






Financial Results

2nd Quarter MAR/2016

(FY2015)



October 30th, 2015

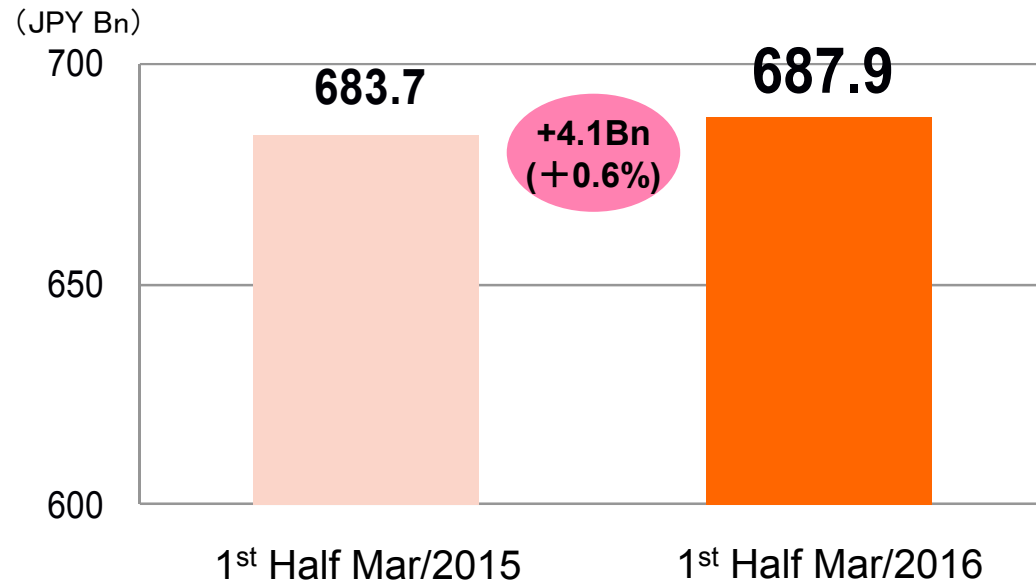
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Overview of 1st Half FY MAR/16 Results

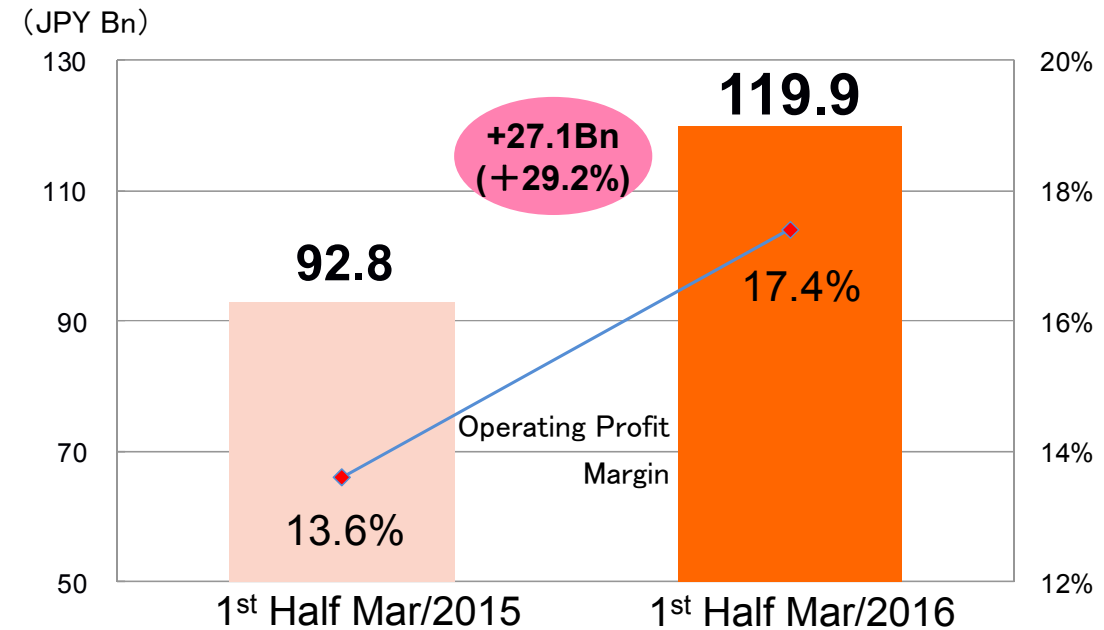


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Operating Revenue



Operating Profit



Fuel /FX Markets

	1 st Half FY Mar/15	1 st Half FY Mar/16	y/y
FX (JPY/USD)	102.2	121.8	+19.2%
Singapore Kerosene (USD/bbl)	119.4	69.5	▲41.8%
Dubai Crude Oil (USD/bbl)	105.1	57.1	▲45.7%

- ✓ We achieved higher earnings on higher revenue due to international and domestic passenger revenue increases, lower fuel prices, etc. Operating profit was 119.9 billion yen.
- ✓ The operating profit margin was 17.4%, above our target of 10% or more.

