



JAL Group Account Settlement for 2nd Quarter of FY2009



Nov. 13th 2009

Japan Airlines



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1. Outline of Account Settlement for 2nd Quarter of FY2009

2. Appendices



Outline of the Consolidated Financial Statements



(Billions of Yen)

	FY09 Apr.-Sep.	yr-yr	yr/yr	FY09 Jul.-Sep.	yr-yr	yr/yr
Operating Revenue	763.9	-309.6	71.2%	429.0	-154.2	73.6%
(Operating Cost)	859.7	-183.6	82.4%	438.7	-118.1	78.8%
Operating Income	-95.7	-126.0	-	-9.6	-36.0	-
Ordinary Income	-114.4	-132.4	-	-20.4	-37.7	-
Net Income	-131.2	-167.8	-	-32.1	-72.2	-



Operating Revenue and Income by Segment



(Billions of Yen)

		FY09	yr-yr	FY09	yr-yr
		Apr.-Sep.	yr/yr	Jul.-Sep.	yr/yr
Air Transportation	Operating Revenue	666.9	-274.8 70.8%	375.9	-137.6 73.2%
	Operating Income	-97.2	-122.2 -	-13.0	-34.6 -
Airline-related	Operating Revenue	98.1	-10.2 90.6%	50.0	-5.6 89.9%
	Operating Income	-0.4	-2.0 -	0.3	-0.8 31.3%
Travel Service	Operating Revenue	136.2	-44.0 75.6%	80.3	-20.0 80.0%
	Operating Income	0.3	-0.6 33.8%	2.2	-0.0 99.1%
Card • Lease	Operating Revenue	32.7	-0.4 98.7%	16.8	1.2 107.8%
	Operating Income	3.2	0.3 110.9%	1.9	0.5 140.8%
Other	Operating Revenue	36.0	-6.5 84.7%	17.2	-4.7 78.5%
	Operating Income	-0.7	-0.9 -	-0.6	-0.7 -
Total	Operating Revenue	970.0	-335.9 74.3%	540.5	-166.8 76.4%
	Operating Income	-94.8	-125.5 -	-9.0	-35.6 -
General corporate assets and intercompany eliminations	Operating Revenue	-206.1	26.3 -	-111.4	12.6 -
	Operating Income	-0.8	-0.4 -	-0.6	-0.3 -
Consolidated	Operating Revenue	763.9	-309.6 71.2%	429.0	-154.2 73.6%
	Operating Income	-95.7	-126.0 -	-9.6	-36.0 -



Operating Income of Air Transportation Segment



(Billions of Yen)

	FY09 Apr.-Sep.	yr-yr	yr/yr	FY09 Jul.-Sep.	yr-yr	yr/yr
Operating Revenue	666.9	-274.8	70.8%	375.9	-137.6	73.2%
International Passenger	225.4	-168.3	57.2%	128.1	-85.2	60.0%
Domestic Passenger	310.7	-41.8	88.1%	179.5	-19.2	90.3%
International Cargo	43.0	-52.3	45.1%	23.1	-26.8	46.3%
Domestic Cargo	15.9	-1.5	91.2%	8.4	-0.7	91.7%
Mail*	5.3	-1.6	76.7%	2.4	-0.8	74.8%
Other	30.9	-3.6	89.6%	15.5	-2.4	86.1%
Incidental Business	35.5	-5.4	86.6%	18.7	-2.1	89.6%
Operating Cost	764.2	-152.6	83.4%	388.9	-103.0	79.1%
Fuel	188.2	-62.7	75.0%	97.7	-52.0	65.2%
Airport facilities	57.3	-6.5	89.8%	28.6	-4.2	87.0%
Maintenance	55.3	-9.7	85.0%	27.6	-7.2	79.3%
Passenger services	19.8	-4.4	81.6%	10.9	-2.0	84.3%
Commissions	29.7	-23.6	55.7%	16.1	-12.2	56.8%
Aircraft Depreciation	38.6	0.3	100.8%	19.4	-0.3	98.3%
Aircraft leases	45.5	-7.8	85.4%	21.9	-4.6	82.6%
Personnel	132.9	-12.5	91.4%	66.5	-7.3	90.0%
General Expenses	95.3	-7.3	92.9%	47.7	-4.0	92.2%
Other	101.2	-18.1	84.8%	52.0	-8.7	85.7%
Operating Income	-97.2	-122.2	-	-13.0	-34.6	-

【Explanation of operating cost of Apr. to Sept.】

With the exception of aircraft depreciation, every other cost categories show drastic reduction from a year earlier due to progress in cost structure reform.

【Fuel cost】 Fuel cost dramatically decreased due to proactive efforts to reduce fuel consumption, reduction of ASK/ATK, drop in fuel market price, and strong yen.

【Sales Commissions】 Commissions showed a big drop due to abolition of sales commissions for int'l passenger tickets sold in Japan and decrease in demand.

