

JAPAN AIRLINES

Financial Results

2nd Quarter Mar / 2015 (FY2014)



October 31, 2014

Yoshiharu Ueki, President

Norikazu Saito, Director, Senior Managing Executive Officer



OVERVIEW OF 1ST HALF FY3/15 FINANCIAL RESULTS

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SUPPLEMENTAL REFERENCES

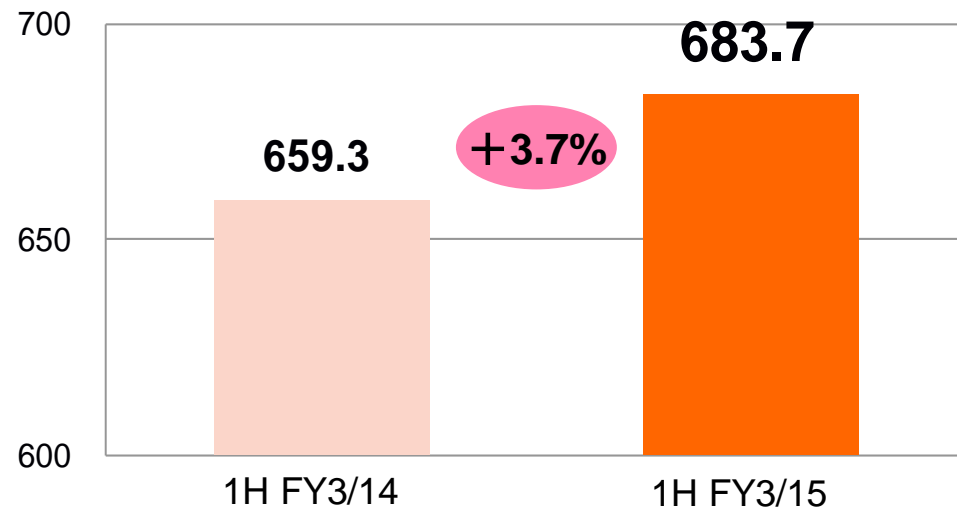
Overview of 2nd Quarter FY3/15 Financial Results



JAPAN AIRLINES

Operating Revenue

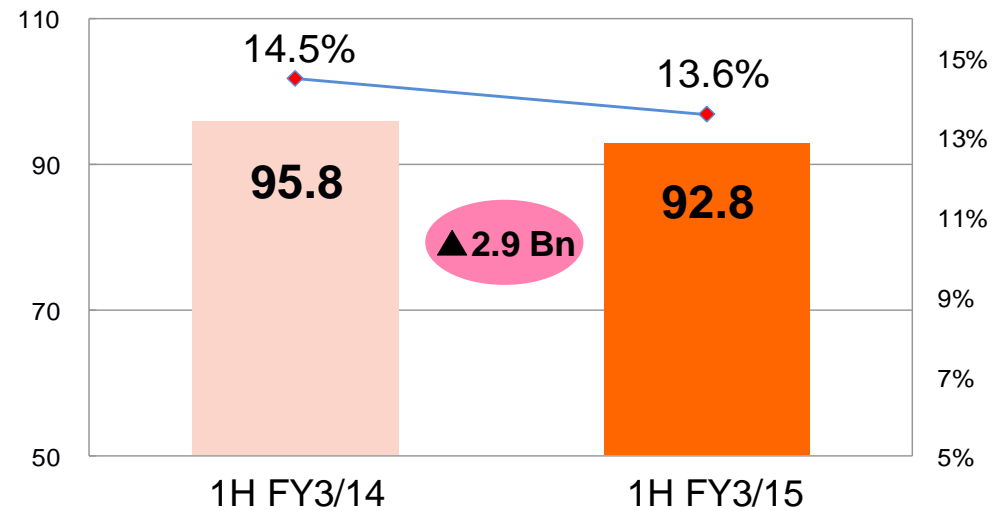
(JPY Bn)



Operating Profit

(JPY Bn)

Operating Profit Margin



Fuel / FX Markets

	1H FY3/14	1H FY3/15	y/y
FX (JPY/USD)	98.5	102.2	+3.7%
Singapore Kerosene (USD/bbl)	119.6	119.4	▲0.2%
Dubai Crude Oil (USD/bbl)	103.1	105.1	+2.0%

- ✓ Operating profit was 92.8 billion. However, profit declined due to intensified competition, weaker yen, a rise in fuel prices and such.
- ✓ The profit margin was 13.6%. We are staying above the targeted profit margin of 10%+.

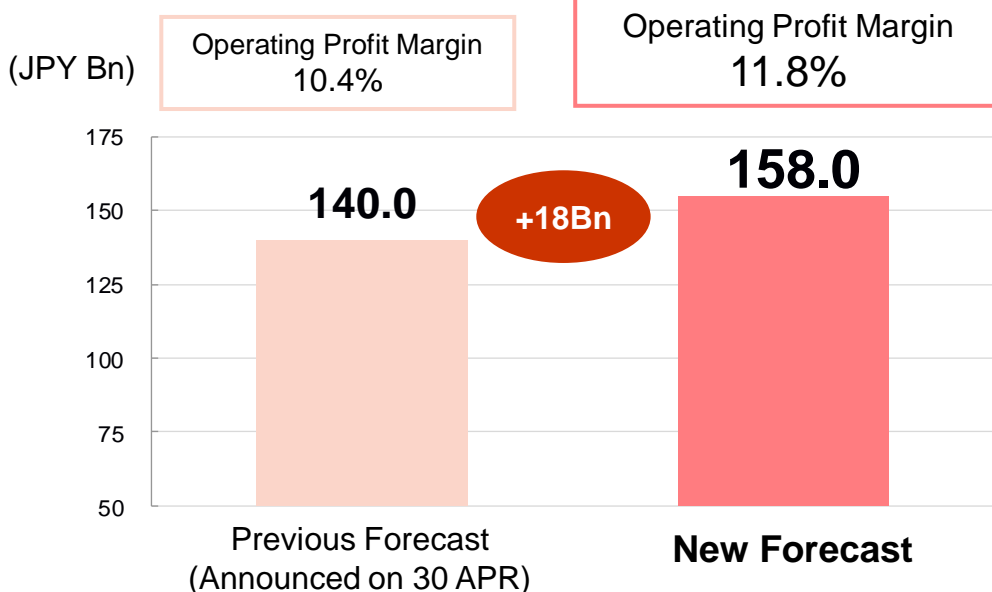
- During the reporting period, operating revenue increased by 3.7% year-on-year to 683.7 billion yen, primarily due to an increase in international passenger revenue.
- On the other hand, operating profit declined by 2.9 billion yen from the previous year to 92.8 billion yen, owing to the market condition, an increase in various cost items due to the weaker yen and a rise in fuel prices. However, we achieved an operating profit margin of 13.6%, and are moving forward steadily to achieving our target of a profit margin of 10% or above.
- With regard to operating profit, we achieved a revenue increase of 6 billion yen and cost reductions of 9 billion yen compared to the plan, and consequently, an improvement of 15 billion yen in total in the first half.

