JAPAN AIRLINES

[REFERENCE TRANSLATION]
Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited.
In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the year Ended March31, 2013 (Japanese GAAP)

Apr 30, 2013

Company name	**Japan Airlines Co., Ltd**
Stock Listing	**Tokyo Stock Exchange**
Code No.	**9201** URL: http://www.jal.com
Representative	**Yoshiharu Ueki, President**
Contact	**Kojiro Yamashita, Vice President, Finance** **Phone: +81-3-5460-3068**

Scheduled date of Ordinary General Meeting of Shareholders: Jun 19,2013
Scheduled date of dividend payment: Jun 20,2013
Scheduled date of filing Financial Report for the Fiscal Year 2012: Jun 20, 2013
Supplementary explanations of Fiscal Year 2012 financial results: Yes
Presentation for the Fiscal Year 2012 financial results: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen unless otherwise indicated)

1. Consolidated Financial Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2012 ended March 31 , 2013	1,238,839	2.8	195,242	(4.7)	185,863	(6.0)	171,672	(8.0)
FY2011 ended March 31 , 2012	1,204,813	-	204,922	-	197,688	-	186,616	-

* Comprehensive income ; Year ended March 31, 2013: 181,857 million Yen -6.9%, Year ended March 31, 2012: 195,251 million Yen -%

	Net income per share	Diluted net Income per share	Return on Equity	Ratio of Ordinary profit To total assets	Operating income margin ratio
	Yen		%	%	%
FY2012 ended March 31 , 2013	946.71	—	36.0	16.1	15.8
FY2011 ended March 31 , 2012	1,029.03	—	63.6	17.2	17.0

(Reference) Equity in net income of affiliates ; Year ended March 31, 2013: -2,188 million Yen, Year ended March 31, 2012: 1,073 million Yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's equity ratio (%)	Shareholder's equity Per share
	Millions of Yen	Millions of Yen		Yen
FY2012 ended March 31 , 2013	1,216,612	583,189	46.4	3,116.30
FY2011 ended March 31 , 2012	1,087,627	413,861	35.7	2,142.37

(Reference) Shareholder's equity ; Year ended March 31, 2013: 565,048 million Yen, Year ended March 31, 2012: 388,523 million Yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2012 ended March 31 , 2013	264,853	(264,436)	(60,643)	99,413
FY2011 ended March 31 , 2012	256,673	(147,221)	(274,460)	158,995

2. Dividends

	Dividends per Share					Total amount of dividend (Annual)	Payout ratio (Consolidated)	Dividend On equity (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2011	-	-	-	-	-	-	-	-
FY2012	-	-	-	190.00	190.00	32,385	20.1	7.2
FY2013(Forecast)	-	-	-	-	-		-	

(Note) We plan to announce estimated dividends for the Fiscal Year Ending March 31,2014 when our business forecast has been clarified. We intend to allocate approximately 20% of consolidated net profit to pay dividends to our shareholders.

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014

(Percentage compared to prior year)

	Operating Revenues		**Operating Income**		**Ordinary Income**		**Net Income**		**Net income per share**
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Fiscal Year	**1,272,000**	**2.7**	**140,000**	**(28.3)**	**127,000**	**(31.7)**	**118,000**	**(31.3)**	**650.78**

Note: Forecasts for the six months ending September 30,2013 is not made.

<u>Notes</u>

(1) Changes in significant consolidated subsidiaries during ended March 31, 2013: None

(2) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes

2) Changes in accounting policies other than : None

3) Changes in accounting estimates: Yes

4) Restatement of corrections: None

Note:for more details,please refer to “Changes in Accounting Policy and Estimate” in the Attachment.

(4) Number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury stock)
Year ended March 31, 2013: 181,352,000
Year ended March 31, 2012: 181,352,000

(b) Number of treasury stock at the end of the period
Year ended March 31, 2013: 31,950
Year ended March 31, 2012: 0

(c) Average number of shares outstanding
Year ended March 31, 2013: 181,335,604
Year ended March 31, 2012: 181,352,000

(Reference)

1. Non-consolidated Financial Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Non-consolidated Operating Results (Cumulative)

(Percentage compared to prior year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2012 ended March 31 , 2013	989,989	2.2	136,374	(11.3)	139,174	(4.9)	152,374	(14.7)
FY2011 ended March 31 , 2012	969,030	-	153,767	-	146,325	-	178,637	-

	Net income per share	Diluted net Income per share
	Yen	
FY2012 ended March 31 , 2013	840.21	—
FY2011 ended March 31 , 2012	985.03	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Shareholder’s equity ratio (%)	Shareholder’s equity Per share
	Millions of Yen	Millions of Yen		Yen
FY2012 ended March 31 , 2013	1,230,084	516,378	42.0	2,847.38
FY2011 ended March 31 , 2012	1,070,486	360,188	33.6	1,986.13

(Reference) Shareholder’s equity ; Year ended March 31, 2013: 516,378 million Yen, Year ended March 31, 2012: 360,188 million Yen

2. Non-consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014

(Percentage compared to prior year)

	Operating Revenues		Ordinary Income		Net Income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Fiscal Year	1,023,000	3.3	100,000	(28.1)	117,000	(23.2)	645.15

Note: Forecasts for the six months ending September 30,2013 is not made.

Indication of audit procedure implementation status

These financial results are not subject to the review requirements as provided in the Financial Instruments and Exchange Act. The review of consolidated financial statements as provided in the Financial Instruments and Exchange Act had not been completed as of the date of these Consolidated Financial Results for the Year Ended March 31, 2013.

Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to “1.Operating results (1)Analysis of operating results” on page 2 in the Attachment for the assumptions used and other notes.

* The Company holds a presentation for institutional investors and analysts on Apr 30, 2013. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

Attachment

CONTENTS

1. Operating results

(1) Analysis of operating results

During this consolidated fiscal year (April 1, 2012 - March 31, 2013), post-quake restoration demand continued to drive the Japanese economy; however, the economic rebound was blunted by a slowdown in the global economy. Since the change of administration in Japan in December 2012, exports started to slowly decline, while capital investments and production resurged. Corporate earnings and employment have shown signs of improvement.

During this time, aviation demand stagnated temporarily due to territorial issues, but was generally robust. However, the entry of Japanese low cost carriers (LCC) into the market and the expansion in business scale of rival carriers, etc. produced an increase in supply.

In addition to rising fuel prices, the Japanese yen weakened and triggered a rise in fuel costs. As such, the JAL Group finds itself in a tough operating environment.

Under these circumstances, the JAL Group did its utmost to provide customers with unparalleled service on the premise of maintaining safe operations, heightened the profit consciousness of its employees through its code of conduct ‘JAL Philosophy’ and a divisional profitability management system that promoted autonomous management. These measures aim to achieve greater management efficiency, and ultimately the management targets set out in the Mid-Term Management Plan announced on February 15, 2012.We strive to mimimize the impact of the suspension of Boeing 787 operations from January 2013, by prompt decision making.

As a result of the above, during the consolidated fiscal year, consolidated operating revenue was increased on-year by 2.8 % to 1,238.8 billion yen, operating expenses, increased on-year by 4.4% to 1,043.5 billion yen, operating profit, declined on-year by 4.7% to 195.2 billion yen, ordinary profit, declined on-year by 6.0% to 185.8 billion yen, and net income for the full year was declined on-year by 8.0% to 171.6 billion yen.

Financial results of each business segment are described below.

<Air transport segment>

During the consolidated fiscal year, the air transport business registered sales of increased on-year by 2.3 % to 1,106.1 billion yen and operating profit of declined on-year by 8.9% to 171.1 billion yen. (Sales and operating profit amounts represent amounts before elimination of inter-segment transactions, after elimination of intra-air transport segment transactions.)

Financial results of each business segment are described below.

a. International operations

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	385,289	406,657	105.5%
Revenue passengers carried (number of passengers)	6,844,772	7,525,038	109.9%
Revenue passenger km (RPK) (1,000 passenger-km)	30,313,789	34,036,119	112.3%
Available seat km (ASK) (thousands-km)	43,036,984	44,745,317	104.0%
Revenue passenger-load factor (L/F) (%)	70.4	76.1	5.6
Revenue from Cargo Operations (millions of Yen)	53,790	50,483	93.9%
Revenue cargo ton-km (RCTK) (thousands-km)	1,314,295	1,378,282	104.9%

We stepped up measures to improve profitability, products and services in order to become the world's most preferred airline group by customers.

In route operations, we launched a nonstop service to Boston on April 22, 2012, our first transpacific destination in 13 years, and to San Diego on December 2, 2012. In addition to the convenience of being the sole nonstop service between Narita and Boston, we leveraged the sales network of joint business partner and oneworld alliance partner, American Airlines, to attract customers expansively from Asia and North America in order to maximize revenue, while deploying the mid-size Boeing 787 to improve cost-efficiency and profitability. Adjusting aircraft flexibly to meet demand, we swiftly reduced flights on China routes where demand weakened due to territorial issues, while increasing flights on Asian routes where demand thrives, such as Narita - Delhi (5 to 7 flights a week) and Narita - Singapore (from 7 to 14 flights a week). In these ways, we deployed our aircraft effectively and effectively to maximize revenue.

As we suspended the operations of our 787 fleet on January due to battery failures, we declined the number of flights and changed aircrafts. Also, we postponed the launch of our Helsinki route. We have been cooperating with U.S. and Japanese investigation teams, and participating closely with activities by the aircraft manufacturer Boeing, US and Japanese civil aviation bureaus, and third part institutions, to ensure the highest levels of safety of Boeing 787.

To improve our network within and to/from Europe, we commenced a joint business with British Airways on October 1, which includes joint fares and code-sharing between Tokyo (Haneda,Narita) and London, and to destinations beyond London. To improve our Russian route network as well as our Moscow flights, we launched code-share flights in January 2013 with Russia's domestic carrier S7 Airlines, which operates from Narita to Vladivostok and Khabarovsk. Between Japan and Asia, we launched code-share flights with Malaysia Airlines in January 2012, which was inducted into oneworld on February 1, 2013, and with Bangkok Airways in November 2012. By adding Kuala Lumpur and Bangkok as hubs in our Southeast Asia network, we improved connectivity to Asia and the Middle East, and increased opportunities to capture new demand. In our partnership with

Jetstar Japan, which has been improving its network between major regional Japanese cities and Narita, Kansai and Chubu international airports, we started code-sharing in March 2013 to improve connectivity between regional Japan and domestic airports with international air services.

In our sales strategies, we actively offered fares targeting new customers, such as special business class fares during summer holidays when corporate demand slumps and long vacation fares for long-term stay.

Product-wise, we began offering JAL SKY Wi-Fi service, an in-flight Wi-Fi connection service that supports passengers' own smartphones, computers and other wireless LAN devices, between Narita and New York, Chicago, Los Angeles, and Jakarta. As JAL's unique service and the first of its kind in Japan, it has been well-received by passengers, and will be progressively expanded to other routes. In January 2013, we launched JAL SKY SUITE 777, which offers brand new products and services under the concept "quality a class above in every class." For example, Business Class passengers can enjoy direct access to the aisle from their full-flat seats and savor deliciously prepared meals created by the world's top Japanese chefs. Premium Economy is configured with the world's largest seat pitch, while seat pitch in Economy Class is about 10cm. wider than before. This service will be progressively expanded to routes destined to Europe and North America in 2013, for example, Narita-New York. This is part of our package of enhanced products and services.

Consequently, international supply for the consolidated fiscal year increased by 4.0% year-on-year when measured in available-seat-kilometer (ASK), demand, by 12.3% in terms of revenue-passenger-kilometer (RPK), load factor (L/F), by 5.6 points to 76.1%, and international passenger revenue increased by 5.5% to 406.6 billion yen.