【Personnel cost】 Personnel cost decreased approximately 10% compared to the previous year due to the full-year effect of JALI wage system revision and reduction in employees resulting from productivity improvement, etc.

*Total of International and Domestic Mail

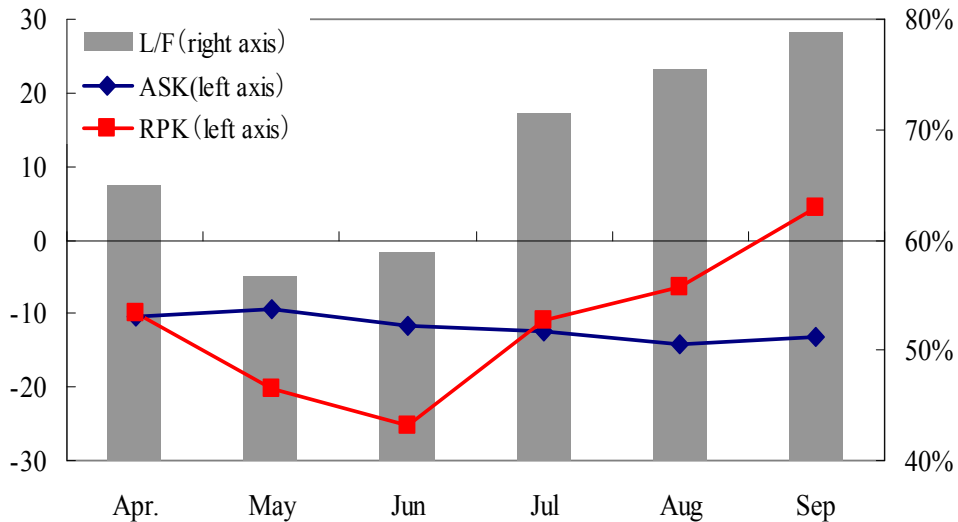


Trend of International Passenger Business

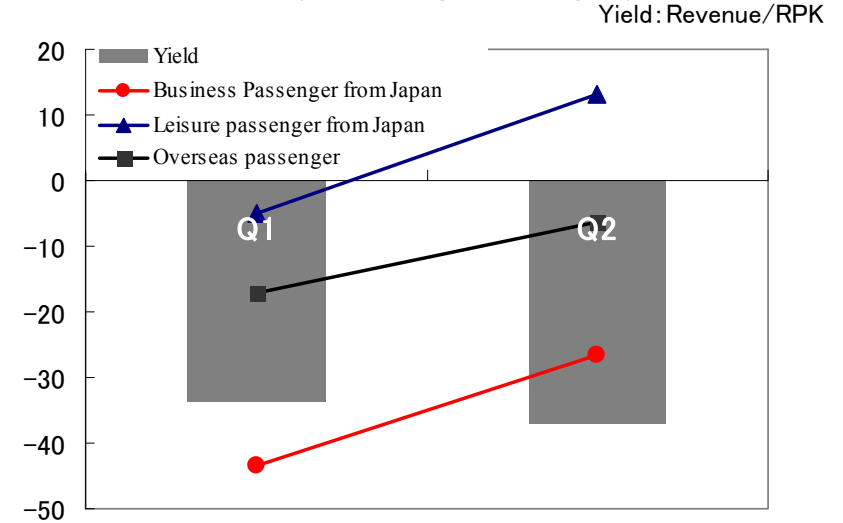


L/F has been on a recovery trend due to progress in capacity-demand adjustment. However, yield continuously showed sharp drops resulting from the change in passenger class mix and decline in FSC, etc.

【Trend of Capacity・Demand (y/y) ・L/F (actual)】



【Trend of Demand by Passenger Category & Yield】(y/y)



< Overview of July-to-September period >

- Capacity: ASK was down 13.2% (y/y) due to expedited flight cancellations and suspensions aimed at narrowing capacity-demand gaps.
- Demand: Although business passenger demand remained weak, RPK from July to Sept. increased to 95.5% (y/y) backed by the recovery of leisure passengers, due to receding H1N1 flu fears receded and proactive efforts were made to acquire overseas connecting passengers.
- Load factor (L/F): Load factor recovered due to an increase in RPK and decrease in ASK.

< Overview of July-to-September period >

- Leisure passengers from Japan recovered to the level above the previous year due to suspension of the Fuel Surcharge (July-Sept.), the prevailing strong yen, and receding H1N1 flu fears.
 - Business passengers from Japan remained significantly below last year's results due to stringent curbs on business trips by companies against the backdrop of the economic downturn.
 - Overseas passengers were below last year's level mainly due to the economic slump and strong yen, despite proactive efforts to attract connecting overseas passengers.
- ⇒ Yield dipped sharply due to a change in class-mix, stemming from faltering business passenger demand and an increasing trend to downgrade, suspension of FSC, etc.

