✓ The load factor was 76.5%
- ✓ Revenue per Passenger was +4.8% year-on-year, and contributed to increasing revenue.

Notes:

1. The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from Full-Year (April to March)
2. Yield = Passenger Revenue / RPK
3. Unit Revenue=Passenger Revenue / ASK
4. Revenue per Passenger = Passenger Revenue / Passengers

- International passenger revenue came to 437.5 billion yen, an increase of 7.6% from the previous fiscal year.
- For ASK grew by 3.3% and RPK grew 4.0%, our load factors increased by 0.5 points year-on-year to 76.5%. As a result, our yield increased by 3.5% year-on-year, and contributed to the revenue increased by 7.6% the year before to 437.5 billion yen.

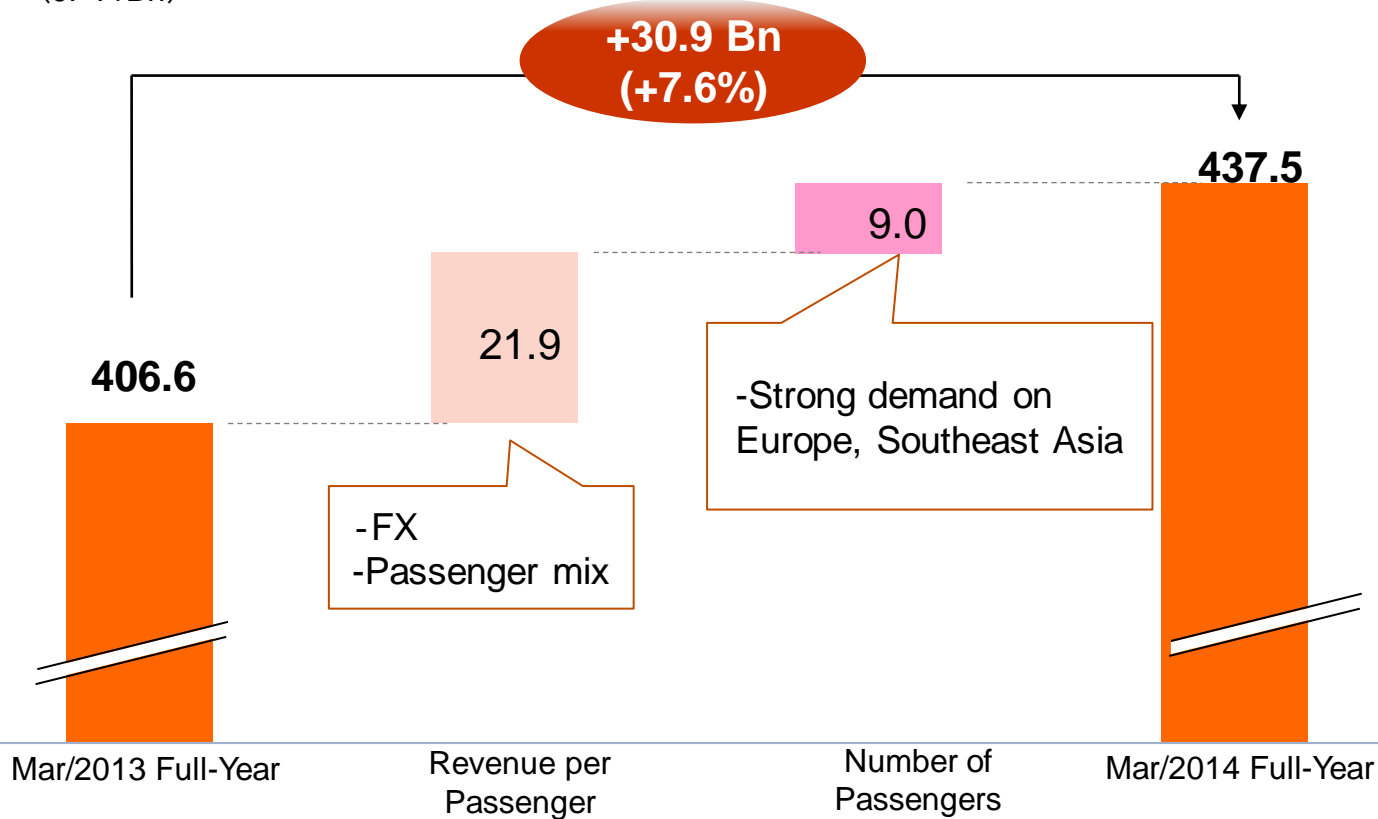
International Passenger Operations (Operating Results)



JAPAN AIRLINES

Mar/2014(FY2013)

(JPY:Bn)



- ✓ Robust demand on European and South East Asia routes

Load Factor

EUR routes 78.3%(+1.4% vspy)

SE Asia routes 76.1%(+1.7% vspy)

- ✓ Increase of inbound passengers from overseas

Increase of revenue per passenger due to the weaker yen

- ✓ Expand JAL SKY SUITE services contributed to increasing the load factor and yield.

| Aircraft | Route (~Mar,2014) |
|-------------------|---|
| JAL SKY SUITE 777 | Narita=London, New York, Paris, Los Angels, Chicago |
| JAL SKY SUITE 767 | Narita=Kuala Lumpur, Singapore, Hanoi, Dalian |

30Mar2014~ expand from Haneda / Narita routes

- In our international passenger operations, demand was robust especially on European and Southeast Asia flights. The load factor of European and Southeast Asia flights was 78.3% and 76.1% respectively. The factors for thriving demand on international flights were the increase in overseas passengers to Japan and an increase in revenue per passenger influenced by the weak yen.
- The expansion of JAL SKY SUITE services contributed to increasing the load factor and yield. From March 30, 2014, JAL SKY SUITE will be deployed on various routes from Haneda and Narita.

