

[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 Six Months Ended Sep 30, 2014 (Japanese GAAP)

Company name Japan Airlines Co, Ltd
Stock Listing Tokyo Stock Exchange
Code No 9201 **URL:** <http://www.jal.com> **October 31, 2014**
Representative Yoshiharu Ueki, President
Contact Kojiro Yamashita, Vice President, Finance **Phone:** +81-3-5460-3068
 Scheduled date for filing of quarterly report: Nov 4, 2014
 Scheduled date for dividend payment: Not Applicable
 Supplementary explanations of quarterly financial results: Yes
 Presentation for the quarterly 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 Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 2014)

(1) Consolidated Operating Results (Cumulative)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 30, 2014	683,771	3.7	92,856	(3.1)	91,698	1.7	80,323	(2.0)
Six months ended September 30, 2013	659,300	4.0	95,840	(14.6)	90,171	(18.8)	81,940	(17.8)

*Comprehensive income for the period April 1, 2014 - September 30, 2014: 87,443 Millions of Yen April 1, 2013 - September 30, 2013: 87,693 Millions of Yen,

	Net income per share	Diluted net income per share
Six months ended September 30, 2014	Yen 221.50	Yen -
Six months ended September 30, 2013	Yen 225.95	Yen -

Note) JAL undertook a two-for-one stock split of its common shares as of October 1, 2014 As a result, net income per share is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity ratio (%)	Net Asset Per share
As of September 30, 2014	Millions of Yen 1,400,000	Millions of Yen 736,616	51.1	Yen 1,972.06
As of March 31, 2014	Millions of Yen 1,340,168	Millions of Yen 711,064	51.5	Yen 1,903.53

(Reference) Shareholder's equity As of September 30, 2014: 715,140 Millions of Yen, As of March 31, 2014: 690,288 Millions of Yen

Note: JAL undertook a two-for-one stock split of its common shares as of October 1, 2014 As a result, net asset per share is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

2 Dividends

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
Year Ended March 31, 2014	Yen -	Yen -	Yen -	Yen 160.00	Yen 160.00
Year Ending March 31, 2015	-	-	-	-	-
Year Ending March 31, 2015 (Forecast)	-	-	-	-	-

Note: Revisions to the most recently disclosed dividend forecasts: None

JAL undertook a two-for-one stock split of its common shares as of October 1, 2014 As for the year ended March 31, 2014 the actual amount of Dividend before the stock split is described.

3 Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2015

(Percentage compared to prior year)

Entire Fiscal 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
	1,340,000	2.3	158,000	(5.3)	155,000	(1.7)	135,000	(18.8)	372.27

Note: Revisions to the most recently disclosed earnings forecasts: Yes

JAL undertook a two-for-one stock split of its common shares as of October 1, 2014. As a result, net income per share of the current term is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

Notes

- (1) Changes in significant consolidated subsidiaries during the Six months ended September 30, 2014: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) 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 1): Yes
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None
- (4) Number of shares issued (common stock)
- (a) Total number of shares issued at the end of the period (including treasury stock)

As of September 30, 2014	:	362,704,000
As of March 31, 2014	:	362,704,000
 - (b) Number of treasury stock at the end of the period

As of September 30, 2014	:	67,318
As of March 31, 2014	:	67,318
 - (c) Average number of shares outstanding

During the six months ended September 30, 2014		362,636,682
During the six months ended September 30, 2013		362,640,054

Note) JAL undertook a two-for-one stock split of its common shares as of October 1, 2014. As a result, Total number of shares issued at the end of the period and number of treasury stock at the end of the period, average number of shares outstanding is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

Indication of quarterly review procedure implementation status

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Act. The review of quarterly 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 Six Months Ended September 30, 2014.

Explanation for appropriate use of forecasts and other notes

Remarks on the description on future forecast

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 "Qualitative Information concerning Financial Results for the Second Quarter of FY2014" in the Attachment for the assumptions used and other notes.

* The Company will hold a presentation for institutional investors and analysts on Oct 31, 2014. Documents distributed at the presentation are scheduled to be posted on our website on the same day.

Attachment

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1 Qualitative Information concerning Financial Results for the Second Quarter of FY2014

(1) Explanation of Operating Results

During the reporting period of consolidated financial results for the first half of the fiscal year (April 1, 2014 to September 30, 2014)(hereinafter referred to as the “second quarter”), the Japanese economy continued to recover moderately. However, consumer spending has been sluggish due to the prolonged reactionary decline in demand following the front-loaded increase in demand prior to the consumption tax hike in April. Recovery of the global economy has been on track, but the financial deregulation scale-down of the US, economic conditions of China and other new emerging countries, geopolitical risks, and such have put a downside pressure on the domestic economy. The USD to JPY currency exchange rate, which impacts JAL’s jet fuel purchasing costs, was stable until August, but since the beginning of September, the Japanese yen has depreciated sharply. Under these conditions, JAL Group strived to achieve greater management efficiency and provide unparalleled service to the customers with flight safety as the top priority, in order to achieve its targets in Rolling Plan 2014 for the Medium Term Management Plan announced on March 26, 2014.