Revised Consolidated Financial Forecast for FY3/15



JAPAN AIRLINES

Revised Operating Profit Forecast



- ✓ Revised our Forecast based on the Result of 1H and change in Fuel market.
- ✓ Operating Profit: 158.0 JPY Bn, OPM 11.8%
- ✓ Continue our effort to maximize our profit

Fuel /FX Market	Results FY3/14	Forecast for FY3/15	Previous Forecast
FX (JPY/USD)	99.9	104.6 (2H: 107.0)	107
Singapore Kerosene (USD/bbl)	121.5	118.7 (2H: 118.0)	125
Dubai Crude Oil (USD/bbl)	104.7	105.1 (2H:105.0)	107

Dividend Forecast

- ✓ We will disclose the estimated dividend for the fiscal year ending March 31, 2015 when our earnings forecast has become clearer.

- Our operating profit forecast for the current fiscal year has been revised upward by 18 billion yen to 158 billion yen from the initial forecast of 140 billion yen announced on April 30. Operating profit margin is expected to be 11.8%.
- As for fuel prices on which our management plan is based, we will use USD118 per barrel for Singapore kerosene and USD105 per barrel for Dubai crude oil respectively in the second-half of the fiscal year, taking into account their recent market prices.
- We will continue to do our utmost to maximize profit no matter how tough the operating environment can be.
- We will disclose the estimated dividend as soon as our earnings forecast has become clearer. We would appreciate your understanding.

Progress of Medium Term Management Plan



JAPAN AIRLINES

Product and Service Enhancement

International

JAL SKY SUITE 777

Welcome! JAL New Sky



GOOD
DESIGN



- ✓ The first Japanese carrier to win SKYTRAX's Best Business Class Airline Seat Award
- ✓ Rolled out on London, New York, Paris, Los Angeles, Chicago, Frankfurt, Jakarta routes
- ✓ December 2014~ Put in service between Haneda=San Francisco and Narita=Sydney.

JAL SKY SUITE 767

Welcome! JAL New Sky



- ✓ December 2013~ Launched between Narita=Vancouver
- ✓ To be progressively launched on long-haul Southeast Asia routes and to Honolulu

*SKY SUITE767 Business Class Seat

JAL SKY SUITE 787

Welcome! JAL New Sky

- ✓ December 2014~ Narita=Frankfurt
January 2015~ Narita=New York (JL004/JL003)
to be launched

Route and Network Development

- ✓ Start Chubu(Nagoya) - Bangkok services
December 20, 2014~ 7 flights/week
(767-300ER, 787-8)
- ✓ Start Kansai(KIX) - Los Angeles services
March 20, 2015~ 7 flights/week
(787-8)

We are steadily tackling the priority issues in the Medium Term Management Plan.

- We have been progressively expanding JAL SKY SUITE services on our international routes, which have acquired our customer reputations.
- From coming December, we will be introducing the JAL SKY SUITE cabin interior on our Boeing 787 fleet as well.
- As for our route network, we will inaugurate the services between the Chubu International Airport and Bangkok, and between the Kansai International Airport and Los Angeles, respectively.
- We have been making steady progress with our “route network” and “products and services”, which have been defined as priority issues in our Medium Term Management Plan.

Progress of Medium Term Management Plan



JAPAN AIRLINES

Product and Service Enhancement

Domestic



- ✓ Newly configured aircraft “JAL SKY NEXT”
 - Economy Class seat offers 5cm. (max) more legroom (photo)
 - Genuine leather covered seats in both Class J and Economy Class
 - In-cabin LED lighting
- ✓ Introduced Inflight Wi-Fi
- ✓ Honored as “Good Design Best 100 ” award



*Economy Class seat

	Launch date	Aircraft
New seats・Cabin interior	May 28, 2014	Domestic : 777-200/300, 767-300/300ER,
Inflight Internet	July 23, 2014	737-800 Total : 77 aircraft (planned)

For Our Customer Satisfaction

- ✓ In 2014 JCSI(*) survey, our international flights took 1st place for Word of Mouth for the first time. Took 1st place for Customer Loyalty for the second consecutive year.
- ✓ Domestic flights rose to 3rd place for Customer Loyalty. We are moving forward steadily to become No. 1 in customer satisfaction.

(*)JCSI: Japan’s customer satisfaction index announced by Service Productivity & Innovation for Growth

2014	Word of Mouth	Customer Loyalty
Intn'l	1 st (2 nd)	1 st (1 st)
Doms	3 rd (2 nd)	3 rd (6 th)

() previous year ranking

We are making steady progress in achieving the targets in the Medium Term Management Plan.

- In domestic passenger operations, we launched “JAL SKY NEXT” in May, 2014.
- JAL SKY NEXT offers the comfort of up to 5 cm. more legroom in Economy Class, genuine leather covered seats, and an inflight Internet service to access the Internet from personal mobile devices such as smartphones onboard. As of September 30, we have modified seven out of 77 candidate aircraft and will plan to introduce 29 of these aircraft within this fiscal year.
- One of the management targets of the Medium Term Management Plan is to rank “No. 1 in customer satisfaction.” According to the recently announced results of the JCSI (Japan Customer Satisfaction Index) survey, JAL international flights took the first place in both ‘Word of Mouth’ and ‘Customer Loyalty.’
- JAL domestic flights also improved its ranking of ‘Customer Loyalty’ and took the third place. We will continue to enhance our hard and soft services to become No. 1 in customer satisfaction.