- Operating revenue for the second quarter was 687.9 billion yen, up 0.6% year-on –year, mainly due to increased revenues in international and domestic passenger operations.
- Notwithstanding the effect of the weaker yen, operating profit increased by 27.1 billion yen to 119.9 billion yen due to a sharp drop in fuel prices, and such. The operating profit margin ended at 17.4%, which is above our target of 10% or more.

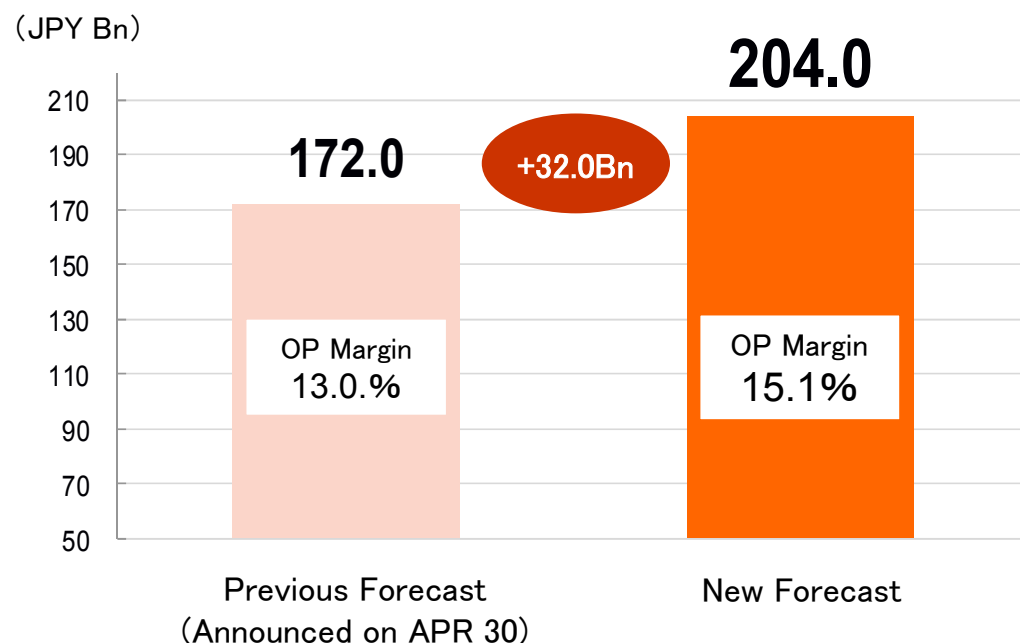
Revised Consolidated Financial Forecast for FY Mar/16



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Upward Revision in Operating Profit Forecast

Operating Profit



- ✓ The revision was made based on the results and Fuel/FX forecasts.

(JPY Bn)	Previous Forecast	New Forecast	Difference
Operating Profit	172.0	204.0	+32.0
Net Income ^(*)	144.0	172.0	+28.0

(*)Net Income Attributable to owners of the parent

Fuel/FX Markets	Results FY Mar/2015	Forecast for FY Mar/2016	Previous Forecast
FX(JPY/USD)	108.4	123.4 (2 nd Half 125.0)	118.0
Singapore Kerosene (USD/bbl)	103.5	70.3 (2 nd Half 71.0)	80.0
Dubai Crude Oil (USD/bbl)	87.6	56.1 (2 nd Half 55.0)	63.0

Dividend Forecast

- ✓ The dividend estimated for Mar/2016 will be disclosed when our earnings forecast becomes clearer.

- Our operating profit forecast was revised upward by 32 billion yen to 204 billion yen from our initial forecast of 172 billion yen announced on April 30. The operating profit margin is expected to be 15.1%.
- Our net profit forecast was also revised upward by 28 billion yen to 172 billion yen.
- Our exchange rate and fuel price forecasts for the second half of the fiscal year are 125 yen to the U.S. dollar, 71 U.S. dollars per barrel for Singapore kerosene and 55 U.S. dollars per barrel for Dubai crude oil.
- We will disclose our estimate of dividends when our earnings forecast becomes clearer.

Progress of Medium Term Management Plan



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International

Domestic

Product and Service Enhancements



【SKYTRAX World Airline Awards】

- ✓ “Best Business Class Airline Seats” in 2013
- ✓ “Best Economy Class Airline Seats” in 2015



JAL is taking on the challenge of new domestic routes.

A standard that's a step ahead

JAL SKY NEXT

JAL
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LINES



- ✓ JAL SKY NEXT has been installed in approximately 60% of selected domestic fleet.
- ✓ The installment will be completed in all 77 aircraft by the end of FY2016.