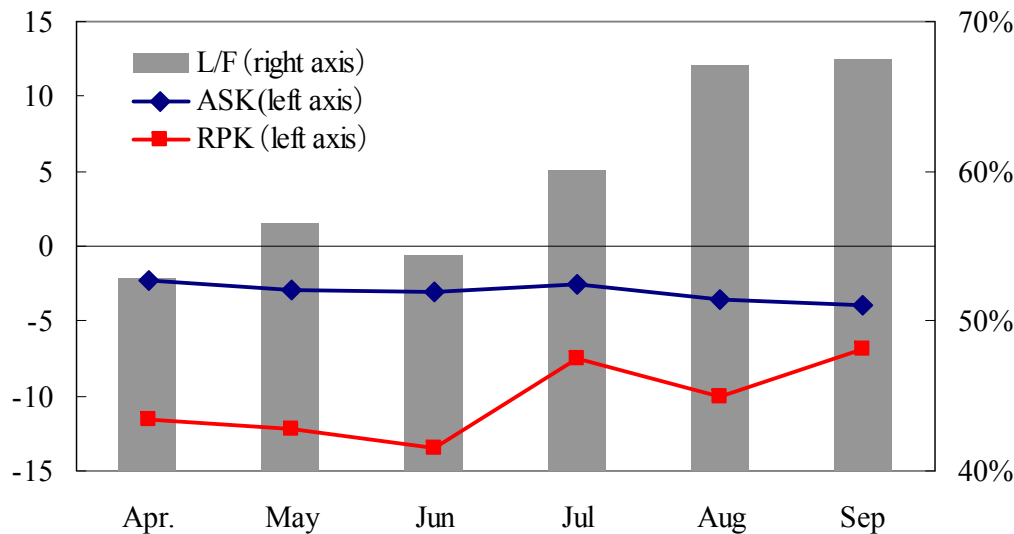


Trend of Domestic Passenger Business



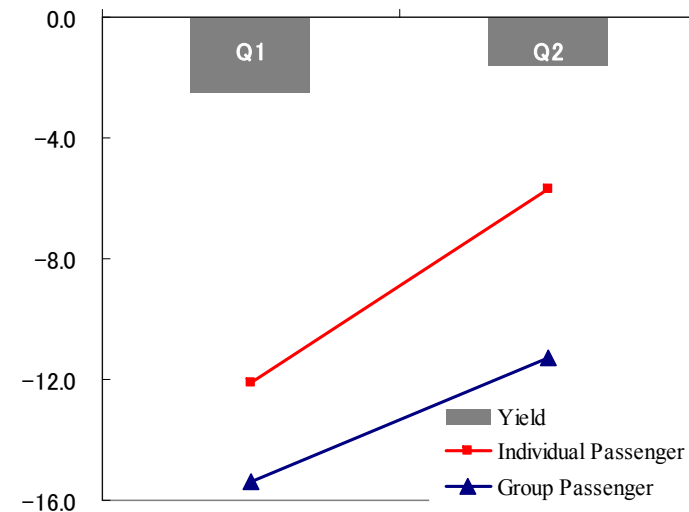
Domestic passenger business showed gradual recovery from sharp drop in May and June resulting from H1N1 flu epidemics. However, the number of individual and group passenger and yield were below the previous year level due to economic slump

【Trend of Capacity·Demand (y/y) ·L/F (actual)】



【Trend of Demand by Passenger Category & Yield】(y/y)

Yield: Revenue/RPK



< Overview of July-to-September period >

- Capacity: ASK declined by 3.3 % (y/y) due to further route restructuring and aircraft downsizing.
- Demand: Although negative impacts of the H1N1 flu gradually receded after July, and passenger demand during the Silver Week holidays in September was fairly steady, RPK fell year-on-year due to the persistent economic downturn.
- Load factor (L/F): Load factor slightly recovered from the 1st quarter, which posted a drastic drop due to the H1N1 flu, but was still below last year's level.

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< Overview of July-to-September period >

- Individual passengers declined, primarily high-yield business travelers due to curbs on business trips by companies, despite success with the bargain fare campaign.
 - Group passengers on packaged tours, e.g. products advertised in media and hotel inclusive tours, declined from last year due to the economic downturn.
- ⇒ Although yield of group passengers was on a par with last year, yield of individual passengers dropped year-on-year due to faltering business passenger demand and the shift to less expensive fares. 8