As a result, operating revenues in the second quarter was 683.7 billion (up 3.7% year-on-year) , operating expense was 590.9 billion (up 4.9% year-on-year), and consequently, operating income came to 92.8 billion(down 3.1% year-on-year), ordinary income was 91.6 billion (up 1.7% year-on-year) , and net income was 80.3 billion (down 2.0% year-on-year) .

Air Transportation Segment

Operating revenues increased by 3.4% year-on-year to 609.3 billion yen and operating income declined by 4.1% year-on-year to 82.6 billion yen (Operating revenues and operating income are before elimination of transactions between segments).

Details are provided below.

a International operations

	Six months ended September 30,2013	Six months ended September 30,2014	% or points compared to prior period
Revenue from passenger operations (millions of Yen)	222,209	233,940	105.3%
Revenue passengers carried (number of passengers)	3,847,675	3,895,416	101.2%
Revenue passenger km (RPK) (1, 000 passenger-km)	17,608,006	18,185,573	103.3%
Available seat km (ASK) (thousands)	23,089,875	23,988,785	103.9%
Revenue passenger-load factor (L/F) (%)	76.3	75.8	△0.4
Revenue from Cargo Operations (millions of Yen)	26,291	28,827	109.6%
Revenue cargo ton-km (RCTK)	743,334	848,040	114.1%

In international passenger operations, we strived to strengthen our foundations for profitable growth by enhancing and developing our functions at Japan's two main hubs, Haneda and Narita.

In route operations, we launched new daytime services between Haneda and London/Paris/Singapore/Bangkok, using our additional international flight slots at Haneda. We also started services between Haneda and Ho Chi Minh City, using our midnight and early morning slots. Using Haneda effectively for easy and fast connection between international and domestic flights, we endeavored to attract incoming traffic from overseas and outgoing traffic from regional Japan. At Narita Airport, we increased an additional 7 flights a week on both Narita=New York and Narita=Jakarta routes to 14 weekly flights in an effort to attract thriving demand between North America and Asia. In addition, we operated nonstop charter flights to Italy (Rome, Milan) using provisional international charter slots at Haneda Airport. In these ways and more, we sought to respond precisely to diversifying demand, expand our network, and increase the customers' convenience.

Sales-wise, we sought to attract robust inbound demand from overseas, which has prevailed since last fiscal year. We increased sales in overseas regions and upgraded JAL's overseas websites to make them more informative, attractive and user-friendly. For example, we upgraded JAL's overseas websites to make them more informative, attractive and user-friendly. Examples include renewing our "Guide to Japan" to provide helpful, easy-to-understand travel information. We also increased partnerships for making hotel reservations and booking a rent-a-car. Overseas customers purchasing a JAL ticket to Japan can obtain a free ID and password for connecting, NTT East's public wireless LAN access points. We will continue to embrace all kinds of challenges to welcome as many international visitors to Japan as possible and provide them with greater convenience and comfort so that they may thoroughly enjoy their stay in Japan.

On the product side, we increased our JAL SKY SUITE fleet, retrofitted with full-flat Business Class seats with unobstructed aisle access for every seat and the newest Economy Class seats, JAL SKY WIDER, with approximately ten cm more legroom and endeavored to increase the customers' recognition of our new products. Thirteen Boeing 777-300's, were rolled out on the Haneda=London, Paris routes, and the Narita=New York/Los Angeles/Chicago/Frankfurt/Jakarta

(JL725/726) routes. We also revamped nine Boeing 767-300ER's, and deployed them on mainly Asian routes such as Kuala Lumpur, Singapore, Bangkok and Dalian. Our inflight Internet service, JAL SKY Wi-Fi, was made available on JAL's 777-300ER routes above. Coinciding with the expansion of Haneda's international passenger terminal, we opened new Sakura Lounges at Haneda Airport's International Terminal. Based on the concept of "modern Japanese-style," the lounges express the spirit of Japan and Japanese-style hospitality that only JAL can deliver through the use of Japanese

elements such as sakura (cherry blossoms) and Japanese traditional art work. The JAL Sakura Lounge was awarded the Good Design Award for 2014 (sponsored by Japan Institute of Design Promotion) as an international lounge that made efficient use of space.

Following the updating of our Sakura Lounges, we also opened a new JAL First Class Lounge at Haneda Airport's International Terminal on August 29, 2014, where we aim to provide customized-service and provide the pinnacle of hospitality, such as freshly cooked meals using a "teppan" (iron plate) and a shoeshine service. Meanwhile, in the JAL First Class Lounge at Narita International Airport, customers can enjoy 'nigiri-sushi' made by a professional sushi chef in front of their eyes. As part of JAL's Japan Project for the purpose of revitalizing regional communities and dispersing information on the "wonders of Japan," special inflight meals were served in Business Class on select international flights using seasonal delicacies of Okinawa in July, Hokkaido in August and Niigata in September. JAL will continue to embrace new challenges to deliver a refreshing and inspirational travel experience, as well as convenience, to our customers.