Domestic Passenger Operations (Operating Results)



JAPAN AIRLINES

Mar/2014(FY2013)

| | Mar/2013 | Mar/2014 | % y/y | 4Q (Jan-Mar) Mar/2014 ⁽¹⁾ | % y/y |
|--|----------|---------------|--------|---|--------|
| Passenger Revenue (JPY Bn) | 485.2 | 487.4 | +0.5% | 112.4 | +0.7% |
| ASK (MN seat km) | 36,443 | 37,084 | +1.8% | 8,670 | ▲1.0% |
| RPK (MN passenger km) | 23,012 | 23,745 | +3.2% | 5,650 | +4.0% |
| Passengers ('000) | 30,020 | 31,218 | +4.0% | 7,377 | +4.3% |
| L/F (%) | 63.1% | 64.0% | +0.9pt | 65.2% | +3.1pt |
| Yield (JPY) ⁽²⁾ | 21.1 | 20.5 | ▲2.6% | 19.9 | ▲3.2% |
| Unit Revenue (JPY) ⁽³⁾ | 13.3 | 13.1 | ▲1.3% | 13.0 | +1.7% |
| Revenue per Passenger (JPY) ⁽⁴⁾ | 16,163 | 15,613 | ▲3.4% | 15,247 | ▲3.5% |

- ✓ Passenger revenue was 487.4 billion yen, +0.5% year-on-year.
- ✓ Unit price was ▲3.4% year-on-year due to an increase in group passengers and increase of promotional fares to boost demand
- ✓ Passenger traffic was +4.0% year-on-year and contributed to increasing revenue.

Notes:

1. The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from Full-Year (April to March)
2. Yield = Passenger Revenue / RPK
3. Unit Revenue=Passenger Revenue / ASK
4. Revenue per Passenger = Passenger Revenue / Passengers

- On domestic routes, while ASK increased by 1.8%, RPK increased by 3.2% and this rose our load factor by 0.9 points to 64.0%. Though our yield declined by 2.6%, domestic passenger revenue came to 487.4 billion yen, an increase of 0.5% from the previous fiscal year.

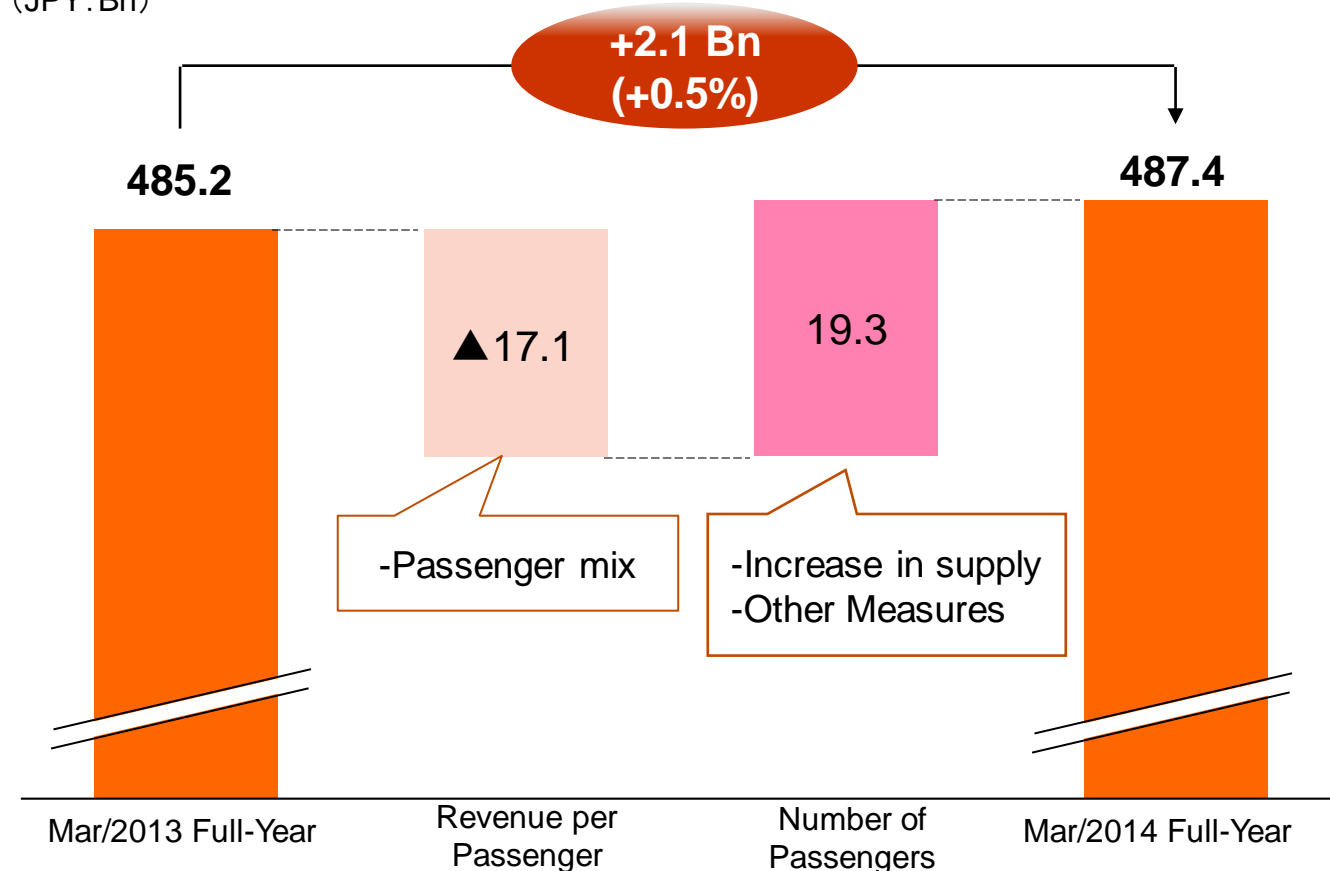
Domestic Passenger Operations (Operating Results)