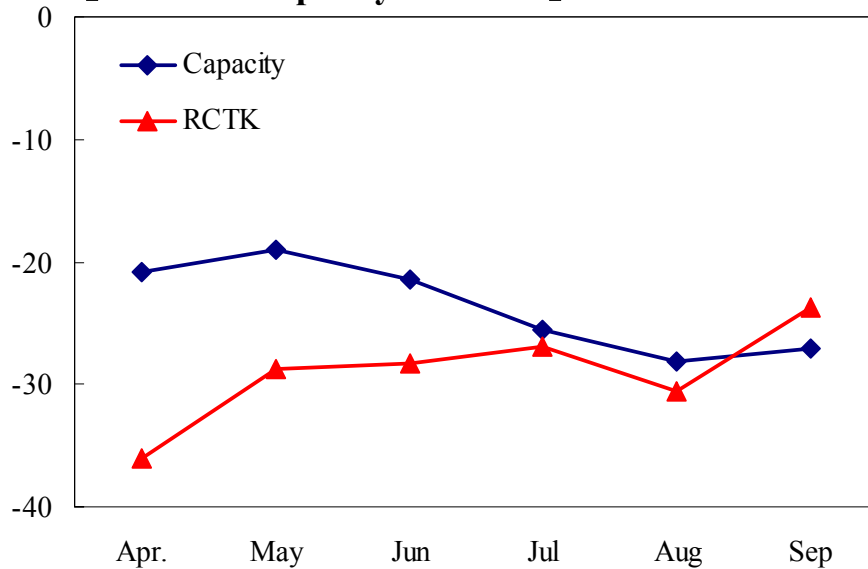


Trend of International Cargo Business

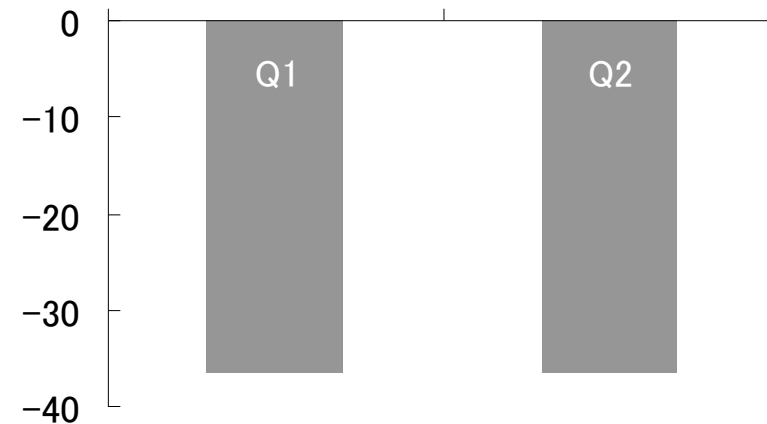


Capacity-demand balance was improved due to flexible capacity adjustment. However, yield dropped drastically due to economic slump and decline of the FSC.

【Trend of Capacity・Demand】



【Trend of Yield】(y/y)



< Overview of July-to-September period >

- Capacity: Capacity dramatically dropped as a result of changing the Los Angeles/Chicago route to co-terminal operation* from July, and also changing the Frankfurt/Amsterdam route to co-terminal operation* from August, etc.
- Demand: Despite proactive efforts to attract cargo, e.g. operating 10 charter flights in September, RCTK fell from the year-earlier-period amid the economic slump and capacity cutbacks.

< Overview of July-to-September period >

- Yield: Due to decrease of the FSC, etc, yield dropped sharply from the previous year. However, market condition has been gradually recovering mainly on Asia & China routes.

*Co-terminal operation : NRT=ORD and NRT=LAX were changed to NRT-ORD-LAX-NRT and NRT-AMS-LON-NRT and NRT=FRA were changed to NRT-AMS-FRA-NRT
 NRT: Narita, ORD: Chicago, LAX : Los Angeles, AMS : Amsterdam, FRA: Frankfurt



Fuel & FOREX (Air Transportation Segment)



<Average fuel market price*>

FY08 Apr.-Sep.	FY09 Apr.-Sep.
\$148.9/bbl	\$67.3/bbl

<Fuel hedging>

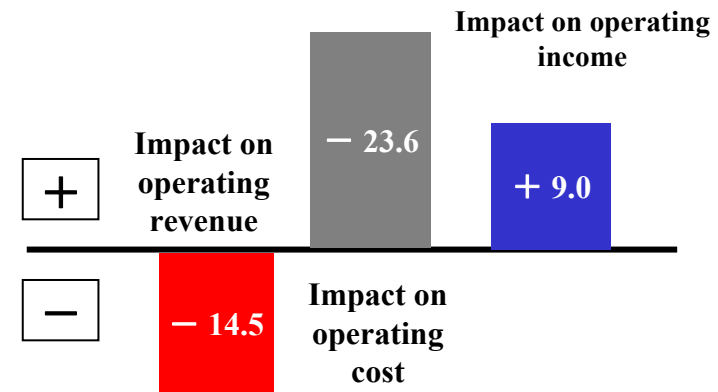
	FY09 Apr.-Sep.	FY09
Hedging ratio	82%	81%

*Average price of Singapore Kerosene \$/bbl

<Impact of FOREX on operating income> (y/y)

(Billions of Yen)