Route and Network Expansion

- ✓ Osaka(Kansai)=Los Angeles, New Route
March 20,2015~ (Operated by B787-8)
- ✓ Haneda=Shanghai(Pudong)and Guangzhou, New Route.
Haneda=Beijing, increased.
October 25,2015~ (Operated by B767-300ER)
- ✓ Narita=Dallas, New Route
November 30,2015~ (Operated by B787-8)

Routes with increased frequency in FY15 Winter Schedule

Route	Before	After	Period
Haneda=Kansai	2 Daily	3 Daily	2015/10/25~2016/3/26
Haneda=Nagasaki	6 Daily	7 Daily	2015/10/25~2016/3/26
Niigata=Sapporo	2 Daily	3 Daily	2015/10/25~

- On international routes, we are continually introducing JAL SKY SUITE and have received positive feedback from many customers. Our SKYSUITE Economy Class was named Best Economy Class Airline Seat by SKYTRAX in 2015.
- On domestic routes, we are introducing JAL SKY NEXT, which has also been highly evaluated by customers. The retrofit of all 77 aircraft according to our plan will be completed by the end of FY2016 as scheduled.
- In terms of our route network, we opened services between Kansai International Airport and Los Angeles in March, and expanded services between Haneda and China from October 25. We will launch the Narita=Dallas/Fort Worth route at the end of November.

DETAILS OF 1ST HALF FY MAR/16 FINANCIAL RESULTS



Consolidated Financial Results



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Consolidated Financial Results 1st Half Mar/16

(JPY Bn)	1 st H FY Mar/15	1 st H FY Mar/16	y/y ratio	2 nd Quarter (Jul-Sep) ⁽⁵⁾	y/y ratio
Revenue	683.7	687.9	+0.6%	375.8	▲0.2%
Air Transportation Segment	609.3	620.2	+1.8%	337.7	+0.8%
Operating Expense	590.9	567.9	▲3.9%	292.1	▲3.4%
Air Transportation Segment	526.7	510.8	▲3.0%	260.6	▲2.7%
Operating Profit	92.8	119.9	+29.2%	83.7	+12.8%
Air Transportation Segment	82.6	109.4	+32.4%	77.1	+14.5%
Operating Profit Margin(%)	13.6%	17.4%	+3.9pt	22.3%	+2.6pt
Ordinary Income	91.6	122.6	+33.7%	83.4	+11.6%
Net Income⁽¹⁾	80.3	103.3	+28.7%	70.7	+8.0%
ASK(MN seat km)	42,479	42,506	+0.1%	21,525	▲0.7%
RPK(MN passenger km)	30,324	31,515	+3.9%	16,494	+2.6%
EBITDA Margin (%)⁽²⁾	19.8%	23.8%	+3.9pt	28.1%	+2.7pt
EBITDAR Margin (%)⁽³⁾	21.7%	25.5%	+3.8pt	29.7%	+2.6pt
Unit Cost(JPY)⁽⁴⁾	8.7	9.1	+0.4	9.2	+0.6
Incl. Fuel	12.4	12.0	▲0.4	12.1	▲0.2

- ✓ Operating revenue was 687.9 billion yen, up 0.6%
- ✓ Operating profit was 119.9 billion yen, up 29.2% year-on-year.
- ✓ The operating profit margin was 17.4%.
- ✓ Ordinary profit was 122.6 billion yen, up 33.7% year-on-year.
- ✓ Net income was 103.3 billion yen, up 28.7% year-on-year.

- Notes:**
1. Net Income Attributable to owners of parent
 2. EBITDA Margin = EBITDA / Revenue EBITDA=Operating Profit + Depreciation and Amortization
 3. EBITDAR Margin = EBITDAR / Revenue EBITDAR=Operating Profit + Depreciation+ Aircraft Leases
 4. Unit Cost = Air Transportation Segment Operating Cost (excluding fuel cost etc.) / ASK
 5. The results for 2Q (July to September) is calculated by deducting the results of 1Q (April to June) from 1H (April to September)