JAPAN AIRLINES

Mar/2014(FY2013)

(JPY: Bn)



- ✓ Robust demand of group passengers to boost demand
 - Inbound passengers from regional areas in Japan to Tokyo metropolitan area due to Tokyo Disney Resort® 30th Anniversary
 - The Sengu Ceremony of Izumo Taisha Shrine attracted many passengers to the Sanin district.
- ✓ Started selling “JAL Jalan Pack” (the dynamic package product)
- ✓ Offered discount fare “Tokubin 21” to boost demand
- ✓ Increase the supply of discount fares Sakitoku and Super Sakitoku in high seasons

- In our domestic passenger operations, we increased promotional fares to boost demand and we also saw an increase in group passengers, especially those to the Tokyo metropolitan area from regional Japan to enjoy the 30th anniversary of Tokyo Disney Resort, and strong demand to the San-in district prompted by events celebrating the Sengu of the Heisei Period of Izumo Taisha Grand Shrine.
- Passenger Demand also grew as we started selling JAL Jalan Pack, a free tour to choose the JAL flight and accommodation of the customer's choice, and increased flights which could be booked using Sakitoku and Super Sakitoku discount airfares, and such.

Major Operating Expense Items

Breakdown of Operating Expenses

| (JPY Bn) | Mar/2013 | Mar/2014 | % y/y | 4Q (Jan-Mar) Mar/2014 ⁽¹⁾ | % y/y |
|--------------------------------------|----------------|----------------|--------------|---|---------------|
| Fuel | 246.3 | 283.3 | +15.0% | 71.0 | +16.9% |
| Landing fees and other rent | 75.1 | 80.2 | +6.7% | 19.3 | +4.5% |
| Maintenance | 30.4 | 41.1 | +35.2% | 9.4 | +38.7% |
| Sales Commissions (Air Transport) | 20.3 | 22.5 | +10.8% | 5.6 | +12.8% |
| Aircraft Depreciation | 60.0 | 62.5 | +4.1% | 15.9 | +11.2% |
| Aircraft Leases | 30.9 | 31.5 | +1.8% | 7.7 | +3.5% |
| Personnel | 226.7 | 235.2 | +3.7% | 58.8 | +2.6% |
| Other | 353.4 | 385.9 | +9.2% | 102.0 | +14.1% |
| Total Operating Expenses | 1,043.5 | 1,142.5 | +9.5% | 290.1 | +11.7% |

ASK FY2013 y/y: +2.6%

Exchange Rates and Fuel Price

| | Mar/2013 | Mar/2014 | y/y | 4Q (Jan-Mar) Mar/2014 | y/y |
|------------------------------|----------|----------|--------|--------------------------|--------|
| Singapore Kerosene (USD/bbl) | 127.1 | 121.5 | ▲4.4% | 123.7 | ▲4.3% |
| CIFJ (USD/bbl) | 114.4 | 110.3 | ▲3.6% | 112.1 | ▲0.5% |
| FX Rate: (JPY/USD) | 82.4 | 99.9 | +21.3% | 103.3 | +15.9% |

Fuel/FX sensitivity (impact on operating profit / without hedge)

| (JPY Bn) | FY13 |
|-----------------------------------|--------|
| Crude Oil (Change in 1USD/bbl) | 2.0 Bn |
| FX (Change in 1JPY/USD) | 2.5 Bn |

(1) The results for 4Q (January to March) are calculated by deducting the results of 3Q (April to December) from Full-Year (April to March)

- Of operating expense items, the weak yen pushed fuel costs upward by 15.0% year-on-year to 283.3 billion yen. And as I explained on the previous page, effects of exchange rates pushed expenses excluding fuel costs upward by 67.5 billion yen.
- Expenses for maintenance increased due to intensive cabin modifications, and costs for new products and services increased. Personnel costs also rose due to an increase in bonus standards from the year before.
- Sensitivity of costs to fuel prices and exchange rates was approximately 2 billion yen and 2.5 billion yen respectively.

Major Balance Sheet Items

Consolidated Balance Sheet Summary as of Mar/2014

| (JPY Bn) | End of FY2012 2013/3/31 | End of FY2013 2014/3/31 | difference |
|---|----------------------------|----------------------------|------------|
| Total Assets | 1,216.6 | 1,340.1 | +123.5 |
| Cash and Deposits | 347.9 | 368.7 | +20.7 |
| Balance of Interest-bearing Debt ⁽¹⁾ | 160.1 | 134.2 | ▲25.8 |
| Off-balance Sheet Lease Payments | 207.1 | 145.5 | ▲61.6 |
| Shareholder's Equity | 565.0 | 690.2 | +125.2 |
| Shareholder's Equity Ratio(%) | 46.4% | 51.5% | +5.1pt |
| D/E Ratio(x) ⁽²⁾ | 0.3x | 0.2x | ▲0.1 |

✓ Shareholders' equity ratio increased by 5.1pt to 51.5%

Notes:

1. Accounts Payable-installment Purchase included
2. D/E Ratio = On-balance sheet Interest-bearing Debt / Shareholders' Equity

(Reference) ※End of FY2013

D/E ratio including Off-Balance Sheet Lease Payment: 0.4x

- The balance of interest-bearing debt decreased by 25.8 billion yen year-on-year to 134.2 billion yen through steady repayments of long-term loans and leasing obligations.
- Furthermore, our off-balance sheet remaining lease payments decreased by 61.6 billion yen year-on-year to 145.5 billion yen.
- The equity ratio improved by 5.1 points year-on-year to 51.5%, and we achieved the 50% equity ratio target as set out in the Medium Term Management Plan. We will continue to maintain an equity ratio of 50% and above.