<Apr. - Sep.>



<Average Forex rate**>

	FY08 Apr.-Sep.	FY09 Apr.-Sep.
USD	¥105.0	¥96.0
EUR	¥162.8	¥131.7

<Forex hedging ratio (USD)>

FY09: 86%

**Based on the average company exchange rate 10



1. Outline of Account Settlement for 2nd Quarter of FY2009

2. Appendices



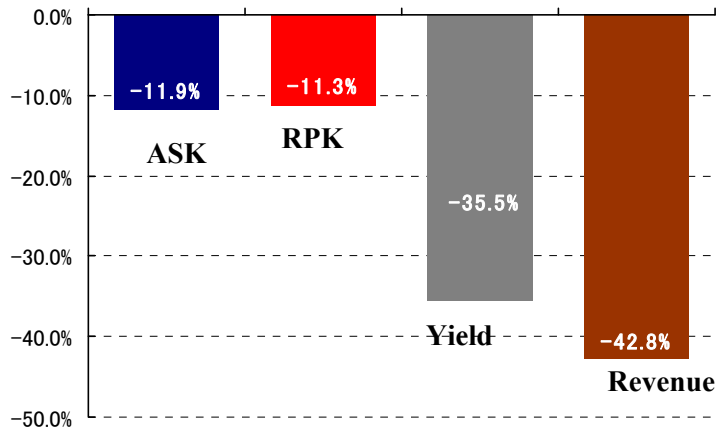
International Passenger (Revenue Analysis)



Capacity • Demand • Yield • Revenue (y/y)

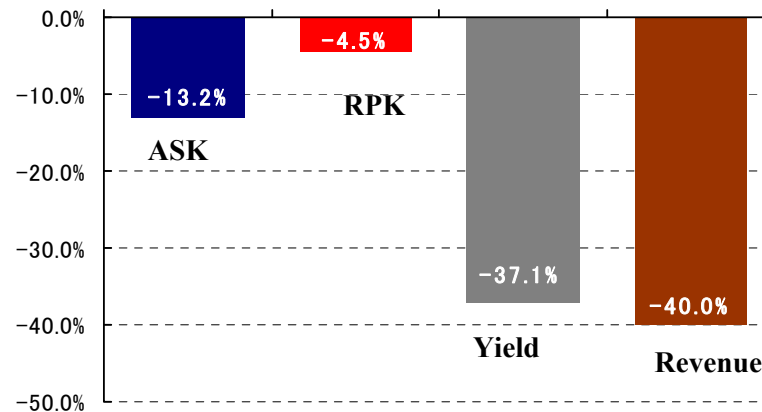
<Apr.-Sep.>

Revenue: ¥ 225.4 bln (y-y ¥-168.3 bln)



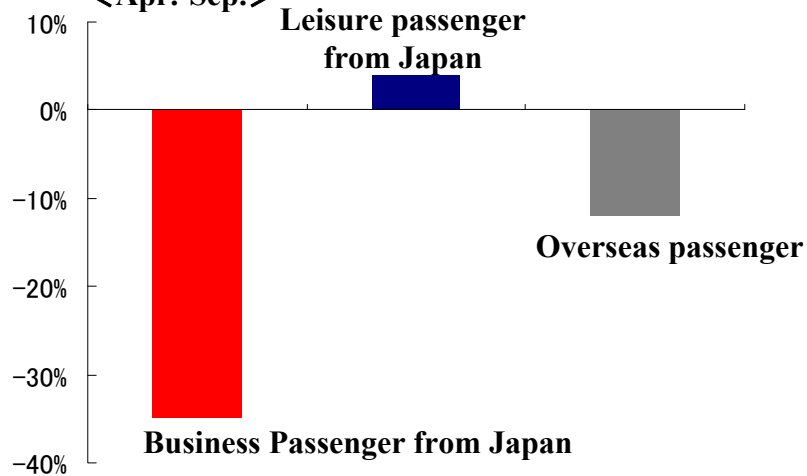
<Jul.-Sep.>

Revenue: ¥ 128.1 bln (y-y ¥-85.2 bln)

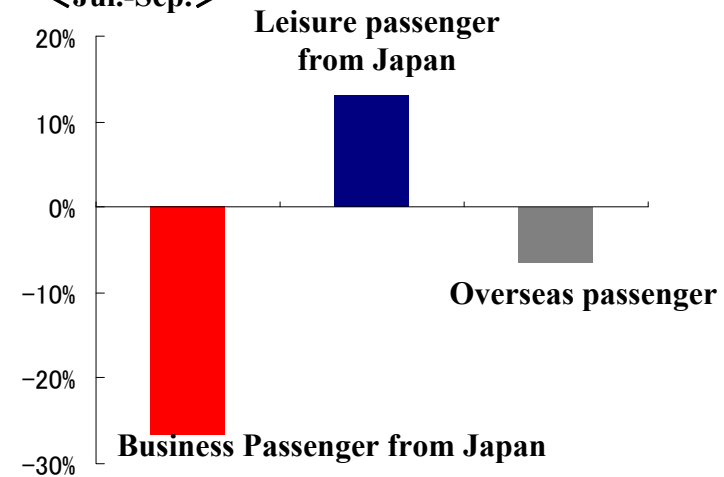


Demand by Passenger Category (y/y)