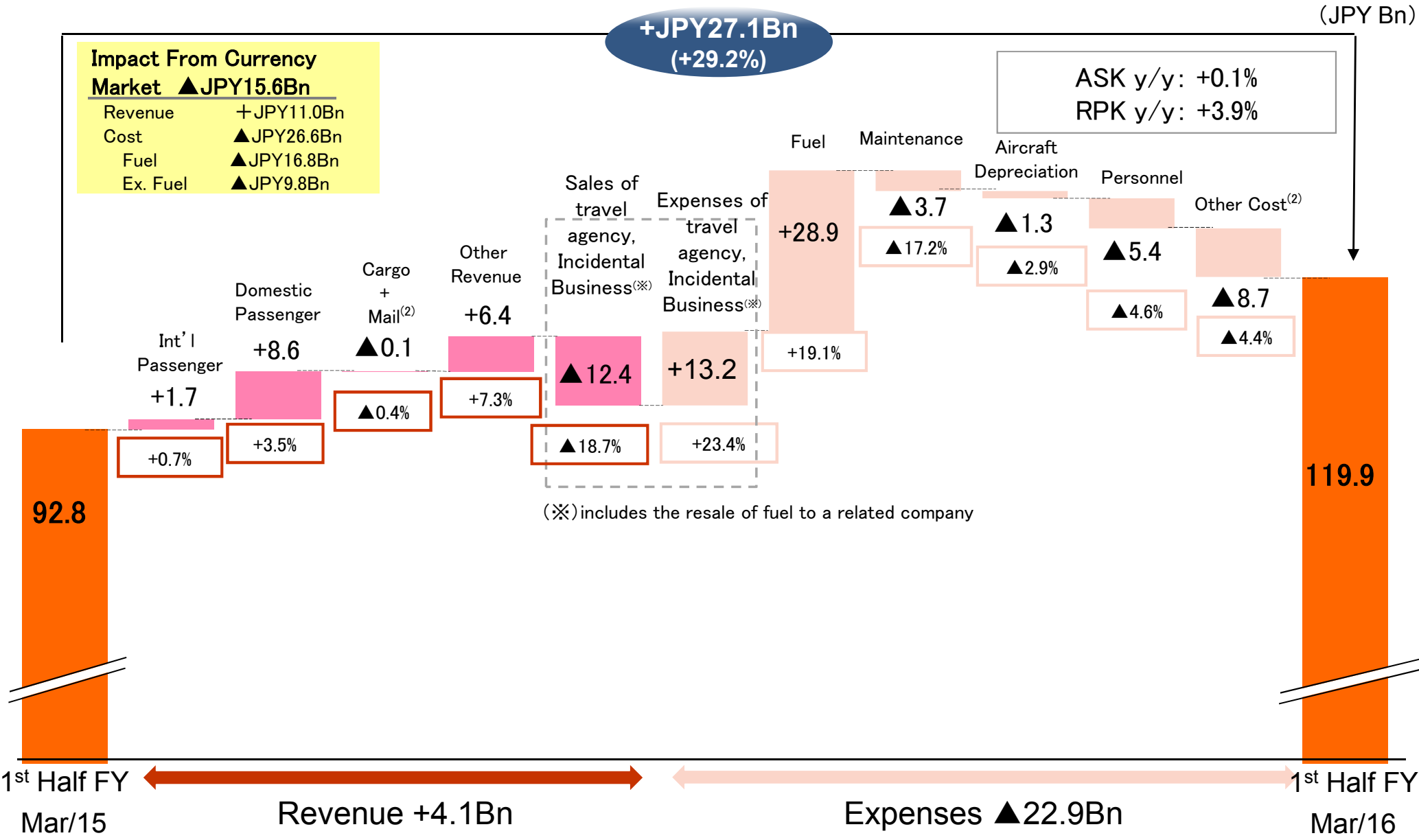
- Operating revenue for the first half increased by 0.6% year-on-year to 687.9 billion yen, mainly due to an increase in international and domestic passenger revenues.
- Operating expenses decreased by 3.9% from the previous year to 567.9 billion yen.
- As a result, operating profit for the 1st Half was 119.9 billion yen, the operating profit margin was 17.4%, and the EBITDAR margin was 25.5%.

Changes in Operating Profit



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1st Half FY Mar/16



- Looking at revenue, it ended up with the international and the domestic passenger revenue increased by 4.1 billion yen year-on-year due to high demand of both international and domestic passengers.
- To be more specific, the international passenger revenue increased by 1.7 billion yen due to an increase in inbound demand, effects of exchange rates, and such. Domestic passenger revenue increased by 8.6 billion yen over the previous year due to an increase in individual passengers and robust demand during the consecutive holidays in Autumn.
- Costs decreased by 22.9 billion yen year-on-year due to the sharp drop in fuel prices.

International Passenger Operations(Operating Results)



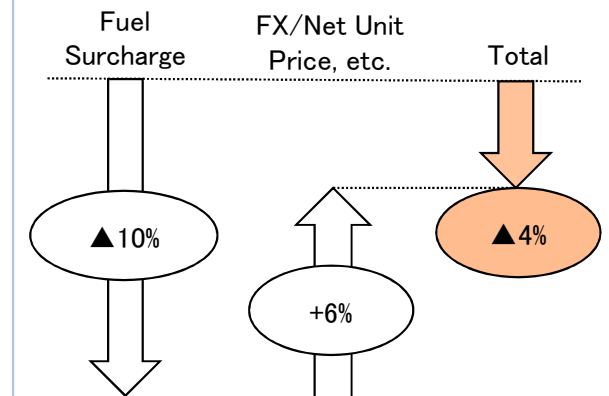
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International Passenger

	1 st H FY Mar/15	1 st H FY Mar/16	y/y ratio	2 nd Quarter (Jul-Sep) ⁽¹⁾	y/y ratio
Passenger Revenue (JPY Bn)	233.9	235.6	+0.7%	126.1	▲0.4%
ASK (MN seat km)	23,988	24,239	+1.0%	12,231	▲0.2%
RPK (MN passenger km)	18,185	19,309	+6.2%	9,951	+3.8%
Passengers ('000)	3,895	4,093	+5.1%	2,085	+1.7%
L/F (%)	75.8%	79.7%	+3.9pt	81.4%	+3.1pt
Yield ⁽²⁾ (JPY)	12.9	12.2	▲5.1%	12.7	▲4.0%
Unit Revenue ⁽³⁾ (JPY)	9.8	9.7	▲0.3%	10.3	▲0.2%
Revenue per Passenger ⁽⁴⁾ (JPY)	60,055	57,574	▲4.1%	60,495	▲2.1%

- ✓ Passenger revenue was 235.6 billion yen, up 0.7% year-on-year.
- ✓ ASK was up 1.0% and RPK was up 6.2% year-on-year. As a result, L/F was 79.7%, up 3.9pt.