Major Cash Flow Items



JAPAN AIRLINES

| (JPY Bn) | End of FY2012 2013/3/31 | End of FY2013 2014/3/31 | Difference |
|---|----------------------------|----------------------------|--------------|
| Net income before income taxes and minority interests | 190.4 | 160.0 | ▲30.4 |
| Depreciation | 81.0 | 82.7 | +1.7 |
| Other | ▲6.6 | 5.1 | +11.8 |
| Cash Flow from Operating Activities | 264.8 | 247.9 | ▲16.9 |
| Capital Expenditure ⁽¹⁾ | ▲121.8 | ▲164.5 | ▲42.6 |
| Other | ▲7.1 | ▲2.1 | +5.0 |
| Cash Flow from Investing Activities ⁽²⁾ | ▲129.0 | ▲166.7 | ▲37.6 |
| Free Cash Flow ⁽³⁾ | 135.8 | 81.2 | ▲54.5 |
| Repayment of Interest-bearing Debt ⁽⁴⁾ | ▲62.9 | ▲45.9 | ▲16.9 |
| Other | 2.3 | ▲15.9 | ▲18.2 |
| Cash Flow from Financing Activities | ▲60.6 | ▲61.9 | ▲1.2 |
| Total Cash Flow ⁽⁵⁾ | 75.1 | 19.3 | ▲55.8 |
| EBITDA | 276.2 | 249.5 | ▲26.7 |
| EBITDAR | 307.1 | 281.0 | ▲26.1 |

Notes:

1. Expense due to purchases of fixed assets
2. Exclude deposits and withdrawals from deposit accounts
3. Cash Flow from Operating Activities + Cash Flow from Investing Activities
4. Repayment of Long Term Debt + Repayment of Lease Debt
5. Cash flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities

- Cash flow from operations totaled 247.9 billion yen.
- Cash flow from investing totaled 166.7 billion yen due to cash outflows for the launch of new aircraft and purchase of leased aircraft, and such. Subsequently, free cash flow for fiscal year 2013 amounted to 81.2 billion yen.
- Cash flow for financing totaled 61.9 billion yen due to cash outflows according to interest-bearing debts paid. As a result, cash flows reached 19.3 billion yen.

Earnings Forecast for Mar/2015 (FY2014, Consolidated)



JAPAN AIRLINES

| (JPY Bn) | Mar/2014 Result | Mar/2015 Forecast | Difference |
|-------------------------|-----------------|-------------------|------------|
| Operating Revenue | 1,309.3 | 1,350.0 | +40.6 |
| Operating Expense | 1,142.5 | 1,210.0 | +67.4 |
| Operating Profit | 166.7 | 140.0 | ▲26.7 |
| Operating Profit Margin | 12.7% | 10.4% | ▲2.4pt |
| Ordinary Income | 157.6 | 135.0 | ▲22.6 |
| Net Income | 166.2 | 115.0 | ▲51.2 |

| (JPY : Bn) | | Mar/2014 Result | Mar/2015 Forecast | Difference |
|---|-------------------------|-----------------|-------------------|------------|
| Operating Revenue | International Passenger | 437.5 | 451.0 | +13.4 |
| | Domestic Passenger | 487.4 | 487.0 | ▲0.4 |
| | Cargo/Mail | 91.9 | 94.0 | +2.0 |
| | Other | 292.4 | 318.0 | +25.5 |
| Operating Expense | Fuel | 283.3 | 316.0 | +32.6 |
| | Excluding Fuel | 859.1 | 894.0 | +34.8 |
| Unit Cost (JPY, excluding fuel cost) ⁽¹⁾ | | 8.8 | 8.8 | ▲0.0 |

| | Mar/2014 Result | Mar/2015 Forecast |
|------------|-----------------|-------------------|
| ASK* Int'l | +3.3% | +4.9% |
| Doms | +1.8% | ▲2.1% |
| RPK* Int'l | +4.0% | +2.7% |
| Doms | +3.2% | ▲0.8% |

*y/y

| | | |
|------------------------------|-------|-----|
| Singapore Kerosene (USD/bbl) | 121.5 | 125 |
| FX (JPY/USD) | 99.9 | 107 |