<Apr.-Sep.>



<Jul.-Sep.>



Capacity : ASK (Available Seat Kilometer)

Demand : RPK (Revenue Passenger Kilometer)

Yield : Revenue/RPK

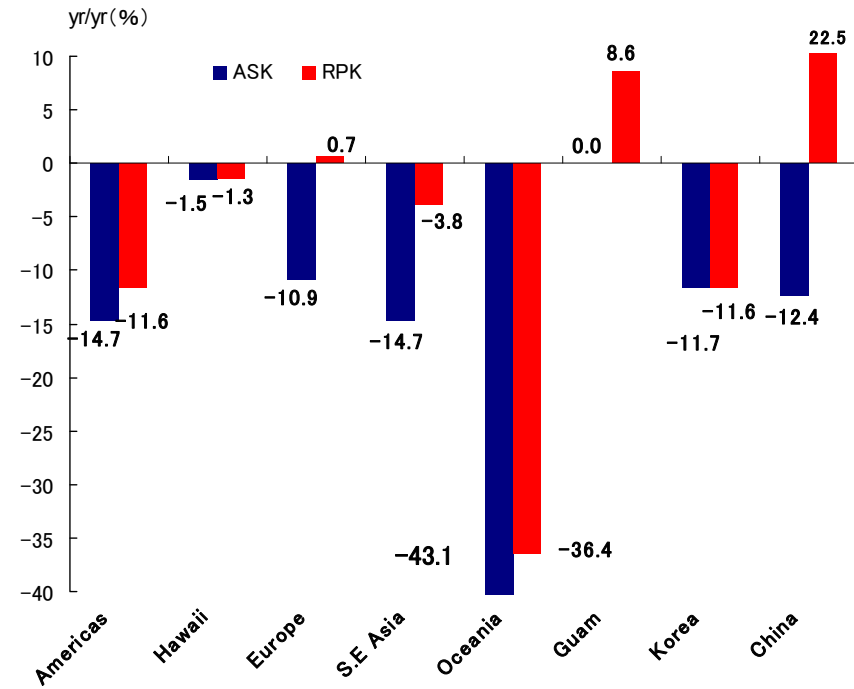
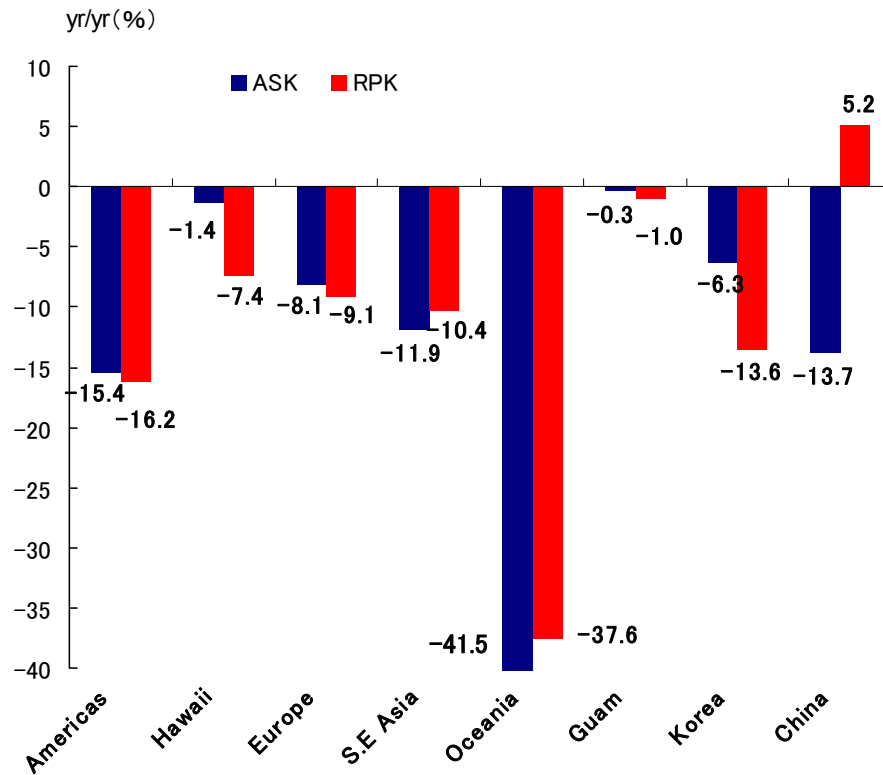


Demand and Capacity of International Passengers by Route



<Apr.-Sep.>

<Jul.-Sep.>



Capacity : ASK (Available Seat Kilometer)