International cargo operations experienced sluggish inbound and outbound demand on the whole, but sales sections responded flexibly such as seeking new customers, improving services to existing customers, and capturing transit cargo in order to maximize revenue. In our sales activities, we leveraged Hamada's convenient location to aggressively capture perishables and express cargo, and transport temperature-sensitive consignments such as pharmaceuticals using our J SOLUTIONS PHARMA service.
On our new services from Narita to Boston and San Diego, we transported shipments from China and Asia, where strong demand was seen, and perishables, such as seafood on inbound flights to Japan

The volume of international cargo increased by 4.9% year-on-year on a revenue-cargo-ton-kilometer basis (RCTK), however, revenue declined by 6.1% to 50.4 billion yen due to tough competition, etc.

b. Domestic operations

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013	% or points compared to prior period
Revenues from passenger operations (millions of Yen)	481,111	485,214	100.9%
Revenue passengers carried (number of passengers)	28,965,514	30,020,440	103.6%
Revenue passenger km (RPK) (1,000 passenger-km)	22,264,394	23,012,898	103.4%
Available seat km (ASK) (thousands-km)	35,523,214	36,443,994	102.6%
Revenue passenger-load factor (L/F) (%)	62.7	63.1	0.5
Revenue from Cargo Operations (millions of Yen)	25,022	25,083	100.2%
Revenue cargo ton-km (RCTK) (thousands-km)	355,909	360,176	101.2%

We strove to improve profitability by enforcing measures to stimulate demand and adjusting capacity according to demand.
In the first-half of the fiscal year, we increased flights and deployed larger aircraft on Haneda flights, where passenger demand resurged after the post-quake slump the year before, and on Tohoku routes where post-quake restoration demand was strong. To improve our route network, we resumed scheduled services between Fukuoka-Hanamaki and Sapporo-Niigata. In the second-half of the fiscal year, we increased flights between Haneda-Izumo, Sapporo-Senda, and Fukuoka-Miyazaki based on seasonal demand, and strove to maximize revenue.

At airports, we upgraded self-check-in and ticketing machines for domestic flights installed at major airports in Japan, and installed kiosks with new functions to improve the customers' convenience. At Itami and Shin-Chitose airports, domestic lounges were renovated to improve the quality of our lounge service. At four major domestic airports (Haneda, Itami, Fukuoka, and Shin-Chitose), Diamond and Premier security gates and JAL Global Club entrances were installed for frequent users. This service shortened waiting time at security checkpoints, and enabled our customers to proceed to the lounge more speedily and stress-free.

On the product side, in addition to increasing the number of flights offering JAL's popular First Class service, we expanded First Class service to flights between Haneda-Okinawa from August 2012. Class J seats, which are popular among corporate customers, were increased for the customers' convenience.

Our sales promotions included an additional discount fare to the lineup of Sakitoku and Super Sakitoku fares, which offers greater savings by purchasing tickets 55 days in advance. We also sold Sakitoku and Super Sakitoku fare tickets during New Year's holidays (December 29 - January 3) for the first time, and they were widely used many customers to return to their hometown or to travel during the holidays. We also strove to hoist leisure demand by strengthening sales promotion of Tokyo Sky Tree tours as an Official Partner.

In response to the advancement of mobile terminals such as smartphones, we launched various new applications for the smartphone, such as a booking and purchasing service for JAL Dynamic Packages, JAL Airport Navi to navigate customers to the boarding gate over the best route, and JAL Touch & Go which eliminates check-in procedures at the airport. In this way, we strove to comprehensively improve our web channels.

Consequently, domestic supply for the consolidated fiscal year increased by 2.6% year-on-year when measured in available-seat-kilometer (ASK), demand, by 3.4% in terms of revenue-passenger-kilometer (RPK), the load factor, by 0.5 points to 63.1%, and domestic passenger revenue increased by 0.9% to 485.2 billion yen.

Domestic cargo operations encountered sluggish demand from the second-half of the fiscal year, but we strove to capture perishables and home delivery parcels by improving customer relations. We also operated extra flights flexibly to meet the needs of our customers. Volume increased by 1.2% year-on-year in terms of revenue-cargo-ton-kilometer (RCTK), and revenue increased by 0.2% to 25 billion yen.

Fleet as of March 31,2013

Aircraft	Own	Leases	Total
Boeing 787	7	0	7
Boeing 777	46	0	46
Boeing 767	30	18	48
McDonnell Douglas MD-90	2	0	2
Boeing 737-400	14	2	16
Boeing 737-800	18	31	49
Embraer 170	12	0	12
Bombardier CRJ200	9	0	9
Bombardier DHC-8-400	9	2	11
SAAB340B	9	2	11
Bombardier DHC-8-300	1	0	1
Bombardier DHC-8-100	4	0	4
Total	161	55	216

Note :Aircraft listed on “Leases” are aircraft operated under operating lease scheme in accounting standards.

Components of Revenues from the Air Transportation Segment are as follows.

	FY2011 April 1,2011 to March 31,2012 [Millions of Yen]	% contribution to total	FY2012 April 1,2012 to March 31,2013 [Millions of Yen]	% contribution to total	% compared to prior period
International:					
Passenger operations	385,289	35.6	406,657	36.8	105.5
Cargo operations	53,790	5.0	50,483	4.6	93.9
Mail-service operations	6,304	0.6	6,124	0.6	97.1
Luggage operations	487	0.0	517	0.0	106.2
Sub-total	445,871	41.2	463,782	41.9	104.0
Domestic:					
Passenger operations	481,111	44.5	485,214	43.9	100.9
Cargo operations	25,022	2.3	25,083	2.3	100.2
Mail-service operations	3,246	0.3	3,154	0.3	97.1
Luggage operations	287	0.0	270	0.0	94.1
Sub-total	509,668	47.1	513,722	46.4	100.8
Total revenues from international and domestic operations	955,539	88.4	977,505	88.4	102.3
Other revenues	52,757	4.9	59,352	5.4	112.5
Incidental business revenues	72,856	6.7	69,291	6.3	95.1
Total revenues	1,081,154	100.0	1,106,148	100.0	102.3

Note: Amounts are rounded down to the nearest million yen, percentages are round off to the first decimal place.

Consolidated Traffic Results

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	6,844,772	7,525,038	109.9%
Revenue passenger km (1,000 passenger-km)	30,313,789	34,036,119	112.3%
Available seat km (thousands-km)	43,036,984	44,745,317	104.0%
Revenue passenger-load factor (%)	70.4	76.1	5.6
Revenue cargo ton-km (thousands-km)	1,314,295	1,378,282	104.9%
Mail ton-km (thousands-km)	199,373	179,529	90.0%
DOMESTIC			
Revenue passengers carried (number of passengers)	28,965,514	30,020,440	103.6%
Revenue passenger-km (1,000 passenger-km)	22,264,394	23,012,898	103.4%
Available seat km (thousands-km)	35,523,214	36,443,994	102.6%
Revenue passenger-load factor (%)	62.7	63.1	0.5
Revenue cargo ton-km (thousands-km)	355,909	360,176	101.2%
Mail ton-km (thousands-km)	21,179	21,298	100.6%
TOTAL			
Revenue passengers carried (number of passengers)	35,810,286	37,545,478	104.8%
Revenue passenger-km (1,000 passenger-km)	52,578,184	57,049,018	108.5%
Available seat km (thousands-km)	78,560,199	81,189,311	103.3%
Revenue passenger-load factor (%)	66.9	70.3	3.3
Revenue cargo ton-km (thousands-km)	1,670,205	1,738,458	104.1%
Mail ton-km (thousands-km)	220,552	200,828	91.1%

1. Revenue passenger kilometer (RPK) is the number of fare-paying passengers multiplied by the distance flown (km).
   Available seat kilometer (ASK) is the number of available seats multiplied by the distance flown (km).
   Revenue cargo ton kilometer (RCTK) is the amount of cargo (ton) transported multiplied by the distance flown (km).
2. The distance flown between two points, used for calculations of RPK, ASK and RCTK above is based on the great-circle distance and according to statistical data from IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization).
3. FY2012
   International operations: Japan Airlines Co., Ltd,
   Domestic operations: Japan Airlines Co., Ltd, Japan Trans Ocean Air Co., Ltd, JAL Express Co., Ltd, Japan Air Commuter Co., Ltd, J Air Co., Ltd, Ryukyu Air Commuter Co., Ltd.
   FY2011
   International operations: Japan Airlines Co., Ltd,
   Domestic operations: Japan Airlines Co., Ltd, Japan Trans Ocean Air Co., Ltd, JAL Express Co., Ltd, Japan Air Commuter Co., Ltd, J Air Co., Ltd, Ryukyu Air Commuter Co., Ltd.
4. Figures have been truncated and percentages are rounded off to the first decimal place

<Others>

We did our utmost to maximize JAL Group's corporate value and improve our profit margin. Here are the results of two major companies in this segment.

JALPAK Co., Ltd. offered additional products to respond to changes in demand and timely Dynamic Packages to maximize revenue and improve cost-efficiency. Although the number of overseas travelers to Korea, China, Hong Kong and Taiwan decreased due to territorial issues, a strong yen supported a huge outflux of passengers to Europe, North America and Southeast Asia, etc., resulting in an increase in customers by 3.4% from the previous year to 323,000. Due to a recovery in post-quake demand for Tokyo Disney Resort tours, and buoyant demand for Dynamic Packages sold over JAL's website, the number of domestic customers handled by JALPAK increased by 3.3% from the year before to 1,972,000. As a result, operating revenue (prior to intercompany transactions eliminationbefore) increased by 5.5% from last year to 161.6 billion yen.

JAL Card Co., Ltd. carried out activities aggressively to increase members and promote the use of JAL Card. It conducted various enrollment campaigns, such as First Time JAL Card Membership Campaign, Web marketing measures such as affiliate marketing and listing (search advertising), sought greater media exposure through TV commercials, and improved enrollment activities over major channels such as airports and the website. Their efforts proved to be successful, as the number of members increased by approximately 120,000 members from March 31, 2012 to 2.76 million members. In December 2012, it issued a new brand card for the first time in six years, the JAL American Express Card, and by adding it to the lineup of platinum cards, it targeted top tier customers. As for services, it extended call center service hours from October 2012 in order improve service quality from the customers' standpoint.

In addition to the above, supported by stable personal consumer spending and an in increase in noncash settlements, such as credit cards, JAL Card handled the largest number of customers ever recorded. Consequently, operating revenue (prior to intercompany transactions elimination) increased by 7.4% from the previous year to 17.3 billion yen.

(2) Analysis of financial condition

Qualitative Information of Financial Position

Total assets for this consolidated fiscal year increased by 128.9 billion yen year-on-year to 1,216.6 billion yen mainly due to an increase in cash and deposits.

Debts decreased by 40.3 billion yen year-on-year to 633.4 billion yen due to a decline in interest-bearing debt, such as financial obligations and long-term loans.

Net assets increased by 169.3 billion yen year-on-year to 583.1 billion yen due to an increase in equity after registering net profit this fiscal year.

As a result of the above, equity was 565 billion yen, and the equity ratio increased by 10.7 points from the previous year to 46.4%.

For details, please refer to "4. Consolidated Financial Statements (1) Consolidated Balance Sheets" .

Cash Flows

Operating Activities

As a result of adding and subtracting the non-cash and cash accounts from Net Income of before Income Taxes and Minority Interests of 190.4 billion yen, the net cash provided by operating activities was 264.8 billion yen.

Investing Activities

Largely due to the purchase of time deposits and the acquisition of fixed assets, the net cash provided by investing activities was minus 264.4 billion yen.

Financing Activities

Due to the decrease of long term borrowings and leasing liabilities, the net cash provided by financing activities was minus 60.6 billion yen.

Consequently, the balance of cash and cash equivalent was declined by 59.5 billion yen to 99.4 billion yen at the end of the reporting period.

(3) Basic policy on distribution of profits, and dividend for the current and next fiscal years

Passing benefits to our shareholders is one of the most important management goals of the company. It is our basic policy to distribute benefits to our shareholders in the form of dividends, while executing capital expenditures to respond to business growth in the future and changes in business conditions, and maintain internal reserves for building a strong financial structure.

We express our sincere appreciation to our shareholders. On taking into consideration necessary capital expenditures to respond to business growth in the future and changes in business conditions, and maintain internal reserves for building a strong financial structure,we plan to increase dividends by 10 yen from our initial estimate, and pay 190 yen per share this fiscal year.We plan to announce estimated dividends for next fiscal year when our business forecast has been clarified.