As a result, with expectations of buoyant outbound business demand and inbound demand, international supply when measured in Available Seat Kilometers (ASK) in the second quarter increased by 3.9% over the previous year and demand when measured in Revenue Passenger Kilometers (RPK) increased by 3.3% over the previous year, resulting in a load factor (L/F) of 75.8% (down 0.4 point year-on-year) and international passenger revenue of 23.39 billion yen (up 5.3% year-on-year).

In international cargo operations, we actively captured automobile-related shipments from Japan, spurred by the growth of exports especially to North America, improved our revenue management, and efficiently captured transit shipments such as perishables in an effort to maximize revenues. In sales, we improved our system at Haneda where flights were increased and did our best to increase domestic and international transfer shipments (J-LINK). On routes with expected demand, we transported shipments on other airlines' aircraft under airline charter agreements, on minimizing the risks.

As a result, the volume of international cargo we handled during the reporting period in terms of Revenue Cargo Ton Kilometers (RCTK) increased by 14.1% year-on-year, and international cargo revenue increased by 9.6% to 28.8 billion yen.

In international mail operations, by capturing shipments of individual mail orders, which have shown steady growth, we achieved demand surpassing the result set last fiscal year. As a result, the volume of international mail handled during the reporting period in terms of Mail Ton Kilometers (RMTK) increased by 7.6% year-on-year, and international mail revenue increased by 20.6% to 4.7 billion yen.

b Domestic operations

	Six months ended September 30,2013	Six months ended September 30,2014	% or points compared to prior period
Revenues from passenger operations (millions of Yen)	251,710	248,192	98.6%
Revenue passengers carried (number of passengers)	15,784,298	15,952,535	101.1%
Revenue passenger km (RPK) (1,000 passenger-km)	11,999,957	12,138,603	101.2%
Available seat km (ASK) (thousands)	19,229,546	18,490,327	96.2%
Revenue passenger-load factor (L/F) (%)	62.4	65.6	3.2
Revenue from Cargo Operations (millions of Yen)	12,671	12,321	97.2%
Revenue cargo ton-km (RCTK) (thousands)	182,852	177,149	96.9%

In domestic passenger operations, we implemented measures to boost demand in order to maximize revenues.

In route operations, we increased flights between Haneda and Itami/Kansai/Naha/Okayama, etc, and also between Haneda and Yamagata using contest slots, in which the local government and airlines worked together to improve regional routes. Furthermore, we increased flights on routes with expected demand growth such as the Itami=Naha route, to increase the customers' convenience.

In cabin services, we rolled out aircraft featuring JAL SKY NEXT cabin interiors, including seats covered with genuine leather used and slimmed-down Economy Class seats with 5-cm- more legroom (around the knees) from the previous seat for greater comfort, while in-cabin LED lighting orchestrates the change of seasons and flow of time to create a relaxing ambience and a feeling of Japan. JAL was the foremost airline to provide domestic inflight Internet services, dubbed JAL SKY Wi-Fi, to allow customers to enjoy inflight entertainment or access the Internet via personal Wi-Fi enabled smartphones, computers, etc. Through these innovations, we sought to create a luxurious ambience through totally coordinated cabin interiors and cabin service with enhanced quality, which have been lauded by many customers worldwide JAL SKY NEXT won Good Design Best 100 for 2014 (sponsored by Japan Institute of Design Promotion)

Sales-wise, based on mid- and long-term forecasts of exchange rates and jet fuel prices in the Medium Term Management Plan, we were obliged to increase certain fares and charges on flights boarded on/after July 4, 2014 to supplement that portion of the fuel price hike which could not be covered through independent efforts Leveraging our additional international flight slots at Haneda Airport, we proactively attracted regional customers traveling overseas through Haneda and international visitors connecting to domestic flights. We also designed new services and improved functions of mobile devices, which have rapidly become a part of daily life. For example, we released JAL Flight Navi, an application for tablets for reserving flights, purchasing tickets, and gathering travel information at your fingertips The aggregate total of downloads of smartphone applications marked over 2 million downloads in August

As a result, domestic supply in the second quarter when measured in Available Seat Kilometers (ASK) declined by 3.8% from the previous year and demand when measured in Revenue Passenger Kilometers increased by 1.2% over the previous year, resulting in a load factor (L/F) of 65.6%(up 3.2 point over the previous year) and domestic passenger revenue of 24.81 billion (down 1.4% over the previous year) .

Domestic cargo operations were affected by the front-loaded increase in demand prior to the consumption tax hike which continued to the beginning of the first quarter, and a modal shift from surface transport to air transport due to a shortage of trucks, which consequently increased shipments temporarily. We also attracted robust perishable shipments in the summer. However due to the decrease in supply, the volume of domestic cargo we handled during the reporting period when measured in Revenue Cargo Ton Kilometers (RCTK) came minus 3.1 year-on-year, and domestic cargo revenue was 12.3 billion yen, or minus 2.8% from the previous year..