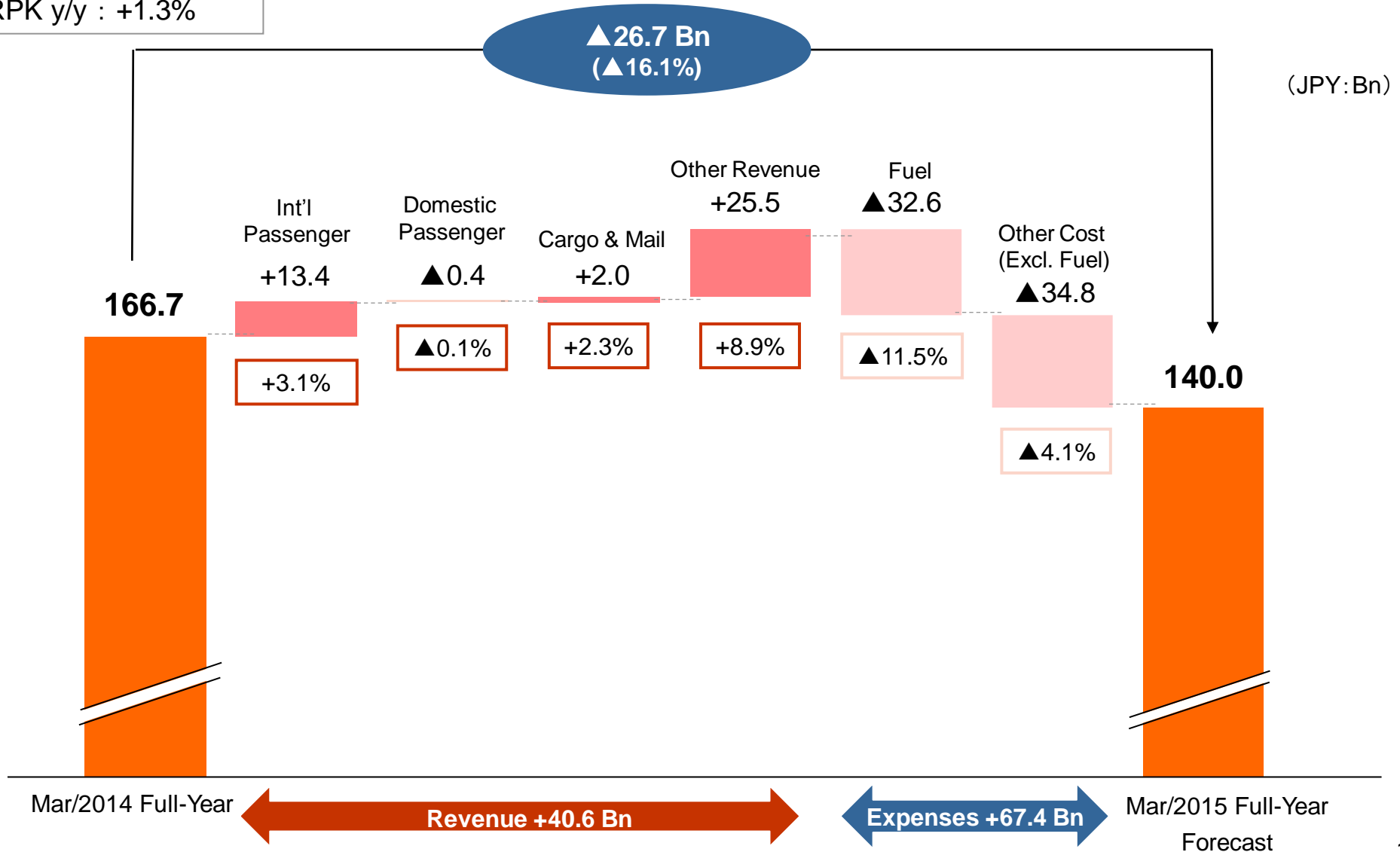
1. = Air Transportation Segment Operating Cost (excluding fuel cost) / ASK

Our Unit Cost forecast for fiscal year 2014 ending March 31, 2015 excludes 0.2 yen relating to transactions between Group companies (reported as revenues and expenses).

- In fiscal year 2014 ending March 31, 2015, we forecast operating revenue to increase by 40.6 billion yen year-on-year to 1,350 billion yen.
- Operating profit and ordinary profit are forecast to decrease by 26.7 billion yen and 22.6 billion yen respectively year-on-year to 140 billion yen and 135 billion yen.
- Net profit is expected to decrease by 51.2 billion yen year-on-year to 115 billion yen. We do not foresee any Income Tax-Deferred at present.
- The assumptions for the market for our forecast are Singapore kerosene prices at 125 dollars per barrel and an exchange rate of 107 yen to a US dollar.

Changes in Operating Profit/ Forecast Mar/2015

ASK y/y: +1.8%
RPK y/y: +1.3%



- With respect to revenues, international passenger revenue is expected to increase by 13.4 billion yen due to an increase in business and leisure travelers spurred by a robust Japanese economy, additional flights on the Narita and New York route, Narita and Jakarta route, and Haneda and Ho Chi Minh City route. Combined with other revenue, we forecast an increase in revenue of 40.6 billion yen.