Demand : RPK (Revenue Passenger Kilometer)



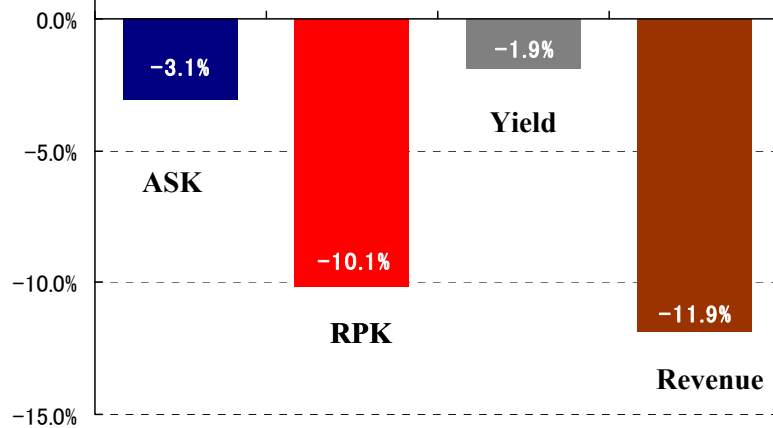
Domestic Passenger (Revenue Analysis)



Capacity · Demand · Yield · Revenue (y/y)

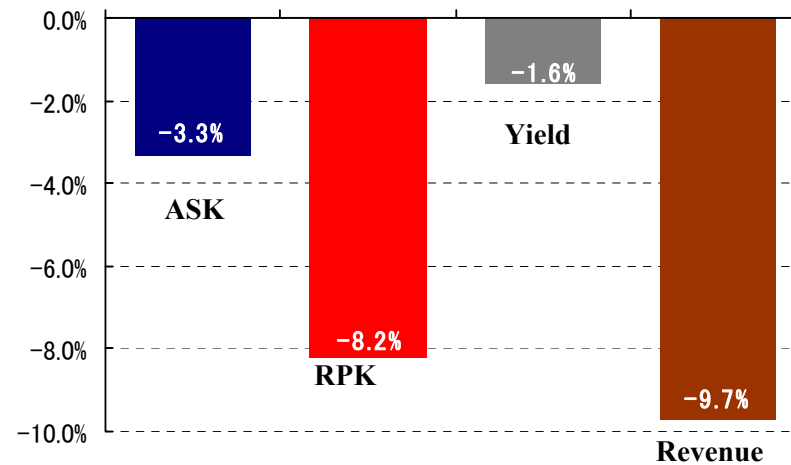
<Apr.-Sep.>

Revenue: ¥ 310.7bln (y-y ¥ -41.8 bln)



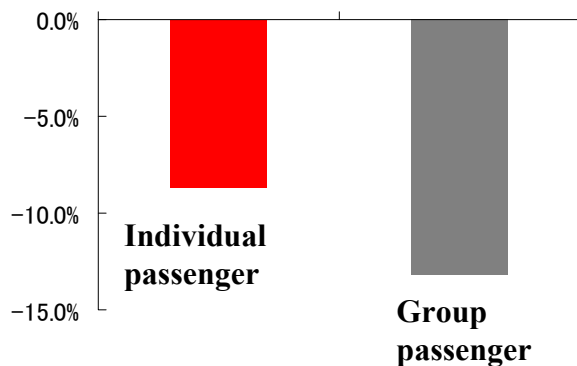
<Jul.-Sep.>

Revenue: ¥ 179.5 bln (y-y ¥ -19.2 bln)

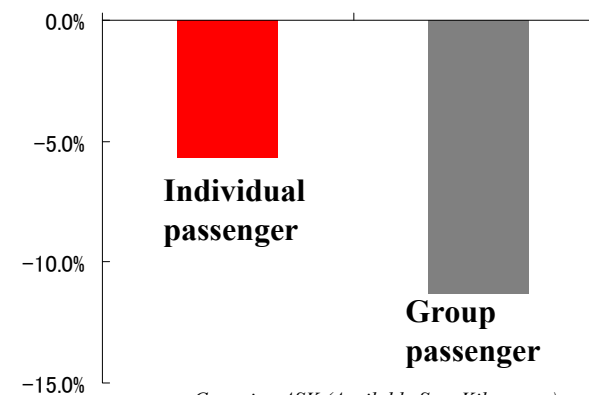


Demand by Passenger Category (y/y)