Components of Revenues from the Air Transportation Segment are as follow

	Six months ended September 30,2013 Millions of Yen	Percentage contribution to total (%)	Six months ended September 30,2014 Millions of Yen	Percentage contribution to total (%)	% compared to prior year
International:					
Passenger operations	222,209	37.7	233,940	38.4	105.3
Cargo operations	26,291	4.5	28,827	4.7	109.6
Mail-service operations	3,970	0.7	4,787	0.8	120.6
Luggage operations	302	0.1	337	0.1	111.6
Sub-total	252,774	42.9	267,893	44.0	106.0
Domestic:					
Passenger operations	251,710	42.7	248,192	40.7	98.6
Cargo operations	12,671	2.2	12,321	2.0	97.2
Mail-service operations	1,555	0.3	1,596	0.3	102.7
Luggage operations	132	0.0	139	0.0	105.0
Sub-total	266,070	45.2	262,250	43.0	98.6
Total revenues of international and domestic operations	518,844	88.1	530,143	87.0	102.2
Other revenues	70,211	11.9	79,201	13.0	112.8
Total revenues	589,056	100.0	609,344	100.0	103.4

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

Consolidated Operating Results

	Six months ended September 30,2013	Six months ended September 30,2014	% or points compared to prior period
INTERNATIONAL			
Revenue passengers carried (number of passengers)	3,847,675	3,895,416	101.2%
Revenue passenger km (1,000 passenger-km)	17,608,006	18,185,573	103.3%
Available seat km (thousands)	23,089,875	23,988,785	103.9%
Revenue passenger-load factor (%)	76.3	75.8	-0.4
Revenue cargo ton-km (thousands)	743,334	848,040	114.1%
Mail ton-km (thousands)	97,201	104,565	107.6%
DOMESTIC			
Revenue passengers carried (number of passengers)	15,784,298	15,952,535	101.1%
Revenue passenger-km (1,000 passenger-km)	11,999,957	12,138,603	101.2%
Available seat km (thousands)	19,229,546	18,490,327	96.2%
Revenue passenger-load factor (%)	62.4	65.6	3.2
Revenue cargo ton-km (thousands)	182,852	177,149	96.9%
Mail ton-km (thousands)	10,904	11,309	103.7%
TOTAL			
Revenue passengers carried (number of passengers)	19,631,973	19,847,951	101.1%
Revenue passenger-km (1,000 passenger-km)	29,607,964	30,324,176	102.4%
Available seat km (thousands)	42,319,422	42,479,112	100.4%
Revenue passenger-load factor (%)	70.0	71.4	1.4
Revenue cargo ton km (thousands)	926,187	1,025,189	110.7%
Mail ton km (thousands)	108,105	115,874	107.2%

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 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

Other businesses

In other business operations, we strived to maximize the corporate value and improve the operating profit margin of JAL Group. The financial results of two major companies in this segment are as follows;

JALPAK Co, Ltd celebrated its 50th anniversary in 2014. To mark this occasion, special 50th anniversary tours offering high quality, originality and reliability were put on sale and were in great demand by the customers;

Due to the increase in sales prices owing to the weak yen and unstable conditions in certain Asian countries such as Thailand, JALPAK handled 143,000 customers traveling overseas, down 5.7% from the same period last year. Domestically, it handled 1,165,000 customers, up 7.7% from the year before, due to an increase in reservations by last-minute customers as a result of shortening the booking timeline. As a result, operating revenue (before elimination of consolidated transactions) increased by 2.7% year-on-year to 91.2 billion yen.

JAL Card Co, Ltd carried out activities at airports and over Internet channels to increase members. In April, it issued new platinum status card, JAL/JCB Card Platinum, and increased the number of members of JAL Card navi for students. As a result, the number of JAL Card members increased by over 70,000 to 2.99 million, compared to the end of March 2014.

Despite concerns of a decline in consumer spending owing to the consumption tax hike, a reactionary decline in last-minute spending at the end of the previous fiscal year, and negative factors such as bad weather in summer, consumer spending continued steadily even in and after April, and the volume of business remained steady as a result of campaigns to boost usage of JAL Card and enhanced services for its members such as special events. As a result, operating revenue (before elimination of consolidated transactions) increased by 8.2% year-on-year to 9.8 billion yen.

(2) Explanation of Financial Conditions

Assets, liabilities and net assets

At the end of the second quarter, total assets totaled 1,400.0 billion yen, up 59.8 billion yen from the end of the previous fiscal year, due to a 27.4 billion yen increase in liquid assets such as cash and deposits from the end of the previous fiscal year, and a 32.3 billion yen increase in fixed assets such as construction suspense accounts from the end of the previous fiscal year.

Liabilities totaled 663.3 billion yen, up 342 billion yen from the end of the previous fiscal year, mainly due to retirement benefit obligations and an increase in advance received.

Net assets totaled 736.6 billion yen, up 25.5 billion yen from the end of the previous fiscal year, mainly due to recognition of net income from the end of the previous fiscal year, owing to the payment of dividends and changes in calculation as a result of the revised accounting standards for retirement benefits.

Cash Flows

Cash Flows from Sales Activities

As a result of addition/subtraction of non-cash items, such as depreciation costs and debts/credits relating to operating activities to/from 91.8 billion yen in net profit before tax, etc for the first quarter, cash flow from operating activities (inflow) came to 141.7 billion yen (an increase of 3.4 billion yen from the first two quarters of the previous consolidated fiscal year).