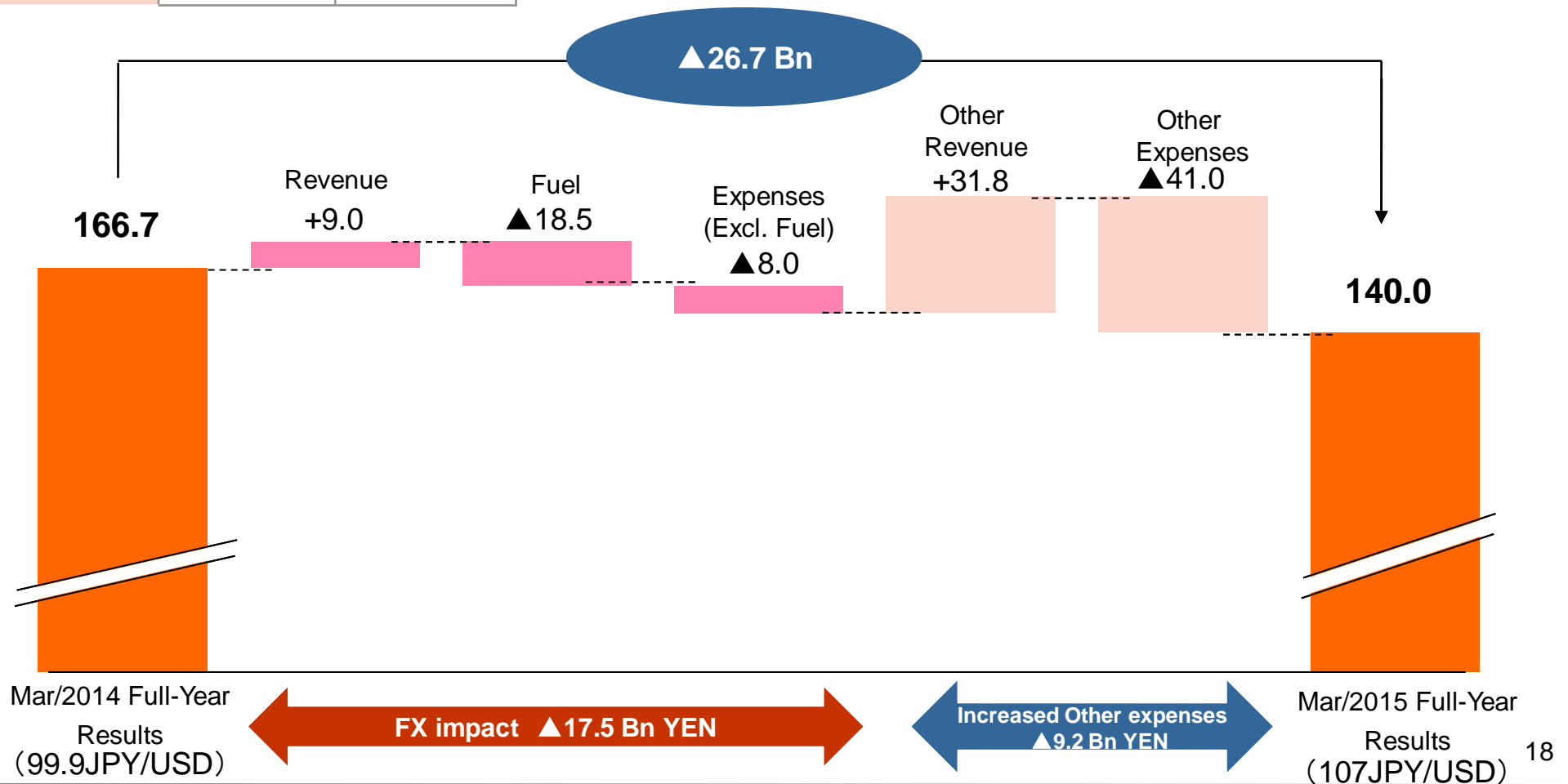
- As for expenses, we forecast fuel costs to increase by 32.6 billion yen due to changes in exchange rates and market conditions, and an increase in loading volume. In other expenses excluding fuel, we expect an increase in maintenance costs and supply, resulting in an increase in expenses totaling 34.8 billion yen.

Impact From Currency Market Forecast Mar/2015

FOREX to have impact of ▲17.5 billion yen on profitability

| | Mar/2014 Result | Mar/2015 Forecast |
|--------------|--------------------|----------------------|
| FX (JPY/USD) | 99.9 | 107 |

(JPY: Bn)



- While revenues are expected to increase by 9 billion yen, the impact of exchange rates is expected to push fuel costs and expenses excluding fuel upward by 18.5 billion yen and 8 billion yen respectively.
- Excluding the impact of exchange rates, while revenues are expected to increase by 31.8 billion yen, expenses are expected to increase by 41 billion yen. As a result, we forecast a decrease in operating profit of 26.7 billion yen from the end of the previous fiscal year.

Mar/2015 Earnings Forecast

(Consolidated Balance Sheet / Cash Flow)



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Consolidated Balance Sheet

| (JPY:Bn) | Mar/2014 Result | Mar/2015 Forecast | Difference |
|--------------------------------|--------------------|----------------------|------------|
| Total Assets | 1,340.1 | 1,402.0 | +61.8 |
| Interest-bearing Debt | 134.2 | 101.0 | ▲33.2 |
| Shareholders' Equity | 690.2 | 744.0 | +53.7 |
| Shareholders' Equity Ratio (%) | 51.5% | 53.1% | +1.6pt |
| ROA (%) ⁽¹⁾ | 13.0% | 10.2% | ▲2.8pt |

Consolidated Cash Flow

| (JPY:Bn) | Mar/2014 Result | Mar/2015 Forecast | Difference |
|--|--------------------|----------------------|------------|
| Cash Flow from Operating Activities | 247.9 | 226.0 | ▲21.9 |
| Cash Flow from Investing Activities ⁽²⁾ | ▲166.7 | ▲195.0 | ▲28.3 |
| Free Cash Flow ⁽²⁾ | 81.2 | 31.0 | ▲50.2 |
| Cash flow from Financing Activities | ▲61.9 | ▲62.0 | ▲0 |
| EBITDA | 249.5 | 227.0 | ▲22.5 |
| EBITDAR | 281.0 | 253.0 | ▲28.0 |

Notes:

1. ROA = Operating Profit / (((Total Assets at beginning of year + Total assets at end of year) + Off-balance Lease at beginning of year + Off-balance Lease at end of year)/2), used aircraft lease for forecast
2. Excludes deposit and withdrawal from deposit accounts

- We forecast shareholder's equity of 744 billion yen, resulting in an equity ratio of 53.1%, and subsequently, we expect to achieve our 50% equity ratio target as set out in the Medium Term Management Plan.
- In consolidated cash flows, we forecast cash flows for operations and investing of 226 billion yen and 195 billion yen respectively in our operating profit forest of 140 billion yen. As a result, free cash flow is projected to be 31 billion yen.
- For your reference, at the end of the handout we have provided results of revenue of international routes by geographic segment and a Number of Aircraft in Service Mar/2014, and also the effects of fuel prices and exchange rates, and our international and domestic passenger revenue forecasts for fiscal year 2014. Please take the time to refer to them.