Details of Financial Results

2nd Quarter Mar / 2015 (FY2014)

Norikazu Saito
Director, Senior Managing Executive Officer



Consolidated Financial Results



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Consolidated Financial Results 2nd Quarter FY3/15

(JPY Bn)	1H FY3/14	1H FY3/15	y/y	2 nd Quarter (Jul-Sep) ⁽¹⁾	y/y
Revenue	659.3	683.7	+3.7%	376.6	+3.1%
Air Transportation Segment	589.0	609.3	+3.4%	335.1	+2.8%
Operating Expense	563.4	590.9	+4.9%	302.4	+3.8%
Air Transportation Segment	502.9	526.7	+4.7%	267.7	+3.6%
Operating Profit	95.8	92.8	▲3.1%	74.2	+0.6%
Air Transportation Segment	86.1	82.6	▲4.1%	67.4	▲0.4%
Operating Profit Margin(%)	14.5%	13.6%	▲1.0pt	19.7%	▲0.5pt
Ordinary Income	90.1	91.6	+1.7%	74.7	+6.1%
Net Income	81.9	80.3	▲2.0%	65.5	+3.1%
ASK (MN seat km)	42,319	42,479	+0.4%	21,683	+0.3%
RPK (MN passenger km)	29,607	30,324	+2.4 %	16,072	+1.1%
EBITDA Margin (%) ⁽²⁾	20.7%	19.8%	▲0.9pt	25.4%	▲0.6pt
EBITDAR Margin (%) ⁽³⁾	23.1%	21.7%	▲1.3pt	27.1%	▲1.0pt
UNIT COST (Yen) ⁽⁴⁾	8.5	8.7	+0.1	8.6	+0.0
Incl. Fuel	11.9	12.4	+0.5	12.3	+0.4

- ✓ Revenue:
683.7 Bn JPY,
y/y +3.7%
- ✓ Operating Profit:
92.8 Bn JPY
y/y ▲3.1%
Operating Profit
Margin: 13.6%
- ✓ Ordinary Income:
91.6 Bn JPY,
y/y +1.7%
- ✓ Net Income:
80.3 Bn JPY,
y/y ▲2.0%

Notes:

1. The results for 2Q (July to September) is calculated by deducting the results of 1Q (April to June) from 1H (April to September)
2. EBITDA Margin = EBITDA / Revenue EBITDA=Operating Profit + Depreciation
3. EBITDAR Margin = EBITDAR / Revenue EBITDAR=Operating Profit + Depreciation+ Aircraft Leases
4. Unit Cost = Air Transportation Segment Operating Cost (excluding fuel cost etc.) / ASK

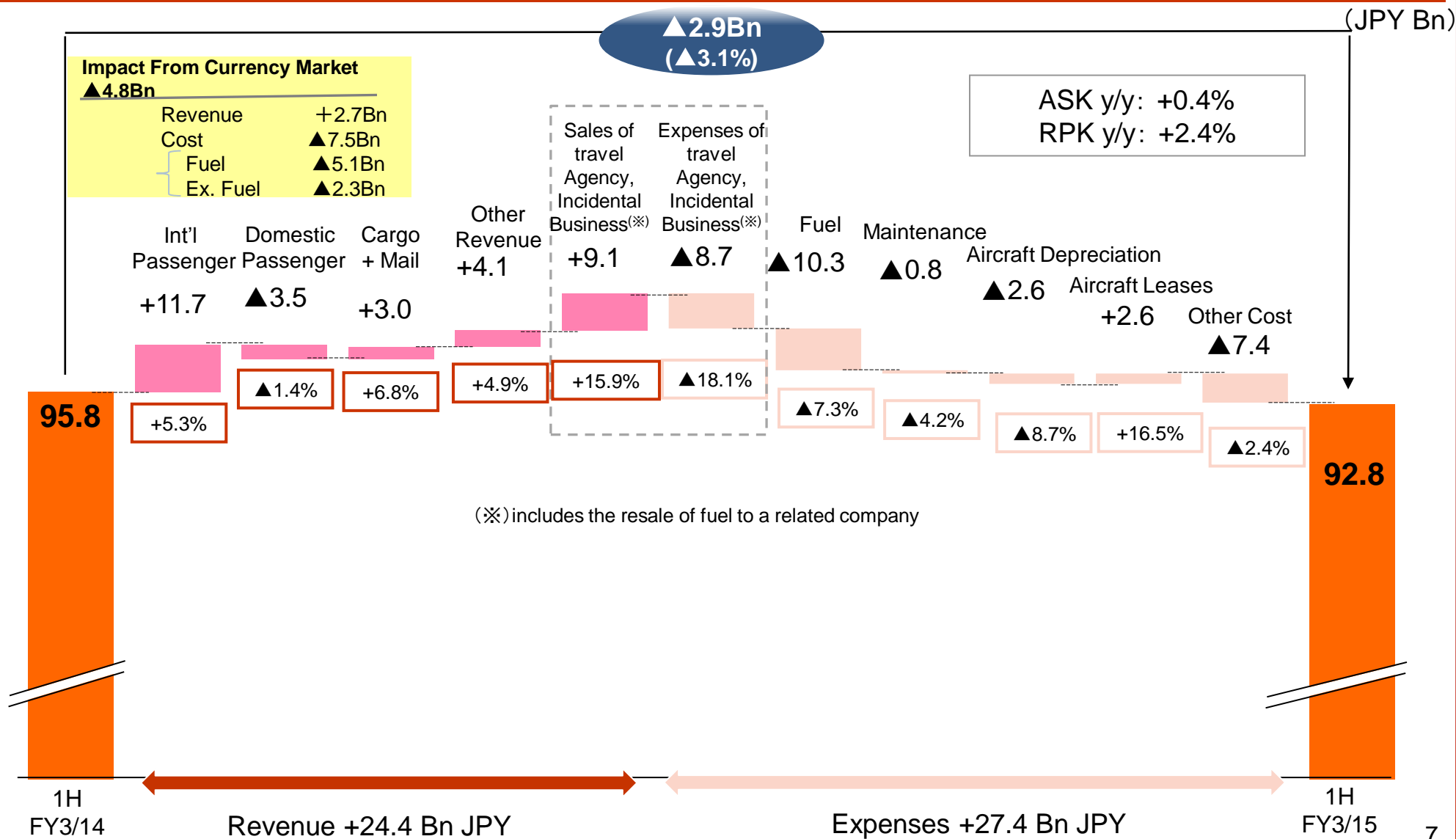
- During the reporting period, operating revenue increased by 3.7% year-on-year to 683.7 billion yen, primarily due to an increase in international passenger revenue.
- Operating expense increased by 4.9% year-on-year to 590.9 billion yen, mainly because of an increase in operating revenue, the weaker yen and higher fuel prices. We will continue to make efforts to minimize expenses.
- As a result, operating profit for the reporting period was 92.8 billion yen, operating profit margin was 13.6%, and EBITDAR margin was 21.7%.

Changes of Operating Profit



JAPAN AIRLINES

2nd Quarter FY3/15



- International passenger revenue increased by 11.7 billion yen year-on-year, while domestic passenger revenue declined by 3.5 billion yen. Revenues including other revenues increased by 24.4 billion yen in total.
- As for expenses, fuel costs increased by 10.3 billion yen over the year before, as the yen further weakened and the fuel price got higher from the previous year.
- As a result, operating profit declined by 2.9 billion yen from the previous year to 92.8 billion yen.