Cash Flow from Investing activities

Cash flow from investing activities (outflow) came to 13.53 billion yen (an increase of 6.19 billion yen from the first two quarters of the previous consolidated fiscal year), primarily due to expenditures to acquire fixed assets and deposits in time deposit accounts.

Cash Flows from Financing Activities

Cash flow from financing activities (outflow) came to 52.9 billion yen (a decline of 4.0 billion yen from the first two quarters of the previous consolidated fiscal year) as a result of paying interest-bearing debts and dividends.

As a result of the above, the balance of cash and cash equivalents at the end of the consolidated accounting period of the second quarter decreased by 44.6 billion yen from the end of the previous consolidated accounting year to 110.5 billion yen.

(3) Explanations of Forecast of Consolidated Financial Results

a. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2015

(millions of yen)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net income per share
Previous Forecast(A)	Million of Yen 1,350,000	Million of Yen 140,000	Million of Yen 135,000	Million of Yen 115,000	Yen 317.12
New Forecast(B)	1,340,000	158,000	155,000	135,000	372.27
Change(B-A)	(10,000)	+18,000	+20,000	+20,000	-
Change(%)	(0.7)	+12.9	+14.8	+17.4	-
Ref Consolidated Financial Results of the fiscal Year Ended March 31, 2014	1,309,343	166,792	157,634	166,251	458.45

Note) JAL undertook a two-for-one stock split of its common shares as of October 1, 2014. As a result, net income per share of the current term is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

b. Non-Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2015

(millions of yen)

	Operating Revenues	Ordinary Income	Net Income	Net income per share
Previous Forecast(A)	Million of Yen 1,095,000	Million of Yen 100,000	Million of Yen 100,000	Yen 275.71
New Forecast(B)	1,090,000	115,000	144,000	397.02
Change(B-A)	(5,000)	+15,000	+44,000	-
Change(%)	(0.5)	+15.0	+44.0	-
Ref Consolidated Financial Results of the fiscal Year Ended March 31, 2014	1,049,247	127,770	144,874	399.43

Note) JAL undertook a two-for-one stock split of its common shares as of October 1, 2014. As a result, net income per share of the current term is calculated on the assumption that the stock split was undertaken at the beginning of the previous consolidated fiscal year.

c. Reasons for Revisions of Financial Forecast for the Fiscal Year Ending March 31, 2015

	Exchange Rate (JPY/USD)	Singapore Kerosene (USD/BBL)	Dubai Crude Oil (USD/bbl)
Previous Forecast	107.0	125.0	107.0
New Forecast	104.6 (2 nd half: 107.0)	118.7 (2 nd half: 118.0)	105.1 (2 nd half: 105.0)

Although international passenger operations enjoyed robust inbound demand from overseas and outbound corporate demand from Japan, consolidated revenue for the full fiscal year is expected to decline by 10 billion yen from the previous forecast, owing to review of jet fuel resale contracts with related company and deduction of the resold jet fuel amount, which had been included in the target, from revenues and expenses in the second-half of the fiscal year.

Consolidated operating expenses for the full fiscal year is expected to decline by 28 billion yen compared to the previous forecast due to falling fuel prices and persistent cost reductions in the second-half as in the first-half of the fiscal year. Consolidated operating income for the full fiscal year reflecting the above elements is expected to increase by 18 billion yen from the previous forecast.

As consolidated ordinary income and consolidated net income for the full fiscal are expected to increase by 20 billion yen due to the expected increase in consolidated operating income for the full fiscal year, we will revise our forecast for

the fiscal year ending March 31, 2015

In addition to the same reason as the consolidated financial forecast, the revision of individual financial forecast for the full fiscal year is due to the posting of gain on extinguishment of tie-in shares due to absorption of subsidiary (extraordinary profit) of 27 billion yen in individual financial results due to the merger of JAL as surviving company with JAL Express Co, Ltd, a wholly-owned subsidiary of JAL, on October 1, 2014. As a result, net income is expected to increase by 44 billion yen to 144 billion yen from the previous net income forecast. The extraordinary profit will not affect consolidated financial results.

Estimated dividends for fiscal year 2014 ending March 31, 2015 will be disclosed as soon as the estimate of financial results becomes clearer. We intend to pay dividends to the shareholders by applying the dividend payout ratio of approximately 20% of consolidated net income, excluding Income Tax-deferred, for the full year. We will consider improving shareholder returns when we have reasonably determined that we have built a strong financial foundation.

2 Regarding Summary Information (Notes)

(1) Changes in the Scope of Consolidation

None

(2) Application of Special Accounting Treatment

None

(3) Change in Accounting Policy and Estimates

(Application of Accounting Standard for Retirement Benefits, etc)

We have applied Accounting Standard for Retirement Benefits (ASBJ Statement No 26, May 17, 2012, hereinafter “the Accounting Standard”) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No 25, May 17, 2012, hereinafter “the Guidance”), specifically the provisions prescribed in Item 35 of the Accounting Standard and Item 67 of the Guidance, from this first quarter reporting period We have reviewed our calculation method of retirement benefit obligations and current service costs, changed the way of attributing expected benefit to periods from the straight-line basis to mainly the benefit formula basis, and changed the way of determining the discount rate from a discount rate based on the period approximate to the expected average remaining working lives of employees to the use of a single weighted average discount rate.