SUPPLEMENTAL REFERENCES

《Supplemental Reference》

Revenue of International Routes by Geographic segment



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Passenger Revenue (% of the whole int'l revenue)

| (%) | FY2012 | FY2013 | y/y | 4Q FY2013 | y/y |
|---------------|--------|--------|--------|-----------|--------|
| Trans Pacific | 34.0% | 34.0% | +0.0pt | 33.5% | +0.5pt |
| Europe | 18.0% | 18.5% | +0.5pt | 16.0% | +0.5pt |
| Asia/Oceania | 37.0% | 36.5% | ▲0.5pt | 38.5% | ▲2.0pt |
| China | 11.0% | 11.0% | ▲0.0pt | 12.0% | +1.0pt |

ASK

| (MN seat km) | FY2012 | FY2013 | y/y | 4Q FY2013 | y/y |
|---------------|--------|--------|-------|-----------|-------|
| Trans Pacific | 16,087 | 17,099 | +6.3% | 4,221 | +2.2% |
| Europe | 8,157 | 8,160 | +0.0% | 1,939 | +0.2% |
| Asia/Oceania | 17,130 | 17,431 | +1.8% | 4,357 | ▲1.4% |
| China | 3,369 | 3,542 | +5.1% | 873 | +0.3% |

RPK

| (MN passenger km) | FY2012 | FY2013 | y/y | 4Q FY2013 | y/y |
|-------------------|--------|--------|-------|-----------|--------|
| Trans Pacific | 12,894 | 13,578 | +5.3% | 3,426 | +7.7% |
| Europe | 6,268 | 6,387 | +1.9% | 1,533 | +3.2% |
| Asia/Oceania | 12,781 | 13,230 | +3.5% | 3,316 | ▲3.7% |
| China | 2,091 | 2,192 | +4.8% | 555 | +13.1% |

Passengers

| ('000) | FY2012 | FY2013 | y/y | 4Q FY2013 | y/y |
|---------------|--------|--------|-------|-----------|--------|
| Trans Pacific | 1,692 | 1,775 | +4.9% | 453 | +7.8% |
| Europe | 664 | 690 | +3.9% | 166 | +5.7% |
| Asia/Oceania | 4,052 | 4,083 | +0.8% | 1,018 | ▲4.4% |
| China | 1,116 | 1,173 | +5.1% | 297 | +13.2% |

Load Factor

| (%) | FY2012 | FY2013 | y/y | 4Q FY2013 | y/y |
|---------------|--------|--------|--------|-----------|--------|
| Trans Pacific | 80.1% | 79.4% | ▲0.7pt | 81.1% | +4.1pt |
| Europe | 76.8% | 78.3% | +1.4pt | 79.1% | +2.3pt |
| Asia/Oceania | 74.6% | 75.9% | +1.3pt | 76.1% | ▲1.9pt |
| China | 62.1% | 61.9% | ▲0.2pt | 63.6% | +7.2pt |

《Supplemental Reference》

Number of Aircraft in Service Mar/2014



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| | End of Mar/2013 | | | End of Mar/2014 | | | Difference |
|--------------------|-----------------|-----------|------------|-----------------|-----------|------------|------------|
| | Owned | Leased | Total | Owned | Leased | Total | |
| Boeing 777-200 | 15 | 0 | 15 | 15 | 0 | 15 | -- |
| Boeing 777-200ER | 11 | 0 | 11 | 11 | 0 | 11 | -- |
| Boeing 777-300 | 7 | 0 | 7 | 7 | 0 | 7 | -- |
| Boeing 777-300ER | 13 | 0 | 13 | 13 | 0 | 13 | -- |
| Large-sized Total | 46 | 0 | 46 | 46 | 0 | 46 | -- |
| Boeing 787-8 | 7 | 0 | 7 | 15 | 0 | 15 | +8 |
| Boeing 767-300 | 16 | 0 | 16 | 15 | 0 | 15 | -1 |
| Boeing 767-300ER | 14 | 18 | 32 | 18 | 14 | 32 | -- |
| Middle-sized Total | 37 | 18 | 55 | 48 | 14 | 62 | +7 |
| MD90 | 2 | 0 | 2 | 0 | 0 | 0 | -2 |
| Boeing 737-400 | 14 | 2 | 16 | 11 | 2 | 13 | -3 |
| Boeing 737-800 | 18 | 31 | 49 | 21 | 29 | 50 | +1 |
| Small-sized Total | 34 | 33 | 67 | 32 | 31 | 63 | -4 |
| Embraer 170 | 12 | 0 | 12 | 15 | 0 | 15 | +3 |
| Bombardier CRJ200 | 9 | 0 | 9 | 9 | 0 | 9 | -- |
| Bombardier D8-400 | 9 | 2 | 11 | 9 | 2 | 11 | -- |
| SAAB340B | 9 | 2 | 11 | 10 | 1 | 11 | -- |
| Bombardier D8-300 | 1 | 0 | 1 | 1 | 0 | 1 | -- |
| Bombardier D8-100 | 4 | 0 | 4 | 4 | 0 | 4 | -- |
| Regional Total | 44 | 4 | 48 | 48 | 3 | 51 | +3 |
| TOTAL | 161 | 55 | 216 | 174 | 48 | 222 | +6 |