Factors of changes in Revenue per passenger(estimate)



- Note:**
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

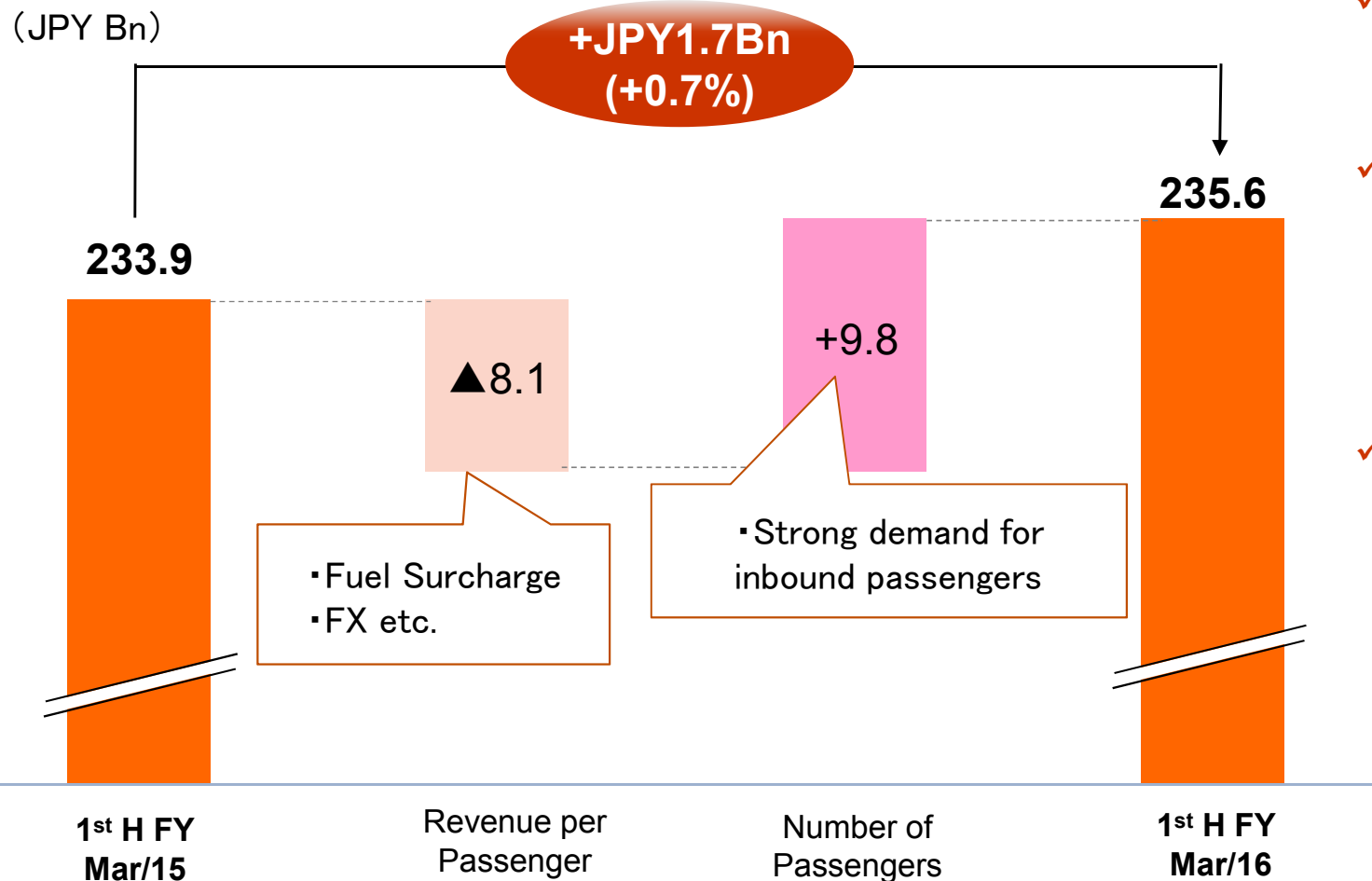
- On international flights, ASK increased by 1.0% year-on-year and RPK was up 6.2% by capturing robust inbound demand. This resulted in a load factor of 79.7%, up 3.9 points on the previous year.
- Revenue per passenger declined by 4.1%, but considering that the Fuel Surcharge Revenue decreased by about 10% as shown in the graph on the right, revenue per passenger excluding fuel surcharge is calculated as having increased by about 6%.
- Revenue per passenger for the second quarter declined by 2.1%, which was improved from 6.2% decline in the 1st quarter.

International Passenger Operations(Change in Revenue)



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1st Half FY Mar/16



- ✓ Revenue per passenger declined due to a decrease in fuel surcharge.
- ✓ Expansion of JAL SKY SUITE 777/767/787 and the weak yen contributed to an increase in revenue per passenger.
- ✓ Inbound demand grew, mainly on China and Southeast Asia routes.