International Passenger Operations (Operating Results)



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International Passenger

	1H FY3/14	1H FY3/15	y/y	2 nd Quarter (Jul-Sep) ⁽¹⁾	y/y
Passenger Revenue (JPY Bn)	222.2	233.9	+5.3%	126.7	+2.8%
ASK (MN seat km)	23,089	23,988	+3.9%	12,260	+3.6%
RPK (MN passenger km)	17,608	18,185	+3.3%	9,589	+1.7%
Passengers ('000)	3,847	3,895	+1.2%	2,050	▲0.7%
L/F (%)	76.3	75.8	▲0.4pt	78.2	▲1.5pt
Yield (JPY) ⁽²⁾	12.6	12.9	+1.9%	13.2	+1.1%
Unit Revenue (JPY) ⁽³⁾	9.6	9.8	+1.3%	10.3	▲0.8%
Revenue per Passenger (JPY) ⁽⁴⁾	57,751	60,055	+4.0%	61,785	+3.6%

- ✓ International Passenger Revenue: 233.9 Bn JPY y/y +5.3%
- ✓ Yield was +1.9% year-on-year and contributed to increased revenue.
- ✓ Though RPK was +3.3% year-on-year, L/F fell by 0.4 points.

Notes:

1. The results for 2Q (July to September) is calculated by deducting the results of 1Q (April to June) from 1H (April to September)
2. Yield = Passenger Revenue / RPK
3. Unit Revenue=Passenger Revenue / ASK
4. Revenue per Passenger = Passenger Revenue / Passengers

- ASK of international flights increased by 3.9% year-on-year, while RPK increased by 3.3%. As a result, the load factor declined by 0.4 points to 75.8%.
- Thanks to the JAL SKY SUITE effect, buoyant demand from business travelers and an improvement in the unit price of inbound passengers from overseas due to the weaker yen, yield and unit price rose by 1.9% and 4.0% respectively, and passenger revenues increased by 5.3% to 233.9 billion yen.

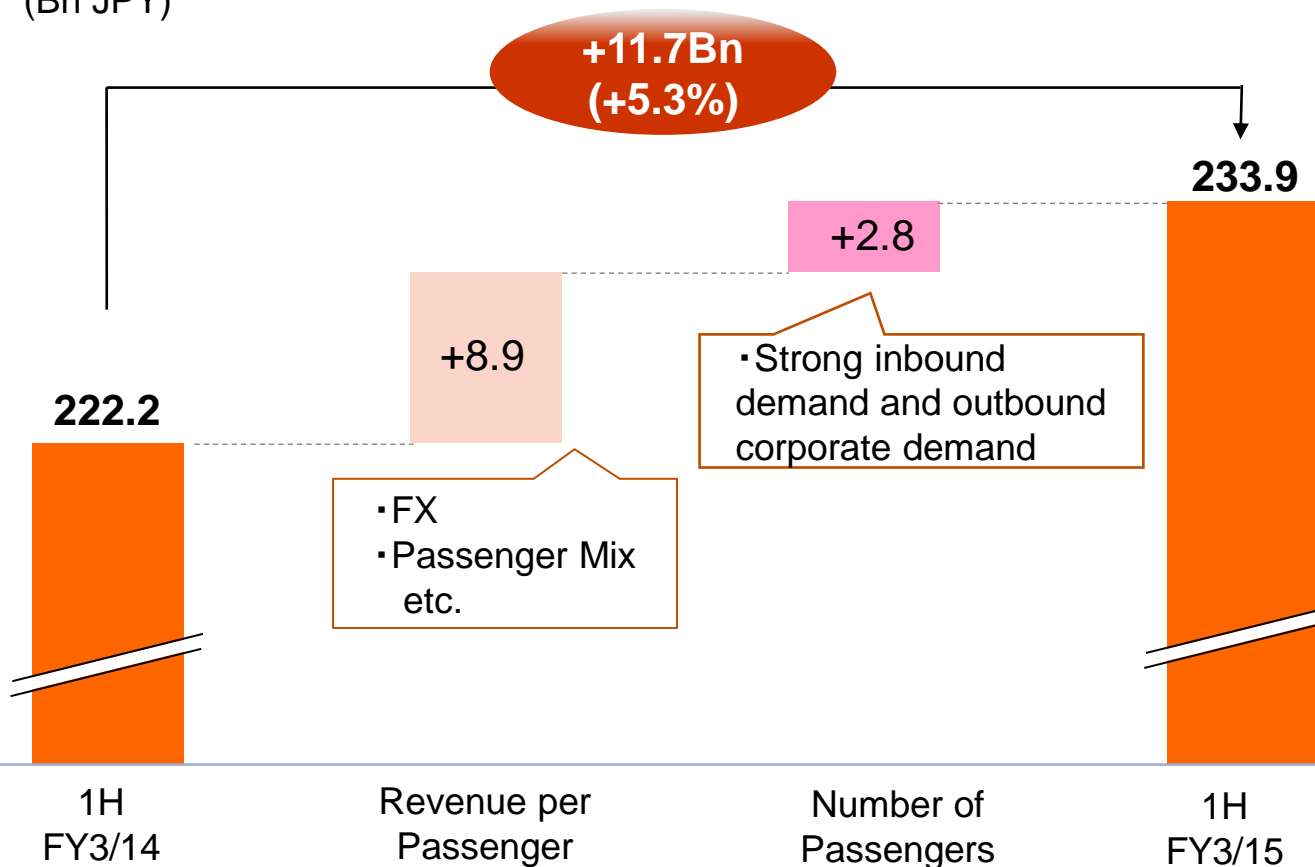
International Passenger Operations (Change in Revenue)



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1st HALF FY3/15

(Bn JPY)



✓ Increased frequency on Narita - New York / Jakarta routes, started Haneda - Ho Chi Minh City service

✓ Expansion of JAL SKY SUITE 777 / 767 services contributed to improving yield

✓ Higher L/F on transpacific and China routes

L/F

Transpacific 82.1% (vspy + 2.8pt)

China 65.3% (vspy + 2.4pt)

- The expansion of JAL SKY SUITE routes and an increase in the unit price of overseas passengers to Japan owing to the weaker yen contributed to an improvement in the yield.
- Strong corporate demand from Japan and inbound demand from overseas pushed the load factor upward especially on the transpacific routes and the China routes, and resulted in an increase in the passenger traffic.
- As a result, the increase in unit price accounted for plus 8.9 billion yen and the increase in passenger traffic led to plus 2.8 billion yen, and consequently, international passenger revenue in the first half increased by 5.3% to 233.9 billion yen.