We intend to allocate approximately 20% of consolidated net profit to pay dividends to our shareholders.

(4)Business risks

Risks affecting decisions of investors to invest in shares are mentioned below. However, they do not cover all the risks relating to the JAL Group, as unforeseen risks excluding those listed here may exist. This section includes forward-looking statements, based on judgment as of March 31, 2013. The JAL Group is exposed to the following risks, given the group's business operations, primarily scheduled and unscheduled air transport business services.

a.Risks concerning changes in the international situation

The JAL Group transports international air passengers and air cargo to mainly North America, Europe, Asia-Oceania and China. Air transport demand can decline significantly due to terrorist attacks, regional conflicts, wars, and outbreaks and transmission of infectious diseases. Especially if recommendations are issued to defer travel to regions of conflict or outbreaks and epidemics of infectious diseases, or if actions to defer nonessential, nonurgent travel due to concerns of the users, etc. become marked, they could have serious negative impacts on demand for JAL Group flights that depart and arrive in those regions.

b.Risks concerning changes in the Japanese and global economy

JAL Group's international and domestic passenger operations depend largely on the Japanese market. Therefore, Japanese economic trends and global economic conditions including the European debt crisis, or a decline in airline demand of the customer base in Japan, natural disasters or unfavorable weather, etc. could negatively impact JAL Group's business. Our international passenger operations, in particular, are easily affected by economic conditions.

c.Risks concerning our Mid-Term Plan and Annual Plan

The JAL Group establishes a Mid-Term Plan and Annual Plan, but various internal and external factors pose a risk to the execution of these plans. These management plans are based on many assumptions, but if they do not go as planned, our ability to achieve the revenue targets and profit goals set out in the plans could be negatively affected.

The JAL Group's Mid-Term Plan and Annual Plan are established based on effective accounting and tax systems, processing methods and legal requirements at the time of compilation. If these systems, methods and requirements are changed into the future, financial forecasts announced into the plans could change.

d.Risks concerning our aircraft delivery plans

The JAL Group aims to build a fleet centering on new, fuel-efficient, small/mid-size aircraft for its air transport business, and has placed orders with aircraft manufacturers, such as Boeing. If delivery of aircraft is postposed due to technical, financial, or other reasons of the aircraft manufacturer, JAL Group's mid/long term business could be affected.

As regards the Boeing 787 which we are progressively introducing to our fleet, delays in delivery have occurred several times due to technical problems, etc. Also, 787 operations have been suspended due to battery problems. If large-scale delays in delivery occur in the future, it could affect the group's performance in a single fiscal year, as well as in the mid/long term.Also, while we have sufferd several deyays in delivery and suspended operations of Boeing 787 due to technical issues such as battery failures, we are increasing its number in operations. These factors may influence our single year financial results and mid to long term business plans of the group.

e.Risks concerning departure and arrival slots

The JAL Group positions the increase of airport capacity at Haneda and Narita airports promoted since FY2010 as a huge business opportunity. If the number of departure and landing slots allocated to JAL Group at Haneda and Narita airports greatly differs from our expectations, it could negatively affect our ability to achieve our management Plan.

f.Risks concerning alliances

There have been active movements in the airline business to join a global alliance composed of several airlines or starting a joint business with partner airlines across national borders on receiving approval of anti-trust immunity (ATI). The JAL Group is a member of the oneworld global alliance, alongside American Airlines (AA) and British Airways (BA). We also have a joint business with AA over the transpacific and with BA over European routes.

Our reliance on strategic partners and the oneworld alliance could expose us to a variety of risks which could affect our alliance strategies, such as changes in business conditions of the other party, changes in membership to oneworld, or changes in partnerships with the JAL Group.

g.Risks concerning competition

The JAL Group faces substantial and intensifying competition in routes, services and fares in both the domestic and international markets.

On domestic routes, we face tough competition with another major Japanese airline, new low cost airlines, and the

Shinkansen, and competition with LCCs is also seen to intensify.

On international routes, competition with major Japanese and international airlines is getting increasingly fierce, and the increase of departure and landing slots in Haneda and Narita airports is certain to intensify competition.

We have stakes in Jetstar Japan, which is an LCC established with Jetstar of Australia, and another party, and is an affiliated company accounted for by the equity-method. At present, impacts of LCCs have been contained within our estimated range. But if competition with Japanese and international LCCs intensify, we will be compelled to reduce our fares. And if customers shift from JAL Group flights to LCCs including Jetstar Japan in large numbers, it could negatively affect the group's LCC strategies, as well as our business and operations

h.Risks concerning cost structure

The JAL Group has a high unit cost (cost per ASK) compared to Asian airlines and LCCs, and as the share of fuel costs, personnel costs, aircraft costs, and taxes in operating cost is high, there is a limit to our freedom to reduce costs based on economic conditions. If demand declines or the price of tickets falls, it could negatively affect our business.

i.Risks concerning changes in jet fuel prices

The JAL Group's business performance is greatly affected by changes in fuel price. The group's fuel costs in FY2012 were approximately 250 billion yen, which accounts for approximately 24% of consolidated operating expenses in FY2012. Since the summer of 2004, fuel prices rose and negatively affected our business. As competition in the airline industry is extremely tough, we have difficulty dealing with price hikes by increasing fares or asking our customers to pay a fuel surcharge for the increased portion of fuel costs. To reduce risks posed by fluctuations in fuel price, we conduct hedging transactions, etc., using commodity derivatives of crude oil or jet fuel. If the price of crude oil or jet fuel suddenly drops in a short period of time, depending on hedging positions, etc., the fall in market conditions might not be quickly reflected in our business performance and might not contribute to improving our business results.

j.Risks concerning fluctuations in foreign exchange rates

The JAL Group conducts business extensively in domestic and international markets, and partially receives revenue and partially pays expenses in foreign currencies. Especially, as jet fuel prices, which account for the largest share of our costs, are affected by the US dollar, USD currency volatility has a greater impact on expenses than revenue. To reduce risks to profitability caused by currency volatility, foreign currencies received as revenue are basically used for expenditures in foreign currency. We conduct exchange forward contracts and currency option tradings.

k.Risks concerning disasters

The majority of users of JAL Group aircraft use aircraft departing and arriving at Haneda and Narita airports. The positioning of Haneda and Narita airport in the group's air transport business is very important. The group's important information system center for aircraft operations, such as operations control and reservation control, is located in the Tokyo area. The Operation Control Center which controls the operation and schedule of aircraft around the world is also located in the Tokyo area. Therefore, if this important facility is affected by a large earthquake in the Tokyo area, etc., fire or terrorist attacks, etc., and Haneda and Narita airports are closed or our information systems or operation functions are suspended for a long period of time, it could seriously affect our business.

l.Risks concerning trust in airline safety

The JAL Group conducts various activities every day to ensure safety in operation of our aircraft. If we lose the customers' trust due to an aircraft accident, etc., it could take a long time to recover the customers' confidence in safety of our operations and to recover public trust. If safety problems occur aboard group flights or code-share flights, the customers' confidence and public trust in safety or our operations could decline, and negatively impact our business.

If we experience an aircraft accident, we might have to repair the damaged aircraft or purchase a new aircraft, or we might suffer losses due to suspension of operations. Furthermore, we might receive claims for compensation from injured passengers, etc. The group has liability insurance with similar amounts and range of compensation as industrial standards. But if an accident occurs, the range of compensation might not be sufficient, or we might suffer huge losses, which could negatively impact our business.

m.Risks concerning legal regulations

The JAL Group's business complies with international regulations and regulations at the government and regional government level in conformance to laws, ordinances and regulations. If these regulations are revised, our business could be further regulated, and we might require a large increase in expenditures.

(a) Airworthiness directives, etc.

If technical problems seriously affect safety in aircraft operations, an airworthiness directive, etc., might be issued by the Minister of Land, Infrastructure, Transport and Tourism in accordance with laws and ordinances, and operations of the aircraft might not be approved until safety has been confirmed. Even if an airworthiness directive is not issued under laws and ordinances, we might have to voluntarily suspend operation of the aircraft under internal regulations, etc. If this happens to our aircraft, including the Boeing 787 which we are introducing with priority, operation of our aircraft might be disrupted, which would negatively affect our business.

(b) Laws, ordinances, etc. concerning the air transport business

The JAL Group as an air transport operator does business according to laws, ordinances, etc. concerning the airline business. On international routes, we are required to conform to conventions including bilateral aviation agreements, and other international rules. Furthermore, in the air transport business, fares and fees are regulated by the anti-trust law and other similar overseas laws and ordinances.

(c) Environmental regulations, etc.

Amid increased awareness of corporate social responsibility for the global environment, including prevention of global warming, environmental regulations concerning gas emissions, noise, toxic substances, etc., have been heightened. If global gas emission trading increases on the international aviation scene, or environmental regulations, such as fines for global warming gases, etc. are tightened, etc., it could negatively affect our business.

(d) Tax and fees, etc.

Taxes and fees, etc. in the airline business refer to landing fees, navigation support facility fees, etc.

Landing fees at some Japanese airports are subject to mitigated measures by the government, but depending on the financial conditions or direction of transport administration of each government, if the reduction of landing fees is abolished or taxes and fees are increased substantially, it could negatively affect our business.

n.Risks concerning litigations

The JAL Group is currently subject to various legal proceedings concerning business activities, which could affect our business. We could be sued etc. in the following situations, and depending on the situation, it could negatively affect our business due to additional expenditures or need of a reserve fund.

(a) Incidents concerning employment of former employees

In Japan, former employees filed a suit demanding confirmation of status under the labor contract. In March 2011, the plaintiff's claims were dismissed in the Tokyo District Court, but in April 2012, they appealed to the Tokyo High Court. Two other labor suits are still in dispute. In addition, several suits have been filed in Brazil and Taiwan demanding confirmation of wages/allowances and status under the labor contract.

(b) Incidents concerning cartels

As regards an alleged air cargo price cartel charged by anti-trust authorities, we filed a suit with European and Korean courts in January 2011, objecting to orders from the European Union and Korean anti-trust authorities to pay a fine. Several airlines including JAL were sued by shippers in a civil suit, claiming they suffered damages by an alleged air cargo cartel. With regard to these incidents, the estimated amount of future losses have been registered in a reserve fund for probable future losses and in amounts that can be estimated in a reasonable manner.

o.Risks concerning our dependence on third parties

The JAL Group's business is dependent on services by third parties to a certain extent; e.g. maintenance staff, airport staff, aviation security agents, fuel handling workers, baggage handling staff, private security companies. In addition, we place orders with Boeing for the majority of new aircraft which are scheduled to be introduced to our fleet.

Therefore, if Boeing cannot fulfill its contract with JAL for financial or other reasons, we will be compelled to change our fleet plan significantly, which may affect our business in the mid/long term.

p.Risks concerning IT (information systems)

The JAL Group is dependent on information systems for our business operations. If various problems occur with our information systems caused by computer or program problems, computer viruses, etc., important data could be lost, costs for repairs, etc. could increase, etc., and negatively affect our business. If large scale problems occur with infrastructure, etc., electric power which supports our information systems, etc. could seriously disrupt our business.

q.Risks concerning financing

The JAL Group plans to purchase aircraft in order to renew aircraft, repair cabin and upgrade core systems, and may need to procure funds from financial institutions or markets to fulfill capital requirements. Our ability or costs to procure funds may change depending on financial markets, our credibility, etc. If financial markets or our credibility declines, it might be difficult to procure funds, and we might suffer a decline in Liquidity on hand or an increase in financial costs.

r.Risks concerning handling of customer data

If the JAL Group experiences information leaks or unlawful access to customer data in its possession, the group might be obliged to compensate or be subjected to administrative measures. If this happens, public trust in our business, systems and brand will be damaged, we will lost the trust of the customers and markets, which could negatively affect our operations, financial conditions and business.

s.Risks concerning recruitment

We need to secure employees with various qualifications, including national qualifications, and with skills to operate aircraft required under law to conduct our business operations, but it takes considerable time for them to acquire these qualifications and skills. If we are unable to secure the necessary manpower in the required time, it could affect our business and operations.

t.Risk concerning labor disputes

Many group employees belong to labor unions. If a labor dispute breaks out, such as a collective strike by our employees, it could negatively affect our aircraft operations.