- Regarding revenue per passenger, the weaker yen and net unit price increase partially set off the decline in revenue per passenger due to a decrease in fuel surcharge revenue.
- As for passenger numbers, inbound demand continued to rise, primarily on China and Southeast Asia routes.
- As a result, international passenger revenue increased by 0.7% year-on-year to 235.6 billion yen.

Domestic Passenger Operations(Operating Results)



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Domestic Passenger

	1 st H FY Mar/15	1 st H FY Mar/16	y/y ratio	2 nd Quarter (Jul-Sep) ⁽¹⁾	y/y ratio
Passenger Revenue (JPY Bn)	248.1	256.8	+3.5%	146.9	+3.1%
ASK (MN seat km)	18,490	18,267	▲1.2%	9,293	▲1.4%
RPK (MN passenger km)	12,138	12,205	+0.6%	6,542	+0.9%
Passengers ('000)	15,952	16,082	+0.8%	8,544	+1.3%
L/F (%)	65.6%	66.8%	+1.2pt	70.4%	+1.6pt
Yield ⁽²⁾ (JPY)	20.4	21.0	+2.9%	22.5	+2.2%
Unit Revenue ⁽³⁾ (JPY)	13.4	14.1	+4.7%	15.8	+4.6%
Revenue per Passenger ⁽⁴⁾ (JPY)	15,558	15,967	+2.6%	17,193	+1.9%

- ✓ Passenger revenue was 256.8 billion yen, up 3.5% year-on-year.
- ✓ ASK was ▲1.2% and RPK was +0.6% year-on-year. As a result, L/F was 66.8%, up 1.2pt.
- ✓ Yield increased by 2.9%, revenue per passenger by 2.6% year-on-year.

Note: 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

- On domestic flights, ASK declined by 1.2% from the previous year, but RPK increased by 0.6%, resulting in a load factor of 66.8%, up 1.2 points on the previous year.
- Yield and revenue per passenger increased by 2.9% and 2.6% year-on-year respectively through revenue management. As a result, domestic passenger revenue ended at 256.8 billion yen, up 3.5% over the previous year.

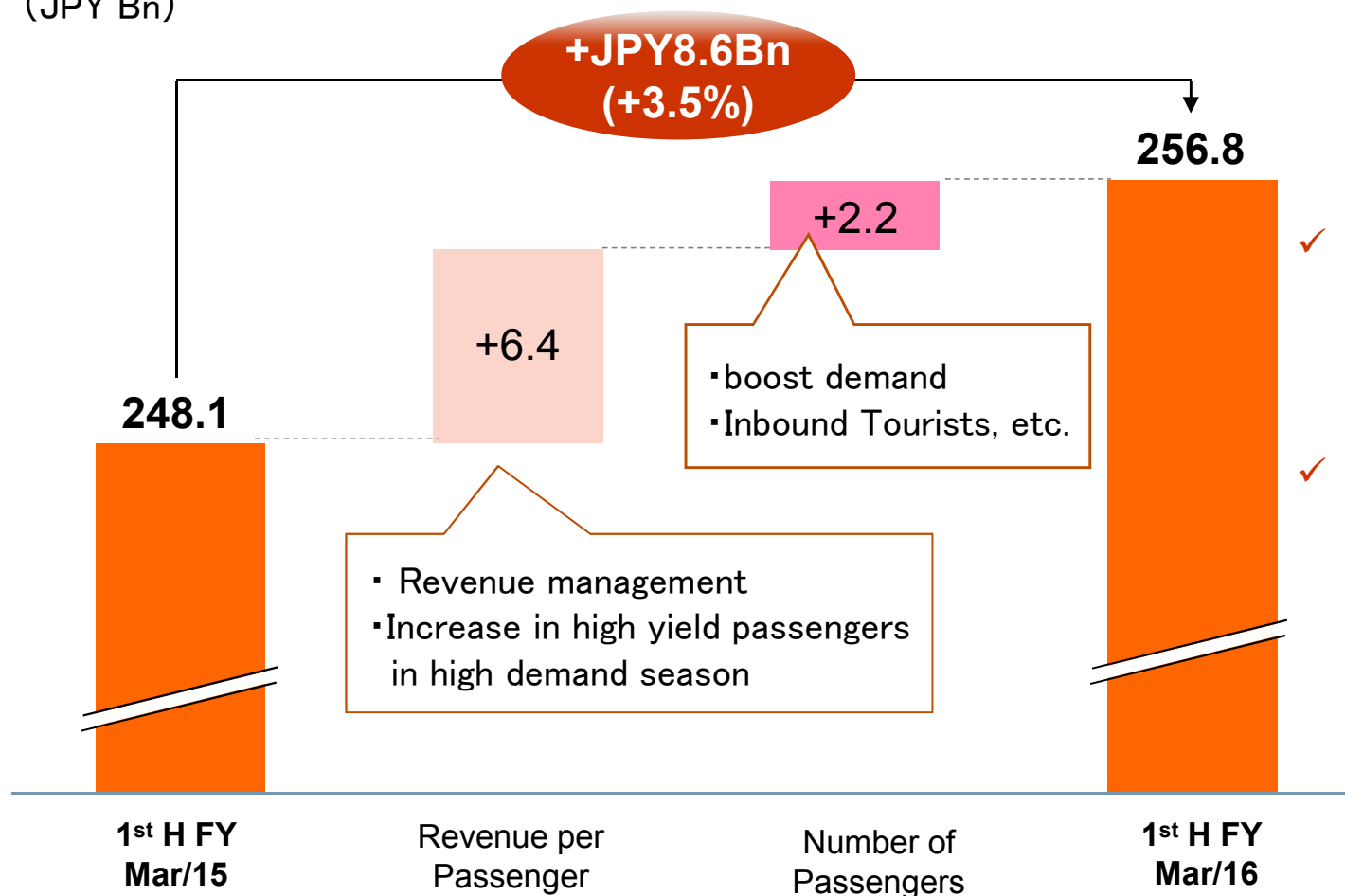
Domestic Passenger Operations(Change in Revenue)