Domestic Passenger Operations (Operating Results)



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Domestic Passenger

	1H FY3/14	1H FY3/15	y/y	2nd Quarter (Jul-Sep) ⁽¹⁾	y/y
Passenger Revenue (JPY Bn)	251.7	248.1	▲1.4%	142.4	▲0.3%
ASK (MN seat km)	19,229	18,490	▲3.8%	9,422	▲3.7%
RPK (MN passenger km)	11,999	12,138	+1.2%	6,483	+0.2%
Passengers ('000)	15,784	15,952	+1.1%	8,437	+0.2%
L/F (%)	62.4	65.6	+3.2pt	68.8	+2.7pt
Yield (JPY) ⁽²⁾	21.0	20.4	▲2.5%	22.0	▲0.6%
Unit Revenue (JPY) ⁽³⁾	13.1	13.4	+2.5%	15.1	+3.5%
Revenue per Passenger (JPY) ⁽⁴⁾	15,947	15,558	▲2.4%	16,880	▲0.5%

- ✓ As ASK was ▲3.8% year-on-year, RPK increased by 1.2% and L/F was up +3.2pt year-on-year to 65.6%.
- ✓ Unit price fell by 2.4% year-on-year due to an increase of passengers using promotional fares.
- ✓ As yield declined by 2.5% from the previous year, passenger revenue decreased by 1.4% to 248.1 billion yen.

Notes:

1. The results for 2Q (July to September) is calculated by deducting the results of 1Q (April to June) from 1H (April to September)
2. Yield = Passenger Revenue / RPK
3. Unit Revenue=Passenger Revenue / ASK
4. Revenue per Passenger = Passenger Revenue / Passengers

- While ASK of domestic flights decreased by 3.8% from the previous year due to downsizing of aircraft, the load factor improved by 3.2 points to 65.6% as RPK increased by 1.2%.
- On the other hand, as the percentage of passengers using promotional fares increased, the unit price declined by 2.4% from the year before.
- As a result, passenger revenue only decreased by 1.4% from the previous year.

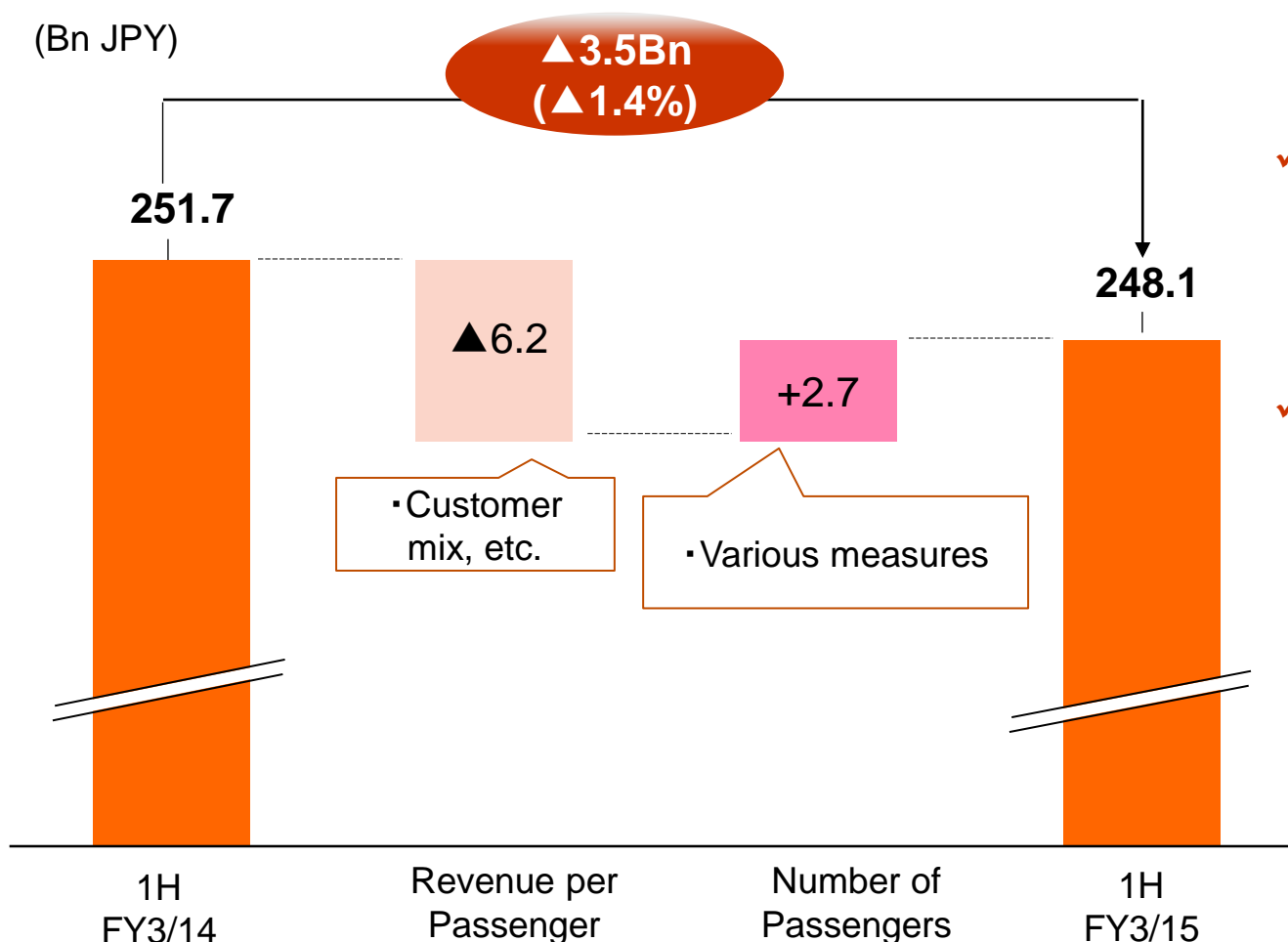
Domestic Passenger Operations (Change in Revenue)



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1st HALF FY3/15

(Bn JPY)



✓ Change in customer mix

- Increase of the percentage of passengers using promotional fares such as “Tokubin Discount 21”

✓ Implementation of various measures

- Increase of passengers using promotional fares
- Launching of JAL SKY NEXT
- Extended the timeline of bookings for domestic tourism products (packages) from 10 days to 7 days before departure, etc.