2.Outline of the Japan Airlines Group

Since its founding in 1951, the JAL Group has provided safe and high quality air transport services primarily over its own domestic and international route network, based on the world's top on-time arrivals as recognized by a U.S. survey company. After the merger of Japan Airlines and Japan Air System (hereinafter JAA) in October 2002, we maintain a 40% share of total domestic passengers in Japan (based on MLIT data of FY2011), and an international route network with the greatest number of overseas destinations of all Japanese carriers. As a Japanese flagship carrier operating about 900 flights a day, domestic and international flights combined, we contribute to the convenience and benefit of aircraft users in Japan and abroad.

(1)Air transportation business	JAL and 5 consolidated airlines (Japan Transocean Co., Ltd., JAL Express Co., Ltd., Japan Air Commuter Co., Ltd., J-AIR Co., Ltd., Ryukyu Commuter Co., Ltd.) and one affiliated company are engaged in the air transport business.
(2)Other	96 subsidiaries and 61 affiliated companies, that is, a total of 157 companies, engage in other businesses, as below.
Airport Passenger Service	10 subsidiaries perform check-in procedures and information services for passengers, operational support work, and load control, of which JAL SKY and 8 companies are consolidated companies.
Ground handling	8 subsidiaries and 1 affiliated company provided airport ground service, such as cargo loading, marshaling, and cleaning inside and outside the aircraft, of which JAL Ground Service Co., Ltd. and 5 companies are consolidated companies.
Maintenance	7 subsidiaries and one affiliate company provides maintenance services of aircraft, engines and aircraft components, etc., of which JAL Engineering Co., Ltd. and 3 companies are consolidated companies.
Cargo	24 subsidiaries and 18 affiliated companies perform cargo and mail handling work, warehouse (cargo handling facility) handling, etc., of which JAL Cargo Service Co. Ltd. and 4 companies are consolidated companies.
Airline-related business	4 subsidiaries and 30 affiliated companies engage in the production of in-flight meals, baggage delivery, fueling, etc., of which JAL Royal Catering Co., Ltd. and 2 companies are consolidated companies .
Passenger sales	20 subsidiaries and 4 affiliated companies are engaged in planning and sales of tours using air transportation, sales of aircraft seats, reservations and information by phone, etc., of which JAL Pak Co., Ltd., JAL Sales Co., Ltd., JAL Navia Co., Ltd. and 11 companies are consolidated companies.
Other	23 subsidiaries and 7 affiliated companies are engaged in system development and operation, provision of reservation and ticketing systems for travel businesses, import and export of aircraft components, the credit card business, etc., of which JAL Infotec Co., Ltd., AXESS International Network Inc., JAL Aeroparts Co., ltd., JAL Card Co., Ltd. and 9 companies are consolidated companies.

3.Management Policies

(1)Fundamental Policy

a.We will do our best to improve our business performance by maintaining flight safety and providing comfortable services, never forgetting our remorse and regret over our past failure or our gratitude to everyone, and never letting down our guard even when business results are positive.

b.As mentioned in the JAL Group Corporate Policy, we will provide customers with unparalleled service, increase corporate value, and contribute to the betterment of society in various ways.

c.We will thoroughly analyze profitability of each route, and continuously improve our network in order to build a net work that is convenient for the customers.

d.We will continuously pay dividends in order to pass on benefits to shareholders.

【JAL Group Corporate Policy】

The JAL Group will;
Pursue the material and intellectual growth of all our employees;
Delivery unparalleled service to our customers; and
Increase corporate value and contribute to the betterment of society.

(2)Targeted Principal Management Indicators

We aim to achieve the following 3 management targets.

a.JAL recognizes that “flight safety” is the basis of the existence of the JAL Group and our social responsibility. As a leading company in safety in the transportation sector, JAL will maintain the highest standards of safety.

b.JAL will provide unparalleled services to continuously deliver a fresh and enjoyable travel experience for customers. We aim to achieve “Customer Satisfaction No. 1” by FY2016.

c.JAL aims to establish sufficient profitability and financial stability levels capable of absorbing the impact of econo mic fluctuations and risk events by achieving “10% or above operating margin for 5 consecutive years and 50% or above equity ratio in FY2016”.

(3)Medium-and Long-Term Management Strategies

On completing the first year of fiscal years 2012 through 2016 of the Mid-Term Management Plan, we have defined the positioning of each fiscal year as below.

■FY2012

A year in which our ability to execute the Mid-Term Management Plan was put to the test

Drawing on lessons learned in the past because we had neglected to execute or analyze the cause of failures in our plan, we exerted group-wide efforts to demonstrate that JAL has changed and has become a company that keeps its promises to its stakeholders.

As shown in our report of financial results for FY2012, we achieved our initial targets. However, this is only the first year of our 5 year Mid-Term Management Plan, and from here, it is important that we review the process that leads to results and utilize our findings in future action, without being complacent with the status quo.

■FY2013

A year in which the true value of our Mid-Term Management Plan will be put to the test

FY2013 will be a year in which we will be tested as to whether we can overcome apparent risks at the beginning of the fiscal year (e.g. suspended 787 operations, currency trends), and establish a high profitability structure.

We will polish human services, from reservations and sales to airports and in-flight services, without overdependence on hardware (e.g. aircraft, seats, airport facilities) or software (e.g. in-flight entertainment, in-flight meals), and provide unparalleled service that is always refreshing in order to secure high profitability and demonstrate that the Mid-Term Management Plan is JAL's firm promise with its stakeholders.

■FY2014 - FY2016

A period to achieve Management Targets in the Mid-Term Management Plan, and start new growth

The Mid-Term Management Plan is subtitled "To the next growth stage on establishing a high profitability structure."

While aiming to establish a high profitability structure in FY2012 - FY2013, FY2013 onwards, the latter half of the Mid-Term Management Plan, will be a next stage for achieving sustainable growth.

This will be a period for us to steadily achieve the Management Targets in the Mid-Term Management Plan, while leveraging business opportunities, especially the increase of international departure and arrival slots at Haneda Airport, enforce measures for the next growth stage under the keywords "autonomous, challenge and speed", and build a company that survives future competition and develops sustainably.

(4)Issues to be addressed

Flight safety is the foundation and social responsibility of the JAL Group. We will accumulate our safety layers, based on our rich experience nurtured over the years as the pioneer of air transportation in Japan, and provide customers with safe and comfortable flights.

The JAL Group established the JAL Group Mid-Term Management Plan for Fiscal Years 2012-2016-To the Next Growth Stage on Establishing a High Profitability Structure-, with the aim to overcome major changes in the operating environment and future uncertainties, survive future competition, and achieve sustainable growth and development.

We aim to achieve the following 3 management targets, as set out in the Mid-Term Management Plan.

1. JAL recognizes that "flight safety" is the basis of the existence of the JAL Group and our social responsibility. As a leading company in safety in the transportation sector, JAL will maintain the highest standards of safety.
2. JAL will provide unparalleled services to continuously deliver a fresh and enjoyable travel experiences for customers. We aim to achieve "Customer Satisfaction No. 1" by FY2016.
3. JAL aims to establish sufficient profitability and financial stability levels capable of absorbing the impact of economic fluctuations and risk events by achieving "10% or above operating margin for 5 consecutive years and 50% or above equity ratio in FY2016".

To achieve these targets, we have defined fives areas in which we will put in focused efforts; (a)Safety Initiatives, (b)Route Network, (c)Products and Services (d)Group Management, and (e)Human Resources Development.

As for Safety Initiatives, we will steadily take steps to make sure that every JAL Group staff attends JAL Group Safety Education by FY2014, and heighten our preventive measures against incidents, utilizing the safety database released in the first-half of FY2013 and a system to share preventive measures across the JAL Group launched last fiscal year. We will strive to pass on an austere safety culture, always remembering past accidents, and act on advice from the Safety Advisory Group. In FY2013 we will continue to nurture a safety climate under the theme “a climate to polish manuals”, as mentioned in the Safety Advisory Group’s Recommendations.

As for Route Network, we will thoroughly analyze profitability of each route, and continuously improve our network, rather than merely expanding it. We aim to build a route network which provides customers with highly convenient connectivity within Japan and to destinations around the world from Japan. On international routes, while keeping an eye on the resumption of 787 operations, we will continue to deploy our aircraft on mid/long haul routes (Europe, North America, and Southeast Asia). Practically speaking, we will launch new routes, change aircraft on mid/long haul routes (Europe, North America, Southeast Asia and Honolulu), and such. While flexibly responding to changes in aircraft specifications, we will meet the challenge to build a network that offers both convenience and comfort for the customers. On domestic routes, to leverage the increase of departure and arrival slots at Haneda aircraft from FY2013, we will launch flights to/from Chubu, increase flights to/from Okinawa and Sapporo, and improve connections between domestic and international flights in preparation for the increase of international departure and arrival slots in FY2014.

As for Products and Services, we will expand JAL SKY SUITE 777 routes, starting with the New York route in May, install full-flatseats in Business Class and revamp seats in Economy Class of our 767 fleet to improve in-flight comfort.
Also for the in-flight internet access, we are going to expand the routes introduced, and for in-flight meals, we strive to provide the delight of cuisine. We will offer flights satisfying than ever. As for airport lounges, we will refurbish the interior of JFK airport lounge. Upon the expansion of internationl slots for Haneda airport in FY2014, we will strive to improve the products and services which meets our customers' satisfaction.

With regard to Group Management, we will hold JAL Philosophy Education classes at the same pace as now to instill common values, introduce/expand the divisional profitability management system to Group companies (7-8 companies a year during the period covered by the Mid-Term Management Plan) to build a firm organizational operating structure for “management by all”, and thereby achieve the JAL Group Corporate Policy and Management Targets.

Regarding Human Resource Development, we have consolidated those departments dealing with human resources, including work philosophy reform and human resources development into a new Human Resources Management Division for managing unified activities. We will continue to recruit employees required by the company in appropriate numbers. JAL Training Center facilities will be used to training staff, manage training programs, and achieve maximum effects. Through human resources development and productivity improvements at each division, we will maintain the necessary workforce of 32,000 as set out in the Mid-Term Management Plan. (Group consolidated headcount).

The operating environment of JAL Group has become tough due to a decline in overall demand due to an aging society and a falling birthrate, an increase in departure and arrival slots in the Tokyo metropolitan area, the commencement of full-scale activities by LCCs, the extension of the Shinkansen network, and such. However by steadily implementing the abovementioned measures, we will offer new routes and new services on international routes to improve the customers’ preference for JAL, and thus maximize revenue. As for expenses, we will deepen measures to reduce unit cost (consolidated operating expenses relating to air transport per ASK) so as to improve cost-efficiency, earn stable revenue no matter how tough economic conditions may be, and meet the expectations of all our stakeholders including our shareholders.

The JAL Group will deliver refreshing and enjoyable travel experience to customers in order to become the world's most preferred airline group. We will accomplish this by putting forth joint efforts to achieve the Management Targets stated in our Mid-Term Management Plan.