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1st Half FY Mar/16

(JPY Bn)



- ✓ Changes in customer mix through revenue management
 - Well-reputed JAL SKY NEXT
 - Increase of individual passengers
- ✓ Increase of high-yield passengers during high season (consecutive holidays in September etc.)
- ✓ Increase in passenger numbers through measures to boost demand, etc.
 - New Ultra Sakitoku, special discount fare (April 14, 2015~)
 - Increase in non Japanese tourist visiting Japan

- In terms of revenue per passenger, domestic passenger revenue increased by 6.4 billion yen year-on-year due to changes in customer mix and an increase in high-yield passengers in the high season through revenue management.
- Despite a 1.2% decline in ASK from the previous year, passenger numbers contributed by 2.3 billion yen increase year-on-year due to a new advance purchase fare called Ultra Sakitoku, an increase in non-Japanese tourist visiting Japan, and other factors.

Major Operating Expense Items



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Operating Expenses

(JPY Bn)	1 st H FY Mar/15	1 st H FY Mar/16	Diff.	y/y ratio	2 nd Quarter (Jul-Sep) ⁽¹⁾	Diff.
Fuel	151.4	122.5	▲28.9	▲19.1%	62.6	▲15.2
Landing and navigation fees	40.8	41.5	+0.6	+1.7%	21.1	+0.2
Maintenance	21.5	25.2	+3.7	+17.2%	13.8	+3.5
Sales Commissions (Air Transport)	11.9	12.4	+0.4	+3.8%	6.3	+0.1
Aircraft Depreciation	33.1	35.4	+2.3	+6.9%	17.8	+1.3
Aircraft Leases	13.1	12.2	▲0.9	▲7.2%	6.0	▲0.3
Personnel	117.4	122.8	+5.4	+4.6%	61.5	+2.7
Expenses of travel agency / Incidental business etc (*)	56.8	43.5	▲13.2	▲23.4%	25.2	▲6.4
Other	144.4	152.0	+7.6	+5.3%	77.4	+3.7
Total Operating Expenses	590.9	567.9	▲22.9	▲3.9%	292.1	▲10.2

- ✓ Increase in some cost items due to the weak yen and service enhancements. We will maintain cost reduction initiatives.
- ✓ Fuel costs decreased by 28.9 billion yen due to lower fuel prices (including increase of 16.8 billion yen due to the weak yen)
- ✓ Increase in maintenance costs due to the weak yen.
- ✓ Personnel costs increased by 122.8 billion yen, up 4.6% year-on-year, due to increase in wages and exchange rates, etc.

ASK y/y: +0.1%

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

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

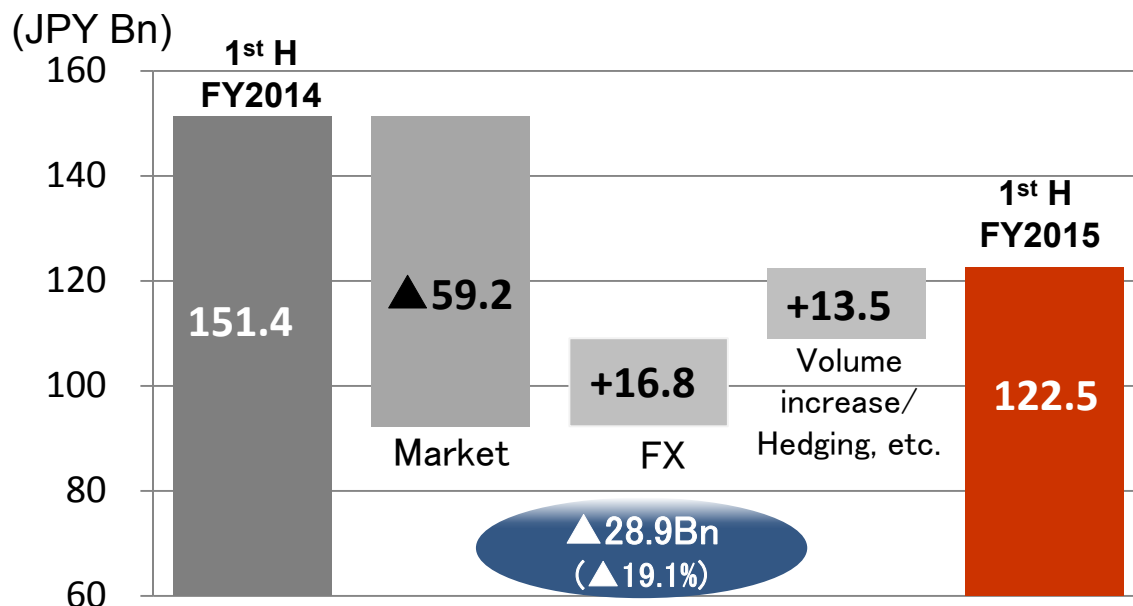
- Some cost items increased because of the weaker yen and service enhancements, but we will maintain our cost reduction initiatives.
- Fuel costs decreased by 28.9 billion yen to 122.5 billion yen.
- Maintenance costs increased, principally due to the weaker yen.
- Personnel costs increased by 5.4 billion yen year-on-year, due to effects of exchange rates, and such.