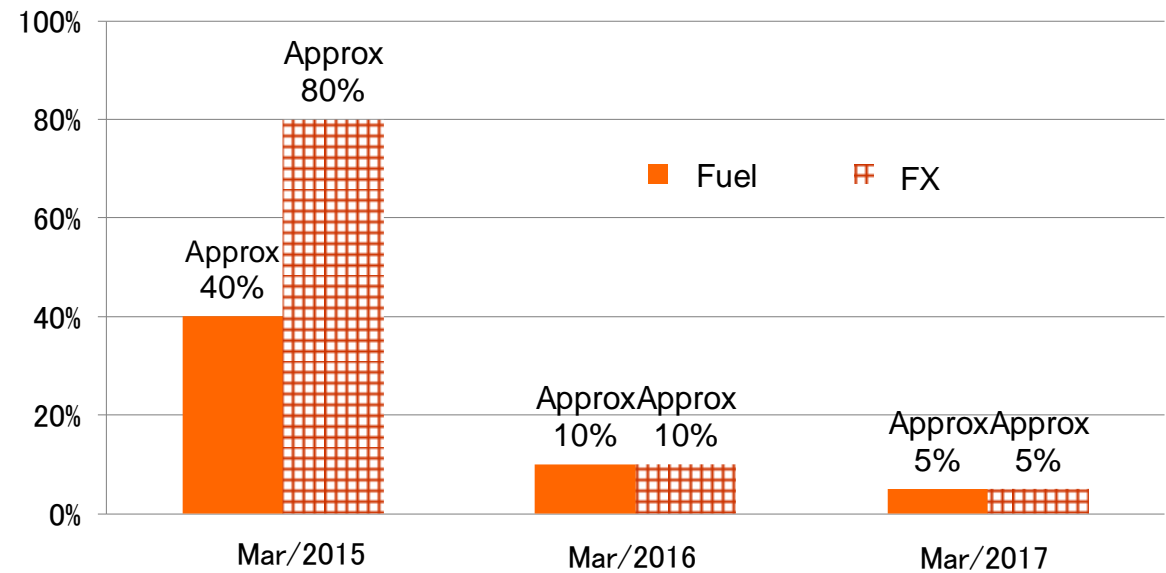
《Supplemental Reference》

Impact from Fuel and Currency Markets Mar/2015



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Hedging Ratio for Fuel Costs (As of End of Mar/2014)



Sensitivity for Fuel Costs ¹ (Without Hedging)

| Effect on Fuels (year) | |
|------------------------------------|------------------------|
| Crude Oil (Change in 1 USD/bbl) | 2.3 Bn JPY Per Year |
| FX (Change in 1 JPY/USD) | 2.6 Bn JPY Per Year |

Assumptions

| | FY2013 Result | FY2014 Plan |
|------------------------------|---------------|-------------|
| Singapore Kerosene (USD/bbl) | 121.5 | 125 |
| FX Rate (JPY/USD) | 99.9 | 107 |

1. Based on Rolling Plan 2014

《Supplemental Reference》

FY14 Earnings Forecast (Air transportation Segment)



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International Passenger Operations

| | End of Mar/2014 Result | End of Mar/2015 Forecast | y/y (%) | |
|---|---------------------------|-----------------------------|------------------|------------------|
| | | | 1H (Forecast) | 2H (Forecast) |
| Passenger Revenue (JPY Bn) | 437.5 | +3.1% | +3.4% | +2.8% |
| ASK (MN seat km) | 46,235 | +4.9% | +4.8% | +4.9% |
| RPK (MN passenger km) | 35,390 | +2.7% | +2.4% | +2.9% |
| Passengers ('000) | 7,723 | +0.5% | +0.0% | +1.0% |
| L/F (%) | 76.5% | 74.9% | 74.5% | 75.4% |
| Yield ¹ (JPY) | 12.4 | +0.4% | +1.0% | ▲0.1% |
| Unit Revenue ² (JPY) | 9.5 | ▲1.7% | ▲1.3% | ▲2.0% |
| Revenue per passenger ³ (JPY) | 56,657 | +2.6% | +3.4% | +1.8% |

Notes:

1. Yield = Passenger Revenue / RPK
2. Unit Revenue=Passenger Revenue / ASK
3. Revenue per Passenger = Passenger Revenue / Passengers

《Supplemental Reference》
FY14 Earnings Forecast (Air transportation Segment)



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Domestic Passenger Operations

| | End of Mar/2014 Result | End of Mar/2015 Forecast | y/y (%) | |
|---|---------------------------|-----------------------------|------------------|------------------|
| | | | 1H (Forecast) | 2H (Forecast) |
| Passenger Revenue (JPY Bn) | 487.4 | ▲0.0% | ▲1.4% | +1.4% |
| ASK (MN seat km) | 37,084 | ▲2.1% | ▲3.9% | ▲0.1% |
| RPK (MN passenger km) | 23,745 | ▲0.8% | ▲1.2% | ▲0.4% |
| Passengers ('000) | 31,218 | ▲0.8% | ▲1.2% | ▲0.5% |
| L/F (%) | 64.0% | 64.9% | 64.1% | 65.6% |
| Yield ¹ (JPY) | 20.5 | +0.7% | ▲0.2% | +1.8% |
| Unit Revenue ² (JPY) | 13.1 | +2.1% | +2.5% | +1.6% |
| Revenue per passenger ³ (JPY) | 15,613 | +0.8% | ▲0.3% | +1.9% |

Notes:

1. Yield = Passenger Revenue / RPK
2. Unit Revenue=Passenger Revenue / ASK
3. Revenue per Passenger = Passenger Revenue / Passengers

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JAPAN AIRLINES

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