4.Consolidated Financial Statements

(1)Consolidated Balance Sheets as of March 31, 2012 and as of March 31, 2013

(Millions of Yen)

Account	FY2011 As of March 31, 2012	FY2012 As of March 31, 2013
(Assets)		
Current assets		
Cash and time deposits	272,475	347,986
Notes and account receivable	117,005	121,058
Short-term investments in securities	30	7
Flight equipment spare parts and supplies	22,996	22,277
Deferred income tax assets	1,336	1,055
Other	55,174	59,727
Allowance for doubtful receivables	(661)	(764)
Total current assets	**468,355**	**551,348**
Fixed assets		
Tangible fixed assets		
Buildings and structure (Net)	36,697	34,521
Machinery,equipment and vehicles (Net)	7,065	5,984
Flight equipment (Net)	369,502	385,267
Land	2,313	1,898
Advances on flight equipment purchases and other	58,105	70,425
Other tangible fixed assets(Net)	5,147	6,340
Total tangible fixed assets	***1 478,831**	***1 504,438**
Intangible assets		
Software	40,497	40,991
Other intangible fixed assets	2,462	3,227
Total intangible assets	**42,960**	**44,219**
Investments		
Investments in securities	***2** 39,722	***2** 55,826
Long-term loans receivable	14,364	13,018
Deferred income tax assets	3,972	4,354
Other investments	39,824	43,783
Less:Allowance for doubtful accounts	(404)	(376)
Total investments	**97,480**	**116,606**
Total fixed assets	**619,271**	**665,263**
Total assets	**1,087,627**	**1,216,612**

(Millions of Yen)

Account	FY2011 As of March 31, 2012	FY2012 As of March 31, 2013
(Liabilities)		
Current liabilities		
Accounts payable-trade	125,185	135,830
Short-term debt	561	828
Current maturities of long-term debt	10,197	9,767
Lease liabilities	35,997	35,801
Deferred income taxes	262	2,751
Reserves for Business restructuring	5,033	1,184
Other	121,237	126,990
Total current liabilities	**298,475**	**313,154**
Non-current liabilities		
Long-term debt	46,512	34,517
Lease liabilities	113,310	77,592
Deferred income taxes	7,122	7,669
Accrued pension and severance costs	154,800	154,483
Reserves for Business restructuring	846	-
Reserve for loss on antitrust liabilities	7,273	6,466
Asset retirement obligations	3,166	4,271
Other	42,258	35,268
Total non-current liabilities	**375,290**	**320,269**
Total liabilities	**673,766**	**633,423**
(Net Assets)		
Stockholders' equity		
Common stock	181,352	181,352
Capital surplus	189,901	183,043
Retained earnings	19,665	198,196
Treasury stock	-	(122)
Total stockholders' equity	**390,919**	**562,469**
Accumulated other comprehensive income		
Net unrealized loss on other securities, net of taxes	(661)	2,353
Net unrealized gain or loss on hedging instruments, net of taxes	5,343	6,603
Translation adjustments	(7,077)	(6,378)
Total accumulated other comprehensive income	(2,395)	2,578
Minority interests	25,337	18,141
Total net assets	**413,861**	**583,189**
Total liabilities and net assets	**1,087,627**	**1,216,612**

(2)Consolidated Statement of Income and Comprehensive Income-1

(Millions of Yen)

Account	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Operating revenues	1,204,813	1,238,839
Cost of operating revenues	848,726	884,004
Gross operating profit	**356,086**	**354,834**
Selling, general and administrative expenses		
Sales commissions	22,173	21,639
Provision for credit losses	165	126
Labor costs	46,884	55,628
Retirement benefit expenses	4,402	4,538
Other	77,539	77,660
Total Selling, general and administrative expenses	**151,164**	**159,592**
Operating income	204,922	195,242
Non-operating income		
Interest income	713	813
Dividend income	365	563
Equity in earnings of affiliates	1,073	-
Gain on sale of flight equipment	3,257	3,221
Other	4,919	3,511
Total non-operating income	**10,330**	**8,109**
Non-operating expenses		
Interest expense	10,900	3,182
Loss on sales of flight equipment	2,648	3,434
Equity in loss of affiliates	-	2,188
Exchange losses	2,066	1,826
Other	1,948	6,855
Total non-operating expenses	**17,564**	**17,488**
Ordinary income	**197,688**	**185,863**
Extraordinary gains		
Gain on compensation	1,576	8,674
Gains on forgiveness of Debt	1,277	-
Gain on partial termination of retirement benefit plan	1,134	-
Gain on step acquisitions	1,125	-
Others	5,006	1,965
Total extraordinary gains	**10,119**	**10,640**

(2)Consolidated Statement of Income and Comprehensive Income-2

(Millions of Yen)

Account	FY2011 (April 1, 2011 – March 31, 2012)		FY2012 (April 1, 2012 – March 31, 2013)	
Extraordinary losses				
Impairment loss	*2	2,433	*2	1,764
Loss on difference of retirement benefit plan		547		1,516
Loans payable prepayment expenses		-		1,295
Loss on sales and disposal of fixed assets	*1	974	*1	712
Loss on definition of undetermined reorganization claims		-		628
Loss associated with closing pension transition		1,282		-
Other		2,664		108
Total extraordinary losses		**7,903**		**6,026**
Income before income taxes and minority interests		199,904		190,477
Income taxes-current		12,046		12,882
Income taxes-deferred		(3,716)		1,047
Total income taxes		8,329		13,929
Net income before minority interests		191,574		176,547
Minority interests		4,957		4,875
Net income		186,616		171,672
Minority interests		4,957		4,875
Net income before minority interests		191,574		176,547
Other comprehensive income				
Net unrealized loss on other securities, net of taxes		87		3,019
Net unrealized gain on hedging instruments, net of taxes		2,986		1,358
Translation adjustments		577		931
Equivalent interest in equity affiliates		25		1
Total other comprehensive income		3,676		5,310
Comprehensive income		**195,251**		**181,857**
Breakdown				
Comprehensive income attributable to owners of the parent		190,019		176,646
Comprehensive income attributable to minority interests		5,231		5,211

(3)Consolidated Statements of Changes in Net Assets-1

(Millions of Yen)

	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Shareholders' equity		
Common stock		
Balance at the end of previous period	181,352	181,352
Changes of items during the period		
Total changes during the period	-	-
Balance at the end of the period	**181,352**	**181,352**
Capital surplus		
Balance at the end of previous period	189,901	189,901
Changes of items during the period		
deficit disposition	-	(6,858)
Total changes during the period	-	(6,858)
Balance at the end of the period	**189,901**	**183,043**
Retained earnings		
Balance of the end of previous period	(166,910)	19,665
Changes of items during the period		
Decrease by merger	(40)	-
Net income	186,616	171,672
deficit disposition	-	6,858
Total changes during the period	186,576	178,530
Balance at the end of the period	**19,665**	**198,196**
Common stock in treasury,at cost		
Balance of the end of previous period		
Changes of items during the period		
Purchases of common stock in treasury		(122)
Total changes	-	(122)
Balance at the end of the period	**-**	**(122)**
Total shareholders' equity		
Balance at the end of previous period	204,343	390,919
Changes of items during the period		
Decrease by merger	(40)	-
Net income	186,616	171,672
Purchases of common stock in treasury	-	(122)
Total changes during the period	186,576	171,550
Balance at the end of the period	**390,919**	**562,469**

(3)Consolidated Statements of Changes in Net Assets-2

(Millions of Yen)

	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(767)	(661)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	105	3,014
Total changes during the period	105	3,014
Balance at the end of the period	**(661)**	**2,353**
Deferred gains or losses on hedges		
Balance at the end of previous period	2,388	5,343
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	2,955	1,260
Total changes during the period	2,955	1,260
Balance at the end of the period	**5,343**	**6,603**
Foreign currency translation adjustment and others		
Balance at the end of previous period	(7,419)	(7,077)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	341	699
Total changes during the period	341	699
Balance at the end of the period	**(7,077)**	**(6,378)**
Total valuation, translation adjustments and others		
Balance at the end of previous period	(5,798)	(2,395)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	3,402	4,974
Total changes during the period	3,402	4,974
Balance at the end of the period	**(2,395)**	**2,578**
Minority interest on consolidated subsidiaries		
Balance at the end of previous period	19,689	25,337
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	5,647	(7,196)
Total changes during the period	5,647	(7,196)
Balance at the end of the period	**25,337**	**18,141**
Total net assets		
Balance at the end of previous period	218,234	413,861
Changes of items during the period		
Decrease by merger	(40)	-
Net income	186,616	171,672
Purchases of common stock in treasury	-	(122)
Net changes of items other than shareholders' equity during the period	9,050	(2,222)
Total changes during the period	195,626	169,328
Balance at the end of the period	**413,861**	**583,189**

(4)Consolidated Statement of Cash flows

(Millions of Yen)

Account	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Operating activities:		
Net income before income taxes and minority interests	199,904	190,477
Depreciation and amortization	81,222	81,004
Loss on sales and disposal of fixed assets and loss on impairment of fixed assets, net	2,520	3,089
Net reversal of accrued pension and severance costs	(675)	(322)
Interest and dividend income	(1,079)	(1,376)
Interest expense	10,900	3,182
Exchange profit, net	(1,323)	2,299
Equity in earnings of affiliates	(1,073)	2,188
Decrease (increase) in notes and accounts receivable	(5,496)	(3,777)
Decrease (increase) decrease in supplies	3,172	718
Increase (decrease) in accounts payable-payable	(6,093)	10,405
Other	(5,622)	(3,366)
Subtotal	**276,356**	**284,523**
Interest and dividends income received	1,730	1,631
Interest expenses paid	(11,234)	(3,349)
Payments for extra retirement payments	(2,843)	-
Income taxes paid	(7,336)	(17,950)
Net cash provided by operating activities	**256,673**	**264,853**
Investing activities:		
Payments into time deposits	(276,021)	(486,697)
Proceeds from withdrawal of time deposits	191,280	351,303
Purchase of non-current assets	(98,628)	(121,894)
Proceeds from sales of non-current assets	28,735	10,200
Purchase of investments in securities	(3,093)	(20,294)
Proceeds from sales and redemption of investment securities	5,717	430
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,360	-
Proceeds from sales of investments in subsidiaries resulting in changes in scope of consolidation	254	-
Payments of loans receivable	(1,933)	(295)
Collection of loans receivable	1,916	1,791
Other	3,188	1,019
Net cash used in investing activities	**(147,221)**	**(264,436)**
Financing activities:		
Net increase in short-term loans payable	62	266
Proceeds from long-term loans payable	25,203	11,836
Repayment of long-term loans payable	(259,056)	(26,599)
Proceeds from stock issuance to minority shareholders	1,506	-
Dividends paid to minority shareholders	(194)	(8,177)
Repayment of lease obligations	(41,210)	(36,342)
Other	(770)	(1,625)
Net cash provided (used in) financing activities	**(274,460)**	**(60,643)**
Effect of exchange rate changes on cash and cash equivalents	449	643
Net increase (decrease) in cash and cash equivalents	(164,559)	(59,582)
Cash and cash equivalents at the beginning of period	323,797	158,995
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(274)	-
Increase in cash and cash equivalents resulting from merger	31	-
Cash and cash equivalents at end of period	***1 158,995**	***1 99,413**

(5) Notes Consolidated Financial Statements

・Going Concern Assumptions

None

・Base of presentation of the consolidated financial statement

1. Scope of consolidation

Number of consolidated subsidiaries: 59

JAL Okinawa Co., Ltd. which was a consolidated subsidiary has been excluded from the consolidation scope due to its merger with JTA Sales Co., Ltd. (changed name from JTA Shoji Co., Ltd.) from this consolidated fiscal year.

A total of 42 subsidiaries such as Shimojishima Airport Facility Co., Ltd. are not included in the consolidation scope. These non-consolidated subsidiaries are small from the standpoint of importance, and will not significantly affect consolidated financial statements in general.

2. Application of the equity method

Number of non-consolidated affiliated company accounted for by the equity-method 13

Names of Major non-consolidated affiliated company accounted for by the equity-method JALUX Co., Ltd., Airport Facility Co., Ltd.

Nitto Air Maintenance Co., Ltd., which was an affiliated company accounted for by the equity-method, is excluded from the scope of the equity-method as it fell into bankruptcy during the reporting period.

42 non-consolidated subsidies, such as Shimojishima Airport Facility Co., Ltd., and 49 subsidies, such as Hiroshima Airport Fueling Facility Co., Ltd., are not included in the scope of the equity-method.

Non-consolidated companies and affiliated companies not applicable to the equity-method have been excluded from the scope of the equity-method, as they have very low impact on net loss/profit and retained earnings, as well as consolidated financial statements.

3. Fiscal year of consolidated subsidiaries

The balance sheet dates of 50 the consolidated subsidiaries,including Japan Transocean co.,Ltd. are March 31.

The balance sheet dates of 8 of the consolidated subsidiaries,including JAL HAWAII INCORPORATED, are December 31,and February 28 for Offical Filing Co.,Ltd.