Regarding the application of the Accounting Standard, etc, the amount affected retained earnings by changes in determination of retirement benefit obligations and current service costs have been adjusted in retained earnings at the beginning of the second quarter of this consolidated fiscal year, according to transitional handling provided in Accounting Standard Item 37.

As a result, retained earnings at the beginning of the second quarter of this consolidated fiscal year have declined by 30,965 million yen Furthermore, operating income have increased by 1,150 million yen, ordinary income and net income before tax have increased by 1,151 million yen for the second quarter of this consolidated fiscal year Effects on segment information are provided in Segment Information.

(Application of Accounting Standard for Business Combination, etc)

As the Accounting Standard for Business Combination (ASBJ Statement No 21, September 13, 2013, hereinafter referred to as “Business Combination Accounting Standard”), Accounting Standard for Consolidated Financial Statement (ASBJ Statement No 22, September 13, 2013, hereinafter referred to as “Consolidated Accounting Standard and Accounting Standard for Business Divestitures (ASBJ Statement No 7, September 13, 2013, hereinafter referred to as “Business Divestitures Accounting Standard”), etc are applicable from the beginning of the consolidated fiscal year starting April 1, 2014, we have applied these accounting standards from the first quarter of this consolidated fiscal year (excluding provisions in Accounting Standards for Consolidated Statements Item 39), and changed the way of reporting to reporting the difference, due to changes in JAL’s shareholders’ equity in subsidiary companies which JAL continues to control, as capital surplus and acquisition costs as costs incurred during the consolidated fiscal year. Regarding business combination implemented after the start of the first quarter of this consolidated fiscal year, we have changed the way of reporting to reflect the reviewed allocated amount of acquisition costs through provisional accounting work in the quarterly consolidated financial statement for the quarterly consolidated reporting period to which the business combination date belongs Business Combination Accounting Standard, etc are applied according to transitional handling stipulated in Business Combination Accounting Standard No 58-2(4), Consolidated Accounting Standard No 44-5(4) and Business Divestitures Accounting Standard No 57-4(4), and will be applied in the future from the beginning of the first quarter of this consolidated fiscal year.

Impacts on operating income, ordinary income and net income before tax, etc for the second quarter of this consolidated fiscal year, and capital surplus at the end of the second quarter of this consolidated fiscal year resulting from the above are minimal.

3 Consolidated Financial Statements

(1) Consolidated Balance Sheets as of March 31, 2014 and as of September 30, 2014.

(Millions of Yen)

Account	FY2013	FY2014
	As of March 31, 2014	As of September 30, 2014
(Assets)		
Current assets		
Cash and time deposits	368,774	384,776
Notes and account receivable-trade	143,807	151,573
Short-term investments in securities	58	-
Flight equipment spare parts and supplies	20,680	20,838
Other	72,614	76,158
Allowance for doubtful accounts	(926)	(901)
Total current assets	605,009	632,445
Fixed assets		
Tangible fixed assets, net		
Flight equipment	447,021	450,671
Other tangible fixed assets	114,256	134,500
Total tangible fixed assets	561,277	585,171
Intangible fixed assets	49,703	53,843
Investments and other assets	124,177	128,539
Total fixed assets	735,158	767,554
Total assets	1,340,168	1,400,000

Account	FY2013 As of March 31, 2014	FY2014 As of September 30, 2014
(Liabilities)		
Current liabilities		
Accounts payable-trade	148,999	156,465
Short-term borrowings	287	42
Current portion of long-term loans payable	8,062	8,148
Lease payable	32,455	28,258
Accounts payable-installment purchase	196	197
Reserves	332	274
Other	143,932	163,945
Total current liabilities	334,265	357,333
Non-current liabilities		
Long-term loans payable	45,084	41,738
Lease payable	46,996	33,499
Long-term accounts payable-installment purchase	1,200	1,113
Liabilities for retirement benefit	166,643	194,237
Other reserves	6,352	5,985
Other non-current liabilities	28,561	29,475
Total non-current liabilities	294,838	306,050
Total liabilities	629,103	663,383
(Net Assets)		
Stockholders' equity		
Common stock	181,352	181,352
Capital surplus	183,043	183,043
Retained earnings	332,067	352,415
Treasury stock	(130)	(130)
Total stockholders' equity	696,332	716,680
Accumulated other comprehensive income		
Net unrealized gains(losses) on other securities	6,450	12,251
Deferred gains(losses) on hedges	6,887	4,554
Foreign currency translation adjustments	(5187)	(5174)
Accumulated adjustment for retirement benefit plan	(14193)	(13171)
Total accumulated other comprehensive income	(6044)	(1539)
Minority interests	20,775	21,476
Total net assets	711,064	736,616
Total liabilities and net assets	1,340,168	1,400,000