- During the reporting period, the percentage of passengers using promotional fares increased through the expanded demand for “Tokubin Discount 21” fares, with which customers can purchase tickets up to 21 days prior to their departures.
- We also implemented various measures such as launching JAL SKY NEXT, which offers the comfort of more legroom, and extended the timeline for booking domestic tourism products from 10 days to 7 days before departure.
- As a result, the unit price of domestic passengers declined due to changes in customer mix and an increase of passengers using advance purchased fares, but the demand itself remained steady.

Major Operating Expense Items



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Operating Expenses

(JPY Bn)	1H FY3/14	1H FY3/15	difference	% y/y	2 nd Quarter (Jul-Sep)	difference
Fuel	141.1	151.4	+10.3	+7.3%	77.8	+4.9
Landing fees	40.7	40.8	+0.1	+0.3%	20.9	+0.1
Maintenance	20.6	21.5	+0.8	+4.2%	10.2	▲0.7
Sales Commissions (Air Transport)	11.1	11.9	+0.7	+7.2%	6.1	+0.4
Aircraft Depreciation	30.5	33.1	+2.6	+8.7%	16.5	+0.7
Aircraft Leases	15.7	13.1	▲2.6	▲16.5%	6.4	▲1.5
Personnel	117.0	117.4	+0.3	+0.3%	58.8	+0.2
Expenses of travel agency / Incidental business etc (*)	48.1	56.8	+8.7	+18.1%	31.7	+4.6
Other	138.2	144.4	+6.1	+4.5%	73.7	+2.1
Total Operating Expenses	563.4	590.9	+27.4	+4.9%	302.4	+11.0

✓ Of the total increase in operating expenses, 7.5 billion yen was attributed to the weaker yen.

✓ Fuel costs increased by 10.3 billion yen, including +5.1 billion yen due to the weaker yen

✓ Aircraft leases decreased as a result of purchasing lease aircraft.

✓ We will continue to control expenses by penetrating the Amoeba Management System in JAL Group.

ASK y/y: +0.4%

(※) includes the resale of fuel to a related company

Notes: The results for 2Q (July to September) is calculated by deducting the results of 1Q (April to June) from 1H (April to September)

- Fuel costs increased by 10.3 billion yen, up 7.3% over the previous year, due to the weaker yen and an increase in capacity.
- The increase in fuel costs comes from an increase of 5.1 billion yen due to the weaker yen, an increase of 1.3 billion yen due to the higher fuel prices, and an increase of 3.8 billion yen due to an increase in loaded fuel and differences in hedge gains and losses.
- Aircraft depreciation costs increased by 2.6 billion yen as a result of purchasing lease aircraft , etc..
- On the other hand, aircraft leases decreased by 2.6 billion yen by the same reason.
- Operating expenses totaled 590.9 billion yen, up 27.4 billion yen from the previous year. 7.5 billion yen of which was attributed to the change in exchange rates.
- We will continue to control expenses by making the Amoeba Management System penetrate into the JAL Group companies.

Major Balance Sheet Items



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Consolidated Balance Sheet Summary as of End of 1st Half FY3/15

(JPY Bn)	End of FY2013 2014/3/31	End of 1H FY3/15 2014/9/30	difference
Total Assets	1,340.1	1,400.0	+59.8
Cash and Deposits	368.7	384.7	+16.0
Balance of Interest-bearing Debt ⁽¹⁾	134.2	112.9	▲21.2
Off-balance Sheet Lease Payments	145.5	139.4	▲6.1
Shareholder's Equity	690.2	715.1	+24.8
Shareholder's Equity Ratio(%)	51.5%	51.1%	▲0.4pt
D/E Ratio (x) ⁽²⁾	0.2x	0.2x	▲0.0x

✓ The balance of interest-bearing debt declined by 21.2 billion yen to 112.9 billion yen after repaying lease obligations and loans, etc.

✓ The equity ratio fell below 50% at the end of the first quarter due to changes in retirement benefit accounting standards, but recovered to over 50% after posting a net profit in the second quarter.

Notes:

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

- The balance of interest-bearing debt decreased by 21.2 billion yen from the end of the previous fiscal year to 112.9 billion yen, as we repaid lease obligations and long-term loans, etc..
- The equity ratio declined by 0.4 points to 51.1%. Although it fell below 50% at the end of the first quarter due to the change in retirement benefit accounting standards, etc., it recovered to over 50% as a result of posting net profit in the second quarter.
- The equity ratio at the end of the current fiscal year is expected to be 52.6%.

FY3/15 Earnings Forecast (Consolidated)



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(JPY Bn)	FY3/14 Results	FY3/15 New Forecast	FY3/15 Prev. Forecast	difference
Revenue	1,309.3	1,340.0	1,350.0	▲10.0
Operating Expense	1,142.5	1,182.0	1,210.0	▲28.0
Operating Profit	166.7	158.0	140.0	+18.0
Operating Profit Margin(%)	12.7%	11.8%	10.4%	+1.4pt
Ordinary Income	157.6	155.0	135.0	+20.0
Net Income	166.2	135.0	115.0	+20.0

	FY3/15 New Forecast	FY3/15 Prev. Forecast
ASK Int'l	103.7	104.9
Doms	98.4	97.9
RPK Int'l	103.2	102.7
Doms	101.1	99.2
(FY3/14 Results = 100)		
FX (JPY/USD)	104.6 (2H:107.0)	107
Singapore Kerosene (USD/bbl)	118.7 (2H: 118.0)	125
Dubai Crude Oil (USD/bbl)	105.1 (2H:105.0)	107

(JPY Bn)		FY3/14 Results	FY3/15 New Forecast	FY3/15 Prev. Forecast	difference
Revenue	Int'l Passenger	437.5	457.0	451.0	+6.0
	Doms Passenger	487.4	487.0	487.0	0
	Cargo and Mail	91.9	94.0	94.0	0
	Other	292.4	302.0	318.0	▲16.0
Expenses	FUEL	283.3	305.0	316.0	▲11.0
	Other Costs	859.1	877.0	894.0	▲17.0
Unit Cost (JPY)		8.8	8.8	8.8	0

- ✓ Operating profit revised upward
- ✓ Review conditions of fuel market
- ✓ Revenue and operating expenses revised downward by 10 billion yen respectively due to deduction of resold fuel amounts to a related company from revenues / expenses in the second-half of the fiscal year.