Any significant differences arising on intercompany Transactions during the period between these dates and the consolidation date have been adjusted if necessary.

4. Summary of significant accounting policies

(1)Valuation of significant assets

a.Securities: Evaluated based on the market price method, etc. according to market price, etc. on the date of financial closing (the difference in market price is reported in as a component of shareholders' equity, and the cost of products sold are mainly calculated by the moving-average method.)

Non-marketable securities classified as other securities are carried at cost.

Cost of securities sold is determined principally by the moving average method.

b.Inventories: Inventories are principally stated at cost 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).

c.Derivatives: Derivative positions are stated at fair value.

(2)Depreciation of tangible fixed assets (excluding leased assets)

a.Tangible fixed assets Aircraft: The straight-line method

b.Other tangible fixed assets: (excluding aircraft)	Japan Airlines Co.,Ltd	The straight-line method
	Other companies	Principally the declining-balance method based on their estimated useful lives.

Estimated useful lives

Aircraft: 12-27years

Other: 2-65years

(3)Depreciation of intangible fixed assets (excluding leased assets)

The straight-line method

We used the straight line depreciation method based on period of internal usability (mainly 5 - 7 years) for the group's software.

(4)Depreciation of lease assets

a.Lease assets related to ownership transfer finance leases

We used the same method as the depreciation method applied to fixed assets owned by the company.

b.Lease assets related to finance lease transactions that do not transfer ownership

We used the straight-line depreciation method with the lease period as the useful life, and residual value as zero.

With regard to some consolidated subsidies, accounting work for finance leases exempt from ownership transfer whose contract was signed prior to April 1, 2010 will be handled according to the normal lease method.

(5)Accounting standards of important provisions

a.Allowance for doubtful accounts

The allowance for bad debts on specific receivables is provided at an estimate of the unrecoverable amounts.

The allowance for bad debts on other receivables is provided based on historical rate of losses on receivables.

b.Accrued pension and severance costs

To provide for employees' severance indemnities,net periodic pension cost is accounted for based on the projected benefit obligation and the plan assets.

The unrecognized obligation at transition is being amortized by the straight-line method principally over a period of 15 years.

The adjustment for actuarial assumptions is being amortized by the straight-line method over a period ranging from 5 to 15 years,which is less than the average remaining years of service of the active participants in the plans.

Amortization is computed from the fiscal year subsequent to the year in which the adjustment was recorded.

Past service cost is principally charged to income as incurred. However,at certain subsidiaries, past service cost is being amortized by the straight-line method over period which is less than the average remaining years of service of the active participants in the plans.

(Additional information)
With regard to some consolidated subsidiaries, the calculation method of projected benefit obligation has been changed from the short-cut method to expected total benefits at retirement earned to date and discounted to the present value.

c.Reserve for loss on antitrust litigation
To prepare for payment of court fees or compensation, etc. relating to a price cartel, we have reported an estimated amount of losses in the future.

d.Restructuring reserve
To prepare for costs for business restructuring, e.g. withdrawal from facilities due to a reorganization plan, we have reported a reasonable estimated amount.

(6)Consumption taxes
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(7)Foreign currency accounts
Foreign currency receivables and payables are translated into yen at the applicable year-end exchange rate and any gain or loss on translation is included in current earnings. Translation adjustments arising from the translation of assets,liabilities,revenues and expenses of the consolidated subsidiaries and affiliates accounted for by the equity method into yen at the applicable exchange rates at the year end are presented in minority interests and translation adjustments in the consolidated balance sheets.

(8)Hedge accounting
a.Hedge accounting
Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized. Exchange contracts are under the allocation method.

b.Hedging policy and the hedging instrument and the hedged item
As for foreign currency operational debts(e.g. hotel fees, product purchasing, planned trading in foreign currency) to avert exchange rate volatility risks in the future, we have used forward exchange contracts and currency option trades. To curb price volatility risks of products (jet fuel) and stabilize costs, we use commodity derivatives (swap, options).

c.Risk management and method of assessing hedge effectiveness
Transactions by reporting companies and major consolidated companies are based on the basic policy and

established rights. Daily handling is mutually checked by contract managing organization and auditing organization.

Derivative trading conditions are reported at monthly hedging meetings, and the effectiveness of hedging before and after testing is reported to related organizations, as necessary.

At other consolidated subsidies, approval procedures are followed whenever there are transactions according to rules on authorization and trading limits, and the effectiveness of hedging is reported to related departments as necessary.

(9)Amortization period and the amortization method for goodwill

Goodwill acquired recognized are amortized over a period of five years.

(10)Range of funds in the consolidated statement of cash flows

The company and its consolidated subsidiaries define cash equivalents as highly liquid,short-term investments with original maturities of three months or less.

(11)Income taxes

The company and certain domestic subsidiaries have adopted the Japanese consolidated tax return system.

(Change of Accounting Policy)

(Change of depreciation method of tangible fixed assets)

Some domestic consolidated companies adopt the fixed percentage method for depreciation of tangible fixed assets, but due to an amendment of the Corporation Tax Act of Japan, from this consolidated fiscal year, the method has been changed to the depreciation method according to the revised Corporation Tax Act for tangible fixed assets acquired from/after April 1, 2012. As a result, the impact on gain/loss for this consolidated fiscal year is minimal. For the impact on Segment Information, please refer to “4. Consolidated Financial Statements (Segment Information)” .

(Change in estimates in accounting)

(Change of years of useful life)

From this consolidated fiscal year, JAL has changed the years of useful life of some aircraft (including spare parts) from the number of years of useful life to the number of years of useful life reflecting expected use in the future.

As a result of the above, operating profit for this consolidated fiscal year declined by 3,452 million yen compared to the former method, and ordinary profit and pre-tax, etc. net profit declined by 3,192 million yen. For the impact on Segment Information, please refer to 「4. Consolidated Financial Statements(Segment Information)」.

Notes to the consolidated balance sheet

*1 Accumulated depreciation of tangible fixed assets

(Millions of Yen)

FY2011 As of March 31,2012	FY2012 As of March 31,2013
182,650	241,914

*2 Non-consolidated subsidiaries and affiliates

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Investments and other assets		
Investment securities(Stock)	29,223	30,329
Investment securities(Bond)	-	666

3 Contingent liabilities
(1) Breakdown of guaranteed debt
(Guarantees for bank loans)

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Employee loan	431	341

4 We have signed a commitment line agreement with three financial institutions to effectively procure working capital. The balance of unexecuted loans, etc. based on these contracts is shown below.

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Total amount of commitment line contract	50,000	50,000
Outstanding borrowings	—	—
Net amount	50,000	50,000

Notes to consolidated statements of income and comprehensive income

*1 Loss on disposal of fixed assets

FY2011 April 1,2011 to March 31,2012

Building and structures 651 million yen,Land 105 million yen, Machinery,equipment and vehicles 44 million yen and others.

FY2012 April 1,2012 to March 31,2013

Building and structures 216 million yen,Land 130 million yen, Machinery,equipment and vehicles 30 million yen and others.

*2 Impairment loss

The JAL Group has recognized an impairment loss on the following asset groups.

FY2011 April 1,2011 to March 31,2012

Assets utilized in the Company's and consolidated Subsidiaries' operations	Groups of assets	Location
Assets to be sold	Land,buildings and structures and machinery	Tomisato-shi, Chiba prefecture
Idle assets	Fight equipment	―

Assets to be sold and idle assets are written down to their respective recoverable amounts.
Consequently, an impairment loss of 2,433 million yen has been recognized as an extraordinary loss in the accompanying consolidated statement of income for the year ended March 2012.
A breakdown of the total loss on impairment of fixed assets is follows: 758 million yen on buildings and structures and 983 million yen on fight equipment, 458 million yen on machinery, 233 million yen on land.

The collectable amount of these asset groups are measured by net selling price, and the amount in the sales agreement, etc., is used. In addition, companies accounted for using the equity method also post impartment losses using the same method, and the company's share of comprehensive income of associates accounted for using equity method is posted as an investment gain/loss (12 million yen) based on the equity method.

FY2012 April 1,2012 to March 31,2013

Assets utilized in the Company's and consolidated Subsidiaries' operations	Groups of assets	Location
Assets to be sold	Machinery	Ota-ku,Tokyo and other
Idle assets	Fight equipment and other	―

Assets to be sold and idle assets are written down to their respective recoverable amounts.
Consequently, an impairment loss of 1,764 million yen has been recognized as an extraordinary loss in the accompanying consolidated statement of income for the year ended March 2013.
A breakdown of the total loss on impairment of fixed assets is follows: 204 million yen on buildings and structures and 1,081 million yen on fight equipment, 479 million yen on machinery.

The collectable amount of these asset groups are measured by net selling price, and the amount in the sales agreement, etc., is used. In addition, companies accounted for using the equity method also post impartment losses using the same method, and our company's share of comprehensive income of associates accounted for using equity method is posted as an investment gain/loss (37 million yen) based on the equity method.

Notes to consolidated statements of cash flows

*1 Relationship between the amount of subjects that are in the consolidated balance sheet with cash and cash equivalents at the end

(Millions of Yen)

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013
Deposit accounts and cash	272,475	347,986
Deposit term deposits is more than three months	(113,509)	(248,573)
Maturity short-term investments within three months of the securities	30	-
Cash and cash equivalents	158,995	99,413

Leases

As lessee

1.Finance lease transactions

a.Finance lease

Mainly aviation equipment (aircraft) in the air transport business.

b.Depreciation of lease assets

Described in 4. (4), which provide important basics for preparing consolidated financial statements.

At certain consolidated subsidiaries, accounting work of finance leases exempt from ownership transfer whose contracts were signed prior to April 1, 2010 was dealt with according to the normal method for rental and lease. Details are provided below.

(1)Acquisition cost of the leased property, Less accumulated depreciation and Net book value

(Millions of Yen)

	FY2011 As of March 31,2012		
	Acquisition costs	Less accumulated depreciation	Net book value
Fight equipment	988	741	246
Machinery and Vehicles	2,105	1,642	463
Other	636	439	197
Total	3,730	2,822	907

(Millions of Yen)

	FY2012 As of March 31,2013		
	Acquisition costs	Less accumulated depreciation	Net book value
Fight equipment	988	840	148
Machinery and Vehicles	1,146	996	149
Other	407	317	90
Total	2,542	2,154	388

(2)Lease payments receivable for finance leases

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Lease payments receivable for finance leases		
Within 1 year	511	312
Over 1 year	407	94
Total	919	407

(3)Lease payments, Depreciation expense and Interest expense

(Millions of Yen)

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013
Lease payments	739	518
Depreciation expense	684	480
Interest expense	56	27

(4)Method of calculating depreciation

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.

(5)Method of calculating interest equivalent

The difference between aggregate lease rentals and the acquisition cost of leased assets is deemed to be the interest and is apportioned over accounting terms by the interest method.

2.Operating leases

Unexpired lease fee for operating lease transactions that cannot be terminated

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Within 1 year	34,860	36,498
Over 1 year	193,703	170,276
Total	228,563	206,774

Impairment loss

No impairment loss allocated to least assets.

・Notes to marketable securities

1.Marketable securities classified as other securities

FY2011　March 31,2012 (Millions of Yen)

	Type	Carrying value	Acquisition costs	Unrealized gain(loss)
Balance on the consolidated balance sheets exceeds the acquisition cost	Stocks	416	272	143
	Subtotal	416	272	143
Balance on the consolidated balance sheets dose not exceeds the acquisition cost	Stocks	5,330	6,071	(741)
	Subtotal	5,330	6,071	(741)
Total		5,746	6,344	(597)

FY2012　March 31,2013 (Millions of Yen)

	Type	Carrying value	Acquisition costs	Unrealized gain(loss)
Balance on the consolidated balance sheets exceeds the acquisition cost	Stocks	19,349	15,799	3,549
	Subtotal	19,349	15,799	3,549
Balance on the consolidated balance sheets dose not exceeds the acquisition cost	Stocks	400	610	(210)
	Subtotal	400	610	(210)
Total		19,749	16,410	3,339

2.Proceeds from seals of securities classified as other securities

FY2011 April 1,2011 to March 31,2012 (Millions of Yen)

Amount sold	Total gain on sales of securities	Total loss on sales of securities
1,570	210	2

FY2012 April 1,2012 to March 31,2013 (Millions of Yen)

Amount sold	Total gain on sales of securities	Total loss on sales of securities
130	49	0

・Derivatives

1.Derivative transactions to which hedge accounting is not applied

FY2011 As of March 31,2012

Omitted due to lack of importance.