<Apr.-Sep.>



<Jul.-Sep.>



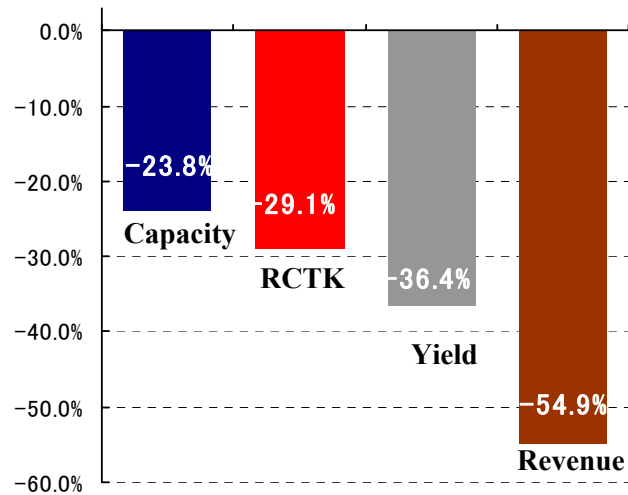


International Cargo (Revenue & Demand Analysis)

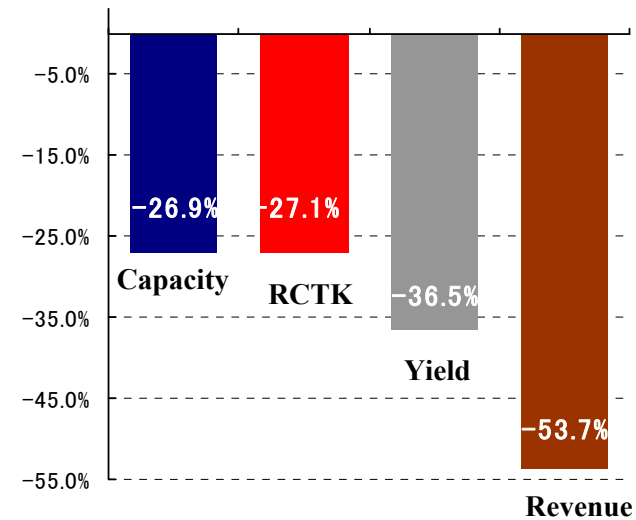


Capacity • Demand • Yield • Revenue (y/y)

<Apr.-Sep.> Revenue: ¥ 43.0 bln (y-y ¥ -52.3 bln)

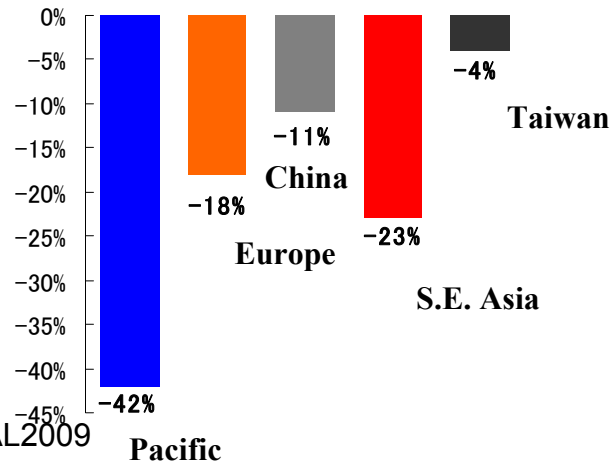


<Jul.-Sep.> Revenue: ¥ 23.1 bln (y-y ¥ -26.8 bln)

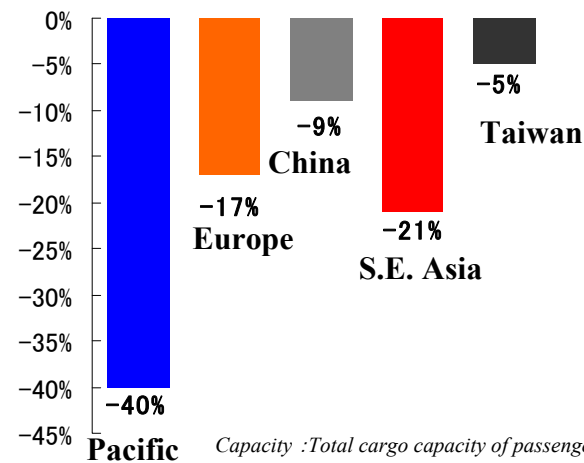


Demand by destination (loaded weight y/y)

<Apr.-Sep.> yr/yr(%)



<Jul.-Sep.> yr/yr(%)



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Financial Results of Main Subsidiaries



(Billions of Yen)

		Operating Revenue		Operating Income		Net Income	
		FY09 Apr.-Sep.	yr-yr	FY09 Apr.-Sep.	yr-yr	FY09 Apr.-Sep.	yr-yr
Airline-Related	TFK	11.4	-2.0	-0.0	-0.4	0.0	-0.2
Travel Service	JAL TOURS	63.2	-6.1	0.3	-0.2	0.3	-0.1
	JALPAK	46.8	-29.7	-0.2	0.1	-0.7	-0.2
Card • Lease	JALCARD	10.9	-0.0	2.3	0.1	1.4	0.0
Other	JAL HOTELS	4.9	-1.0	-0.3	-0.2	-1.6	-1.6

JALPAK: Consolidated, Other: Non-consolidated



Japan Airlines Corporation