Note: Unit Cost=Air transport consolidated costs (excluding fuel costs, transactions (revenues / expenses) with a related company) ÷ ASK

- We have revised our forecasts for operating profit etc. upward from the previous ones announced on April 30, 2014.
- Upon forecasting, we have revised the preconditions of fuel prices as USD118 per barrel for Singapore Kerosene and USD105 per barrel for Dubai crude oil, respectively, for the second-half of this fiscal year.
- We have revised our operating revenue forecast downward by 10 billion yen from the previous forecast because we have reviewed the fuel resale contracts with a Group company and almost the same amount has decreased in both revenue and expense in the second-half of the fiscal year.
- Unit Cost is expected to be 8.8 yen, which is the same as our initial forecast.
- We will continue to minimize expenses and maximize revenues.

Fly into tomorrow.



JAPAN AIRLINES

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FY3/15 Earnings Forecast (Air transportation Segment)



	International			Domestic		
y/y (%) (Except Load Factor)	1H (Result)	2H (Forecast)	FY3/15 (Forecast)	1H (Result)	2H (Forecast)	FY3/15 (Forecast)
ASK	+3.9%	+3.6%	+3.7%	▲3.8%	+0.8%	▲1.6%
RPK	+3.3%	+3.0%	+3.2%	+1.2%	+1.0%	+1.1%
Passengers	+1.2%	+1.4%	+1.3%	+1.1%	+1.1%	+1.1%
Load Factor (%)	75.8	76.4	76.1	65.6	65.9	65.8
Yield	+1.9%	+0.6%	+1.3%	▲2.5%	+0.5%	▲1.0%
Unit Revenue	+1.3%	+0.1%	+0.7%	+2.5%	+0.7%	+1.6%
Revenue per Passenger	+4.0%	+2.2%	+3.1%	▲2.4%	+0.4%	▲1.1%

《Supplemental Reference》

Major Cash Flow Items



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(JPY Bn)	1H FY3/14	1H FY3/15	Difference
Net income before income taxes and minority interests	90.8	91.8	+0.9
Depreciation	40.5	42.6	+2.0
Other	6.8	7.2	+0.3
Cash Flow from Operating Activities	138.3	141.7	+3.4
Capital Expenditure ⁽¹⁾	▲56.2	▲77.2	▲20.9
Other	▲1.9	2.1	+4.0
Cash Flow from Investing Activities ⁽²⁾	▲58.2	▲75.1	▲16.9
Free Cash Flow ⁽³⁾	80.1	66.6	▲13.4
Repayment of Interest-bearing Debt ⁽⁴⁾	▲22.9	▲22.0	+0.8
Cash dividend, Other	▲34.1	▲30.9	+3.1
Cash Flow from Financing Activities	▲57.0	▲52.9	+4.0
Total Cash Flow ⁽⁵⁾	23.0	13.6	▲9.4
EBITDA	136.4	135.4	▲0.9
EBITDAR	152.1	148.6	▲3.5

Notes:

- Expense due to purchases of fixed assets
- Exclude deposits and withdrawals from deposit accounts
- Cash Flow from Operating Activities + Cash Flow from Investing Activities
- Repayment of Long Term Debt + Repayment of Lease Debt
- Cash flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities

《Supplemental Reference》

FY3/15 Earnings Forecast (Consolidated Balance Sheets / Cash Flow)



JAPAN AIRLINES

Consolidated Balance Sheet

(JPY Bn)	End of FY3/14 Result	FY3/15 New Forecast	Previous Forecast	difference
Total Assets	1,340.1	1,461.0	1,402.0	+59.0
Interest-bearing Debt	134.2	101.0	101.0	+0
Shareholders' Equity	690.2	768.0	744.0	+24.0
Shareholders' Equity Ratio (%)	51.5%	52.6%	53.1%	▲0.5pt
ROA (%) ⁽¹⁾	13.0%	11.3%	10.2%	+1.1pt

Consolidated Cash Flow

(JPY Bn)	FY3/14 Result	FY3/15 New Forecast	Previous Forecast	Difference
Cash Flow from Operating Activities	247.9	249.0	226.0	+23.0
Cash Flow from Investing Activities ⁽²⁾	▲166.7	▲197.0	▲195.0	▲2.0
Free Cash Flow ⁽²⁾	81.2	52.0	31.0	+21.0
Cash flow from Financing Activities	▲61.9	▲62.0	▲62.0	+0
EBITDA	249.5	245.0	227.0	+18.0
EBITDAR	281.0	271.0	253.0	+18.0

Notes:

1. ROA = Operating Profit / (Total Assets at beginning of year + Total Assets at end of year) / 2
2. Excludes depositing and withdrawal from deposit accounts