FY2012 As of March 31,2013

Omitted due to lack of importance.

2.Derivative transactions to which hedge accounting is applied

As for derivatives trading requiring hedge accounting, the contracted amount on the consolidated closing date by hedge accounting method, or principal equivalent amounts provided in contracts are as below.

FY2011 As of March 31,2012 (Millions of Yen)

Hedge accounting	Type of transactions	The main hedged	Contract amount	Over 1 year	Estimated Fair value
Principle treatment method	Foreign exchange forwards				
	Long:	Operating accounts payable			
	U.S.dollar		81,790	13,473	3,050
	Euro		1,643	-	79
	Other		886	-	54
	Currency option	Operating accounts payable			
	Long:				
	Call options		113,825	-	5,009
	Commodity swaps options	Aviation fuel			
	Raceivable floating/ payable fixed		45,786	16,063	3,202
	Commodity swaps options	Aviation fuel			
	Long		112,598	-	2,396
Processing forward foreign exchange contracts	Foreign exchange forwards	Operating accounts payable			
	Long				
	U.S.dollar		1,299	-	20
	Euro		96	-	(2)
	Other		140	-	1

Total	13,812

Note:Calculation method of current market price

Currency option, commodity swap trading and commodity operation are based on prices, etc. presented by financial institutions of the other party. Others are based on the forward exchange rate.

FY2012 As of March 31,2013 (Millions of Yen)

Hedge accounting	Type of transactions	The main hedged	Contract amount	Over 1 year	Estimated Fair value
Principle treatment method	Foreign exchange forwards				
	Long:	Operating accounts payable			
	U.S.dollar		41,252	15,757	7,381
	Euro		2,660	-	255
	Other		1,158	-	186
	Currency option trading				
	Denominated in yen:Call options	Operating accounts payable	168,373	8,151	7,466
	Short:Put options		63,346	7,745	(1,930)
	Commodity swaps				
	Raceivable floating/ payable fixed	Aviation fuel	99,175	25,225	919
	Commodity swaps options				
	Short	Aviation fuel	135,944	-	236
Processing forward foreign exchange contracts	Foreign exchange forwards				
	Long:	Operating accounts payable			
	U.S.dollar		2,572	-	373
	Euro		143	-	29
	Other		94	-	21
Total					14,939

Note:Calculation method of current market price

Currency option, commodity swap trading and commodity operation are based on prices, etc. presented by financial institutions of the other party. Others are based on the forward exchange rate.

Retirement benefit

1.Outline of current retirement benefit system

An employee whose employment is terminated is entitled ,in most cases,to a lump-sum severancepayment ,the amount of which is determined by reference to the basic rate of pay,the length of service and the conditions under which the termination occurs.

JAL Corporate Pension Fund, whose mother organization is JAL, introduces option plans, such as the quasi-cash balance plan. JAL Group Corporate Pension Fund, composed of certain domestic consolidated subsidiaries, etc. adopts the cash balance plan.

2.Retirement benefit obligation

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Projected benefit obligation	(401,518)	(404,537)
Plan assets	233,288	233,109
Accrued pension and severance costs	154,800	154,483
Prepaid pension and severance costs	(1,059)	(892)
Net	(14,488)	(17,838)
(Breakdown)		
Unrecognized obligation at transition	(2,056)	(1,371)
Adjustment for actuarial assumptions	(12,933)	(16,920)
Unrecognized past service cost	501	453
Total	(14,488)	(17,838)

Note:Some domestic consolidated subsidiaries adopt a simplified method to calculate projected benefit obligation.

3.Components of net periodic pension cost

(Millions of Yen)

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013
Service cost	9,969	9,974
Interest expense	8,371	8,312
Expected return on assets	(3,554)	(3,526)
Amortization of unrecognized obligation at transition	715	685
Amortization of adjustment for actuarial assumptions	1,704	1,599
Amortization of past service cost	(80)	(24)
Subtotal	17,126	17,021
Others	1,603	1,574
Retirement benefit expenses	18,729	18,595
Retirement benefit plans some end profit and loss	(1,134)	-
Difference principle method when changing in accordance with the retirement benefit accounting	547	1,472
Total	18,142	20,067

Note:

1. Employees' contribution to Corporate Pension Fund, etc. is exempted.
2. Retirement benefit costs at consolidated subsidiaries, adopting the simplified method, are posted in service cost, excluding amounts for handling differences in costs when accounting standards were revised.
3. 'Others' refer to contribution payments to the defined contribution pension plan and advanced retirement benefit amounts in the advanced retirement benefit plan.

４.　Basis for calculation of retirement benefit obligations

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013
Periodical allocation of estimated retirement benefit	Straight line basis	Straight line basis
Discount rate for projected benefit obligation at end of year	1.7%--2.5%	1.0%--2.3%
Expected return on assets	1.0%--2.5%	1.0%--2.5%
Period for amortization of unrecognized obligation at transition	15 years	15 years
Amortization period of actuarial gain/loss	The adjustment for actuarial Assumptions is being amortized by the straight-line method over a period ranging from 5 to 15 years,which is less than the average remaining years of service of the active participants in the plans. Amortization is computed from the fiscal year subsequent to the year in which the adjustment was recorded.	The adjustment for actuarial Assumptions is being amortized by the straight-line method over a period ranging from 5 to 15 years,which is less than the average remaining years of service of the active participants in the plans. Amortization is computed from the fiscal year subsequent to the year in which the adjustment was recorded.
Amortization period of prior service cost	Past service cost is principally charged to income as incurred. However ,at certain subsidiaries,past Service cost is being amortized by The straight-line method over a period which is less than the average remaining years of service of the active particpants in the plans.	Past service cost is principally charged to income as incurred. However ,at certain subsidiaries,past Service cost is being amortized by The straight-line method over a period which is less than the average remaining years of service of the active particpants in the plans.

Tax-effect accounting

1.Deferred tax assets

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Deferred tax assets		
Accrued pension and severance costs	54,175	53,681
Lease obligations	48,988	35,913
Operating accounts payable denial	8,123	8,692
Flight equipment purchase incentives	9,244	7,540
Depreciation	2,935	2,280
Reserve for loss on antitrust litigation	2,513	2,219
Asset retirement obligation	1,017	1,514
Loss carried forward	392,211	347,617
Other	10,561	8,524
Deferred tax asset Subtotal	529,772	467,984
Valuation allowance	(490,497)	(439,926)
Deferred tax asset Total	39,275	28,058
Deferred tax liability		
Leased asset	29,085	21,543
Undistributed earnings of consolidated subsidiaries and affiliates	6,519	4,639
Deferred gain on hedging instruments	3,298	4,441
Other	2,445	2,444
Deferred tax liability Total	41,351	33,069
Deferred tax liabilities,net	(2,075)	(5,011)

Net amount of deferred tax assets (liabilities) in the previous consolidated fiscal year and this consolidated fiscal year are included in the following items of the consolidated balance sheet.

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Current assets - Deferred tax assets	1,336	1,055
Fixed assets - Deferred tax assets	3,972	4,354
Current liabilities - Deferred tax liabilities	262	2,751
Fixed liabilities - Deferred tax liabilities	7,122	7,669

2.Difference cause of the tax rate after application of tax effect accounting and statutory tax rate

(Millions of Yen)

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Statutory tax rate	39.7%	36.7%
(Adjustment)		
Equity in earnings loss of affiliats	(0.2)	0.4
Items that can not be included in gross revenue in dividend income, such as permanent	(0.1)	(0.1)
Valuation allowance increase or decrease	(34.6)	(28.5)
Consolidated subsidiaries retained earnings	(0.0)	(1.0)
Differences due to change in tax rate	(0.4)	-
Other	(0.2)	(0.2)
the tax rate after application of tax effect accounting	4.2	7.3

3.Revision of deferred tax assets and deferred tax liabilities due to change in statutory tax rate

FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2012 to March 31,2013
On December 2, 2011, the “Law for Partial Amendment of the Income Tax Law, etc., to Build a tax System Responding to Changes in the Socio-Economic Structure” (2011 Law No. 114) and the “Act on Special Measures to Secure Necessary Financial Resources to Implement Measures to recover from the Great East Japan Earthquake” (2011, Law No. 117) were enforced, and the corporate tax was revised from the consolidated fiscal year starting April 1, 2012. As a result, the normal effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities are as below, depending on the cancellation period of temporary differences, etc. April 1, 2012 to March 31, 2015　37.0% From April 1, 2015　34.6% The impact on consolidated financial statements due to these changes is minimal.	—

・Segment Information, etc.

a.Segment Information

1.Overview of reportable segments

Separate financial statements of JAL Group composite units are accessible, and for the Board of Directors to effectively use resources and evaluate business performance, according to management policies, progress of important business executions are reported and considered as necessary. The air transport business is a reporting segment.

The air transport business refers to scheduled and non-scheduled air transport services for international and domestic passengers and cargo.

2.Calculation method of segment

The reported accounting method of business segments is generally the same as stated in “Important matters providing the basis for the preparation of consolidated financial statements”.

Profit of reporting segments is based on operating profit.

Transactions between a reporting segment and others are transactions between consolidated companies based on market prices etc.,

(Change in depreciation method of property, plant and equipment)

Some domestic consolidated subsidiaries adopt the fixed percentage method for depreciation of tangible fixed assets, but due to the revision of the corporate tax law, from this consolidated fiscal year, the deprecation method based on the revised corporate tax law will be applied to tangible fixed assets acquired from/after April 1, 2012. The impact on segment information is minimal.

(Change of useful life)

From this consolidated fiscal year, JAL has changed the number of years of useful life of some aircraft (including spare parts) to useful life reflecting assumed usage in the future. As a result, segment profit for this consolidated fiscal year of the air transport business will decline by 3,452 million yen compared to the previous method.

Segment Information

FY2011April 1,2011 toMarch 31,2012 (Millions of Yen)

	Segment	Others (note1)	Total	Adjustment (note2)	Consolidated (note3)
	Air Transportation				
1.Operating revenues					
(1)Sales to third parties	958,710	246,102	1,204,813	-	1,204,813
(2)Inter-group sales and transfers	122,443	124,665	247,108	(247,108)	-
Total	1,081,154	370,767	1,451,922	(247,108)	1,204,813
Segment profit	187,920	17,334	205,254	(332)	204,922
2.Segment assets	1,006,025	197,408	1,203,434	(115,806)	1,087,627
Others					
Depreciation and amortization	78,514	2,740	81,254	(31)	81,222
Impairment loss	2,433	-	2,433	-	2,433
Investment in equity method affiliates	1,633	20,566	22,199	-	22,199
Increase in Tangible fixed assets and Intangible fixed assets	97,003	952	97,956	-	97,956

(Note) 1."Others"refers to a segment which is not included in a reporting segment. It includes the air transport business and the travel planning and sales business.

2.The adjusted amounts of segment profit and segment assets represent elimination inter-segment transactions.

3.Segment profit has been adjusted with operating profit on consolidated financial statements.

FY2012 April 1,2012 toMarch 31,2013 (Millions of Yen)

	Segment	Others (note1)	Total	Adjustment (note2)	Consolidated (note3)
	Air Transportation				
1.Operating revenues					
(1)Sales to third parties	984,692	254,146	1,238,839	-	1,238,839
(2)Inter-group sales and transfers	121,456	150,685	272,142	(272,142)	-
Total	1,106,148	404,832	1,510,981	(272,142)	1,238,839
Segment profit	171,182	24,896	196,079	(837)	195,242
2.Segment assets	1,157,181	206,509	1,363,690	(147,078)	1,216,612
Others					
Depreciation and amortization	78,651	2,423	81,074	(70)	81,004
Impairment loss	1,764	-	1,764	-	1,764
Investment in equity method affiliates	1,410	21,330	22,740	-	22,740
Increase in Tangible fixed assets and Intangible fixed assets	122,635	2,725	125,361	(679)	124,681

(Note) 1.“Others”refers to a segment which is not included in a reporting segment. It includes the air transport business and the travel planning and sales business.