(2) Consolidated Statement of Income and Comprehensive Income

Account	Six months ended September 30, 2013	Six months ended September 30, 2014
Operating revenues	659,300	683,771
Cost of operating revenues	480,984	504,252
Gross operating profit	178,315	179,518
Selling, general and administrative expenses	82,475	86,661
Operating income	95,840	92,856
Non-operating income		
Interest income and dividend income	835	793
Exchange gain	-	1,825
Gain on sales of flight equipment	928	1,567
Other	1,514	769
Total non-operating income	3,278	4,955
Non-operating expenses		
Interest expense	1,097	884
Loss on disposal of flight equipment	1,728	2,766
Other	6,121	2,462
Total non-operating expenses	8,947	6,113
Ordinary income	90,171	91,698
Extraordinary gains		
Gain on compensation	2,355	846
Other	219	195
Total extraordinary gains	2,575	1,041
Extraordinary losses		
Loss on impairment of fixed assets	1,497	713
Other	378	195
Total extraordinary losses	1,875	909
Income before income taxes and minority interests	90,871	91,830
Income taxes	6,445	8,899
Income before minority interests	84,425	82,930
Minority interests	2,485	2,607
Net income	81,940	80,323
Minority interests	2,485	2,607
Income before minority interests	84,425	82,930
Other comprehensive income		
Defferd gains (losses) on hedges, net of taxes	3520	5704
Net unrealized gains(losses) on hedging instruments, net of taxes	(1195)	(2331)
Foreign currency translation adjustments	901	(36)
Accumulated adjustment for retirement benefit plan	-	1,052
Share of other comprehensive income of associates accounted for using equity method	40	123
Total other comprehensive income	3,267	4,512
Comprehensive income	87,693	87,443
<u>Breakdown</u>		
Comprehensive income attribute to owners of the parent	85,015	84,828
Comprehensive income attribute to minority interests	2,677	2,614

(3) Consolidated Statement of Cash Flows

Accounts	Six months ended September 30,2013	Six months ended September 30,2014
Operating activities:		
Net income before income taxes and minority interests	90,871	91,830
Depreciation and amortization	40,561	42,641
Gain and loss on sales and disposal of fixed assets and loss on impairment of fixed assets.net	3,313	2,278
Net reversal of accrued pension and severance costs	(1,103)	-
Increase(decrease) in liabilities for retirement benefit	-	(2,780)
Interest and dividend income	(835)	(793)
Interest expense	1,097	884
Exchange loss net	324	(1,314)
Equity in(earnings)loss of affiliates	1,381	879
(Increase)decrease in notes and accounts receivable	(11,917)	(7,860)
Decrease in flighte quipment spare parts and supplies	382	(155)
Decrease in accounts payable	4,606	7,500
other	15,972	13,692
Subtotal	144,655	146,803
Interest and dividends received	1,224	1,157
Interest paid	(1,183)	(941)
Income taxes paid	(6,378)	(5,278)
Net cash provided by (usedin)operating activities	138,319	141,741
Investing activities:		
Purchase of time deposits	(247,880)	(222,511)
Proceeds from maturity of timedeposits	232,702	162,332
Purchase of fixeda ssets	(56,277)	(77,256)
Proceeds from sales of fixed assets	2,203	1,728
Purchase ofinvestments in securities	(1,336)	-
Proceeds from sales and maturity of investments in securities	328	118
Revenue generated through sales of shares in subsidiaries due to changes to our consolidation criteria	-	180
Payments onanoans receivable	(4,159)	(143)
Collection onanoans receivable	1,026	859
other	1	(619)
Net cash provided by (usedin)investing activities	(73,391)	(135,311)
Financing aCtivities:		
Decrease(increase)in short-term borrowings net	62	(148)
Proceedsfromlong-term loans	-	248
Repayment oflong-term loans	(4,906)	(4,024)
Payment for lease payables	(18,076)	(18,058)
Payment of dividends	(32,234)	(28,961)

Dividends paid to minority interests	(1,929)	(2,046)
_other	0	-
Net cash provided by (used in) financing activities	(57,085)	(52,991)
Effect of exchange rate changes on cash and cash equivalents	530	1,890
Net increase (decrease) in cash and cash equivalents	8,373	(44,671)
Cash and cash equivalents at the beginning of period	99,413	155,252
Increase in cash and cash equivalents resulting from merger	2	4
Cash and cash equivalents at end of period	107,789	110,585

(4) Notes of Consolidated Financial Statements

Going Concern Assumptions

None

Consolidated Statement of Cash Flows

Relationship between the amount of accounts that are in the consolidated balance sheet and cash and cash equivalents

(Millions of Yen)

	FY2013 April 1, 2013 to September 30, 2013	FY2014 April 1, 2014 to September 30, 2014
Cash and deposits	371,838	384,776
Term deposits for over 3 months	(264,049)	(274,191)
Cash and cash equivalents	107,789	110,585

Explanatory Note in case of Remarkable Changes in Shareholders' Equity

From the beginning of the second quarter of the accounting period, the retained earnings has been decreased by 30,965 million yen due to the change of calculation method of retirement benefit and service cost. Please refer its detail in (3) Change in Accounting Policy and Estimates in 2 Regarding Summary Information (Notes)