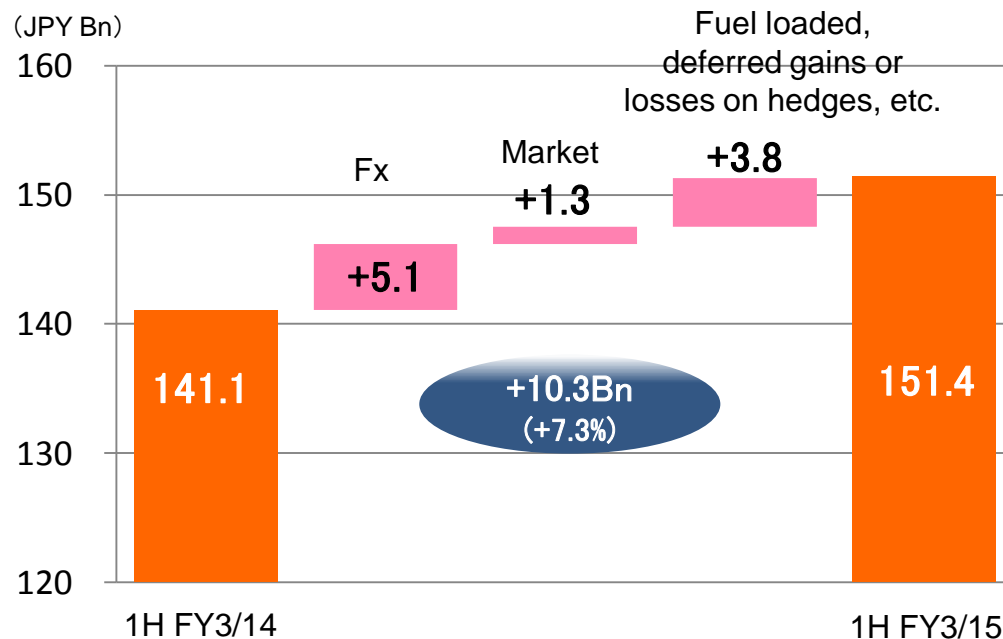
《Supplemental Reference》

Impact from Fuel and Currency Markets

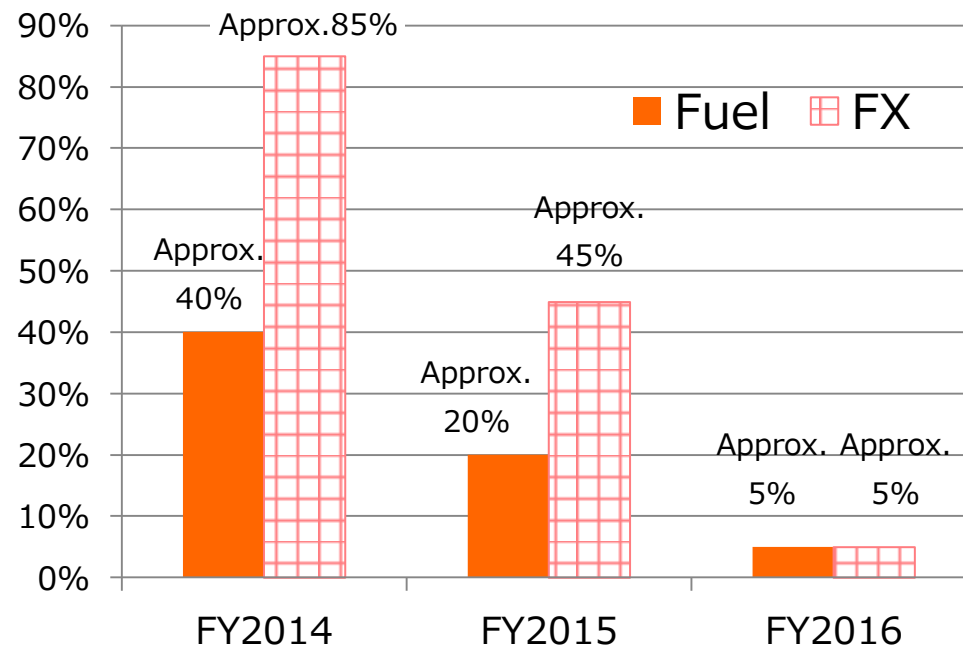


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Impact on Fuel Costs



Hedging Ratio for Fuel Costs (As of End of 2Q FY3/15)



Results and Assumptions

	1H FY3/14	1H FY3/15	% y/y	FY14 Plan
FX Rate (JPY/USD)	98.5	102.2	+3.7%	104.6 (2H:107.0)
Singapore Kerosene (USD/bbl)	119.6	119.4	▲0.2%	118.7 (2H:118.0)
Dubai Crude Oil (USD/bbl)	103.1	105.1	+2.0%	105.1 (2H:105.0)

Sensitivity for Fuel Costs (Without Hedging)

Crude Oil (Change in 1 USD/bbl)	2.3 Bn JPY Per Year
FX (Change in 1 JPY/USD)	2.6 Bn JPY Per Year

《Supplemental Reference》

Revenue of International Routes by Geographical segment



JAPAN AIRLINES

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

(%)	1H FY3/14	1H FY3/15	Y/Y	2Q FY3/15	Y/Y
Trans Pacific	34.5%	36.5%	+2.0pt	38.0%	+2.5pt
Europe	20.0%	18.5%	▲1.5pt	18.5%	▲2.0pt
Asia/Oceania	35.0%	33.5%	▲1.5pt	32.5%	▲0.5pt
China	10.5%	11.5%	+1.0pt	11.0%	+0.0pt

ASK

(MN seat km)	1H FY3/14	1H FY3/15	Y/Y	2Q FY3/15	Y/Y
Trans Pacific	8,456	9,068	+7.2%	4,624	+4.0%
Europe	4,149	4,050	▲2.4%	2,082	▲4.7%
Asia/Oceania	8,718	9,038	+3.7%	4,625	+7.7%
China	1,765	1,831	+3.8%	928	+3.1%

RPK

(MN passenger km)	1H FY3/14	1H FY3/15	Y/Y	2Q FY3/15	Y/Y
Trans Pacific	6,706	7,440	+10.9%	3,910	+8.8%
Europe	3,279	3,133	▲4.4%	1,680	▲6.7%
Asia/Oceania	6,511	6,414	▲1.5%	3,342	▲1.3%
China	1,111	1,196	+7.7%	655	+1.5%

Passengers

('000)	1H FY3/14	1H FY3/15	Y/Y	2Q FY3/15	Y/Y
Trans Pacific	870	951	+9.3%	501	+6.8%
Europe	353	342	▲3.3%	183	▲6.4%
Asia/Oceania	2,031	1,960	▲3.5%	1,012	▲4.0%
China	591	641	+8.4%	352	+2.2%

Load Factor

(%)	1H FY3/14	1H FY3/15	Y/Y	2Q FY3/15	Y/Y
Trans Pacific	79.3%	82.1%	+2.8pt	84.6%	+3.8pt
Europe	79.0%	77.4%	▲1.6pt	80.7%	▲1.7pt
Asia/Oceania	74.7%	71.0%	▲3.7pt	72.3%	▲6.6pt
China	62.9%	65.3%	+2.4pt	70.6%	▲1.1pt

《Supplemental Reference》

Number of Aircraft in Service



JAPAN AIRLINES

	End of Mar/2014 2014/3/31			End of Sep/2014 2014/9/30			Changes
	Owned	Leased	Total	Owned	Leased	Total	
Boeing 777-200	15	0	15	14	0	14	▲1
Boeing 777-200ER	11	0	11	11	0	11	-
Boeing 777-300	7	0	7	7	0	7	-
Boeing 777-300ER	13	0	13	13	0	13	-
Large-sized Total	46	0	46	45	0	45	▲1
Boeing 787-8	15	0	15	15	0	15	-
Boeing 767-300	15	0	15	14	0	14	▲1
Boeing 767-300ER	18	14	32	21	11	32	-
Middle-sized Total	48	14	62	50	11	61	▲1
MD90	0	0	0	0	0	0	-
Boeing 737-400	11	2	13	10	2	12	▲1
Boeing 737-800	21	29	50	21	29	50	-
Small-sized Total	32	31	63	31	31	62	▲1
Embraer 170	15	0	15	15	0	15	-
Bombardier CRJ200	9	0	9	9	0	9	-
Bombardier D8-400	9	2	11	9	2	11	-
SAAB340B	10	1	11	11	0	11	-
Bombardier D8-300	1	0	1	1	0	1	-
Bombardier D8-100	4	0	4	4	0	4	-
Regional Total	48	3	51	49	2	51	-
TOTAL	174	48	222	175	44	219	▲3

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