2.The adjusted amounts of segment profit and segment assets represent elimination inter-segment transactions.

3.Segment profit has been adjusted with operating profit on consolidated financial statements.

b. Related information

FY2011 April 1,2011 to March 31,2012

1. Information of each service and product

Omitted as the same information is provided in Segment Information.

2. Operating revenues from overseas operations

(1)Operating revenues (Millions of Yen)

FY2011 April 1,2011 to March 31,2012			
Asia and Oceania	North America	Europe	Total
220,694	143,442	89,699	453,835

(Note) 1.The total of sales on international routes and in countries or regions excluding Japan of reporting companies and consolidated companies.

2.Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania:China,South Korea,Singapore,India,Australia,Guam

North America:U.S.A.(excluding Guam),Canada

Europe:U.K.,France,Garmany

(2)Tangible fixed assets

Omitted as the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on consolidated financial statements.

3. Information by major customer

Omitted as none of the earnings of specific external customers do not account for over 10% of earnings on consolidated financial statements.

FY2012 April 1,2012 to March 31,2013

1. Information of each service and product

Omitted as the same information is provided in Segment Information.

2. Operating revenues from overseas operations

(1)Operating revenues (Millions of Yen)

FY2012 April 1,2011 to March 31,2013			
Asia and Oceania	North America	Europe	Total
222,244	156,046	90,571	468,861

(Note) 1.The total of sales on international routes and in countries or regions excluding Japan of reporting companies and consolidated companies.

2.Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania:China,South Korea,Singapore,India,Australia,Guam

North America:U.S.A.(excluding Guam),Canada

Europe:U.K.,France,Garmany

(2)Tangible fixed assets

Omitted as the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on consolidated financial statements.

3. Information by major customer

Omitted as none of the earnings of specific external customers do not account for over 10% of earnings on consolidated financial statements.

c.Information on impairment loss on fixed assets by reportable segment

FY2011 April 1,2011 to March 31,2012

Omitted as the same information is provided in Segment Information.

FY2012 April 1,2012 to March 31,2013

Omitted as the same information is provided in Segment Information.

d.Information about the amortization of goodwill and year-end balance by reportable segment

FY2011 April 1,2011 to March 31,2012 (Millions of Yen)

	Reportable segments	Other	Total	Adjustment	Consolidated
	Air transport business				
Amortization amount	-	422	422	-	422
Year-end balance	-	2,229	2,229	-	2,229

FY2012 April 1,2012 to March 31,2013 (Millions of Yen)

	Reportable segments	Other	Total	Adjustment	Consolidated
	Air transport business				
Amortization amount	-	836	836	-	836
Year-end balance	-	3,004	3,004	-	3,004

e.Information about the gain on negative goodwill by reportable segment

FY2011 April 1,2011 to March 31,2012

Omitted as it lacks importance.

FY2012 April 1,2012 to March 31,2013

Omitted as it lacks importance.

(Per share information)

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2011 to March 31,2013
Net assets per share	2,142.37 yen	3,116.30 yen
Net income per share	1,029.03 yen	946.71 yen

(Note) 1.For net income per share (diluted), have not been shown because potential shares does not exist.

2.The basis for calculating

(1)Net assets per share

	FY2011 As of March 31,2012	FY2012 As of March 31,2013
Total net assets (Millions of yen)	413,861	583,189
Amounts deducted from total net assets (Millions of yen)	25,337	18,141
(Minority interests) (Millions of yen)	(25,337)	(18,141)
Net assets at the balance sheet related to common stock (Millions of yen)	388,523	565,048
The year-end number of common stock used for the calculation of net assets per share (Thousand shares)	181,352	181,320

(2) Net income per share

	FY2011 April 1,2011 to March 31,2012	FY2012 April 1,2011 to March 31,2013
Net income (Millions of yen)	186,616	171,672
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income in accordance with the common stock (Millions of yen)	186,616	171,672
Average number of shares outstanding during the period (Thousand shares)	181,352	181,335

(Significant Subsequent Event)

None

5.Non-consolidated Financial Statements

(1)Balance Sheets as of March 31, 2011 and as of March 31, 2012 (Millions of Yen)

Account	FY2011 As of March 31, 2012	FY2012 As of March 31, 2013
(Assets)		
Current assets		
Cash and time deposits	238,794	334,349
Account receivable	120,288	134,497
Flight equipment spare parts and supplies	18,775	18,461
Prepaid expenses	7,822	7,594
Other	60,153	63,282
Allowance for doubtful accounts	(65)	(107)
Total current assets	**445,769**	**558,078**
Fixed assets		
Tangible fixed assets		
Buildings (Net)	30,336	28,675
Structure (Net)	46	27
Machinery,equipment (Net)	5,538	4,610
Flight equipment (Net)	352,823	370,415
Vehicles (Net)	82	206
Tools, furniture and equipment	3,922	5,375
Land	1,462	1,246
Construction suspense account	58,089	70,168
Total tangible fixed assets	**452,301**	**480,725**
Intangible assets		
Software	37,357	37,393
Other	6	5
Total intangible assets	**37,363**	**37,398**
Investments		
Investments in securities	9,875	24,117
Affiliated companies (Stock)	74,866	76,786
Affiliated companies (Bond)	-	666
Long-term loans receivable	15,321	12,905
Long-term prepaid expenses	11,837	9,792
Other	23,385	29,808
Less:Allowance for doubtful accounts	(233)	(195)
Other investments	135,052	153,882
Total fixed assets	**624,717**	**672,006**
Total assets	**1,070,486**	**1,230,084**

Balance Sheets as of March 31, 2011 and as of March 31, 2012 (Millions of Yen)

Account	FY2011 As of March 31, 2012	FY2012 As of March 31, 2013
(Liabilities)		
Current liabilities		
Accounts payable-trade	146,549	148,755
Short-term loans payable	79,088	130,726
Current portion of long-term loans payable	8,943	8,854
Lease obligations	35,689	35,285
Accounts payable - other	13,380	15,269
Accrued expenses	9,096	9,241
Accrued income taxes	995	731
Deferred tax liabilities	-	2,107
Advances received	37,274	40,834
Deposits received	12,936	12,884
Air Transport deposits received	21,201	24,295
Reserves	5,033	1,184
Other	2,486	3,059
Total current liabilities	**372,677**	**433,230**
Non-current liabilities		
Long-term loans payable	42,777	32,386
Lease obligations	112,715	76,871
Deferred tax liabilities	-	2,476
Accrued pension and severance costs	130,450	126,822
Affiliate business loss reserves	3,769	841
Reserve for Antitrust	7,273	6,466
Reserves	846	-
Other	39,787	34,610
Total non-current liabilities	**337,620**	**280,475**
Total liabilities	**710,298**	**713,706**
(Net Assets)		
Owners' equity		
Stated capital	181,352	181,352
Capital reserves	181,352	174,493
Total capital surplus	181,352	174,493
Earned surplus brought forward	(6,858)	152,374
Total owners' equity	**355,845**	**508,220**
Valuation, translation adjustments and other		
Net unrealized loss on other securities, net of taxes	(779)	2,227
Net unrealized gain or loss on hedging instruments, net of taxes	5,122	5,930
Total valuation, translation adjustments and other	**4,342**	**8,158**
Total net assets	**360,188**	**516,378**
Total liabilities and net assets	**1,070,486**	**1,230,084**

(2)Statement of Income (Millions of Yen)

Account	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Operating revenues	969,030	989,989
Cost of operating revenues	700,856	735,176
Gross operating profit	268,173	254,812
Selling, general and administrative expenses	114,405	118,438
Operating income	153,767	136,374
Non-operating income		
Interest income and dividend income	1,980	11,496
Other	7,431	6,173
Total non-operating income	9,412	17,670
Non-operating expenses	10,962	3,230
Interest expense	1,945	1,745
Other	3,945	9,893
Total non-operating expenses	16,854	14,870
Ordinary income	146,325	139,174
Extraordinary gains		
Gain on compensation	1,576	8,674
Reversal of provision for losses on business of subsidiaries and affiliates	18,356	1,745
Gain on sales of Investments in securities of subsidiaries and affiliates	3,866	-
Others	2,660	600
Total extraordinary gains	26,459	11,020
Extraordinary losses		
Loans payable prepayment expenses	-	1,295
Impairment loss	1,450	683
Loss on definition of undetermined reorganization claims	-	628
Loss on disposal of fixed assets	689	507
Loss on switching to closed pension funds	1,282	-
Loss on adjustment of maintenance consignment contract	485	-
Other	292	36
Total extraordinary losses	4,201	3,152
Net income before income taxes and minority interests	168,583	147,042
Income taxes-current	(8,516)	(8,335)
Income taxes-deferred	(1,536)	3,003
Total Income taxes	(10,053)	(5,331)
Net income	178,637	152,374

(3)**Non-consolidated Statements of Changes in Net Assets** (Millions of Yen)

	FY2011(April 1, 2011 – March 31, 2012)	FY2012(April 1, 2012 – March 31, 2013)
Shareholders' equity		
Common stock		
Balance at the end of previous period	181,352	181,352
Changes of items during the period		
Total changes during the period	-	
Balance at the end of the period	**181,352**	**181,352**
Capital surplus		
Additional paid-in capital		
Balance at the end of previous period	181,352	181,352
Changes of items during the period		
Deficit disposition	-	(6,858)
Total changes during the period	-	(6,858)
Balance at the end of the period	**181,352**	**174,493**
Total Capital surplus		
Balance at the end of previous period	181,352	181,352
Changes of items during the period		
Deficit disposition	-	(6,858)
Total changes during the period	-	(6,858)
Balance at the end of the period	**181,352**	**174,493**
Retained earnings		
Other retained earnings		
Retained earnings carried forward		
Balance of the end of previous period	(185,495)	(6,858)
Changes of items during the period		
Net income for the year ended Mar 31, 2013	178,637	152,374
Deficit disposition	-	6,858
Total changes during the period	178,637	159,232
Balance at the end of the period	**(6,858)**	**152,374**
Total Retained earnings		
Balance of the end of previous period	(185,495)	(6,858)
Changes of items during the period		
Net income for the year ended Mar 31, 2013	178,637	152,374
Deficit disposition	-	(6,858)
Total changes during the period	178,637	159,232
Balance at the end of the period	**(6,858)**	**152,374**
Total shareholders' equity		
Balance at the end of previous period	177,208	355,845
Changes of items during the period		
Net income for the year ended Mar31, 2012	178,637	152,374
Total changes during the period	178,637	152,374
Balance at the end of the period	**355,845**	**508,220**
Valuation, translation adjustments and other		
Net unrealized gain on other securities, net of taxes		
Balance at the end of previous period	(869)	(779)
Changes of items during the period		
Changes other than stockholders' equity, net	89	3,007
Total changes during the period	89	3,007
Balance at the end of the period	**(779)**	**2,227**
Deferred gains or losses on hedges		
Balance at the end of previous period	2,311	5,122
Changes of items during the period		
Changes other than shareholders' equity, net	2,810	807
Total changes during the period	2,810	807
Balance at the end of the period	**5,122**	**5,930**

Non-consolidated Statements of Changes in Net Assets (Millions of Yen)

	FY2011 (April 1, 2011 – March 31, 2012)	FY2012 (April 1, 2012 – March 31, 2013)
Total valuation, translation adjustments and other		
Balance at the end of previous period	1,442	4,342
Changes of items during the period		
Changes other than shareholders' equity, net	2,900	3,815
Total changes during the period	2,900	3,815
Balance at the end of the period	**4,342**	**8,158**
Total net assets		
Balance at the end of previous period	178,651	360,188
Changes of items during the period		
Net income for the year ended Mar 31, 2013	178,637	152,374
Changes other than shareholders' equity, net	2,900	3,815
Total changes during the period	181,537	156,189
Balance at the end of the period	**360,188**	**516,378**