Segment Information, etc

Segment information

a Consolidated financial results for the Second quarter of FY2013 (April 1, 2013 to September 30, 2013)

1) Information concerning amount of operating revenue and profits or losses by reporting segment

(millions of yen)

	Reporting segment	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Air transportation				
Revenue					
1 Revenue from external customers	526,210	133,089	659,300	-	659,300
2 Intersegment revenue or transfer	62,845	16,237	79,083	(79,083)	-
Total	589,056	149,327	738,383	(79,083)	659,300
Segment profit	86,150	9,949	96,100	(259)	95,840

(Note) 1 "Others" refer to business segments that are not included in the reporting segment, such as travel services, etc

2 Adjustment includes intersegment elimination

3 Segment profit has been adjusted with operating income on the Consolidated Statement of Income and Comprehensive

Income

b Consolidated financial results for the Second quarter of FY2014 (April 1, 2014 to September 30, 2014)

1) Information concerning amount of operating revenue and profits or losses by reporting segment

(millions of yen)

	Reporting segment	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Air transportation				
Revenue					
1 Revenue from external customers	546,717	137,054	683,771	-	683,771
2 Intersegment revenue or transfer	62,627	16,549	79,176	(79,176)	-
Total	609,344	153,603	762,948	(79,176)	683,771
Segment profit	82,625	11,141	93,766	(909)	92,856

(Note) 1 "Others" refer to business segments that are not included in the reporting segment, such as travel services, etc

2 Adjustment includes intersegment elimination

3 Segment profit has been adjusted with operating income on the Consolidated Statement of Income and Comprehensive

Income

2) Information on changes to reporting segments, etc

(Application of Accounting Standard for Retirement Benefits, etc)

As mentioned in "Change of Accounting Policy, Change of Estimate in Accounting • Restatement of Corrections," we have reviewed the method of calculation of retirement benefit obligations and current service costs, changed the way of attributing expected benefit to periods from straight-line basis to mainly the benefit formula basis, and changed the way of determining the discount rate from a discount rate based on the period approximate to the expected average remaining working lives of employees to the use of a single weighted average discount rate. As a result, air transportation segment profit for the second quarter of the fiscal year increased by 1,151 million yen compared to the previous method of calculation.

Significant Subsequent Event

We have announced that the Board of Directors had approved at a meeting on January 31, 2014 and April 30, 2014 a stock split of our common shares as below, along with the approval of amendments of our Articles of Incorporation at the 65th General Shareholders' Meeting scheduled in June 2014. It has been effective as of October 1, 2014.

1 Purpose of the stock split and the partial amendment of our Articles of Incorporation

JAL is aware of the general price of a shareholder's investment in companies listed on the first section of the Tokyo Stock Exchange, and will undertake a two-for-one stock split to develop an environment to make its common shares more affordable to a broader range of investors including individual investors and increase JAL's shareholder base. The Articles of Incorporation will be partially amended to implement the stock split above.

2 Stock split

(1) Method of stock split

The stock split has been implemented by way of a stock dividend whereby each shareholder will receive one additional share of stock for each share owned as of the close of business on the record date, September 30, 2014. Shares which JAL refused to register in the shareholders' list (adjusted shares held by foreigners) pursuant to provisions of the Civil Aeronautics Law will also be split.

(2) Number of shares increasing as a result of the stock split

a Total number of issued shares prior to the stock split	:	181,352,000 shares
b Number of shares increasing as a result of the stock split	:	181,352,000 shares
c Total number of issued shares after the stock split	:	362,704,000 shares
d Total number of authorized shares after the stock split	:	750,000,000 shares

3 Schedule of the stock split

(1) Official notice of record date	:	September 12, 2014
(2) Record date for the stock dividend	:	September 30, 2014
(3) Effective date	:	October 1, 2014

4 The influence per stock by the stock split

Given the stock split will be performed on the first date of the former fiscal year, the influence per share to the second quarter of the last fiscal year and that of this fiscal year is estimated as follows.

The influential amount to influence net income for the year per share.

2nd quarter of	FY2013	225.95 yen
2nd quarter of	FY2014	221.50 yen

5. The content of Partial amendment of Articles of Incorporation

(1) The content of amendment

Current Articles of Incorporation	Proposed amendment
<p>(Total number of authorized shares) Article 6 The company's total number of authorized shares is 400 million shares. The total number of authorized shares in each type is as follows. Common shares 350 million shares Type 1 preferred shares 12.5 million shares Type 2 preferred shares 12.5 million shares Type 3 preferred shares 12.5 million shares Type 4 preferred shares 12.5 million shares</p>	<p>(Total number of authorized shares) Article 6 The company's total number of authorized shares is 750 million shares. The total number of authorized shares in each type is as follows. Common shares 700 million shares Type 1 preferred shares 12.5 million shares Type 2 preferred shares 12.5 million shares Type 3 preferred shares 12.5 million shares Type 4 preferred shares 12.5 million shares</p>

(2) Effective date: October 1, 2014