Impact of Fuel and FX Markets

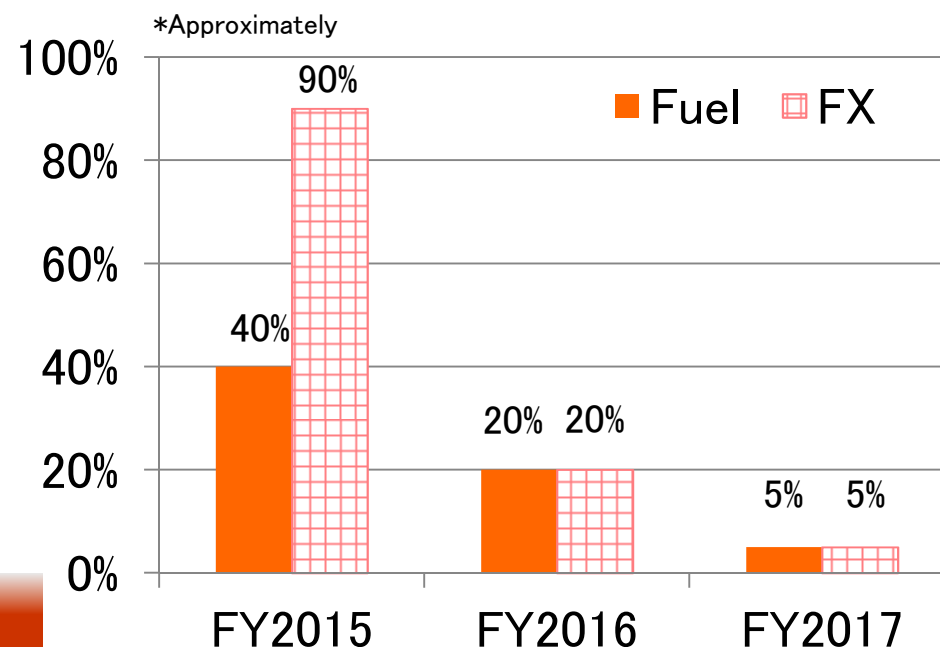


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Transition of Fuel Cost by Factor



Hedging Ratio of Fuel Costs* (As of End of 1st Half FY Mar/16)



Fuel/FX Markets

	1st H FY Mar/15	1st H FY Mar/16	y/y ratio	Forecast for FY Mar/16
FX(JPY/USD)	102.2	121.8	+19.2%	123.4 (2nd Half 125.0)
Singapore Kerosene (USD/bbl)	119.4	69.5	▲41.8%	70.3 (2nd Half 71.0)
Dubai Crude Oil (USD/bbl)	105.1	57.1	▲45.7%	56.1 (2nd Half 55.0)

Sensitivity for Fuel Costs (Without Hedging) FY Mar/16

Crude Oil (Change in 1 USD/bbl)	2.6Bn JPY per Year
FX (Change in 1 JPY/USD)	1.7Bn JPY per Year

- For factors affecting the decrease in fuel costs, please refer to the graph at the upper left of the page.
- Although fuel costs decreased by 59.2 billion yen year-on-year due to the sharp fall in fuel prices, the weaker yen pushed up fuel costs by 16.8 billion yen, and loading volume and gains and losses on hedging, by 13.5 billion yen. As a result, fuel costs decreased by 28.9 billion yen from the previous year.

Major Balance Sheet Items



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Consolidated Balance Sheet Summary as of End of 1st Half FY2015

(JPY Bn)	End of FY2014 2015/3/31	End of 1H FY2015 2015/9/30	difference
Total Assets	1,473.3	1,511.2	+37.8
Cash and Deposits	364.9	386.0	+21.0
Balance of Interest-bearing Debt ⁽¹⁾	100.5	83.3	▲17.2
Future Rental Expenses under Operating Leases	125.0	110.8	▲14.2
Shareholder's Equity	776.4	831.1	+54.6
Shareholder's Equity Ratio(%)	52.7%	55.0%	+2.3pt
D/E Ratio (x) ⁽²⁾	0.1x	0.1x	▲0.0x

✓ The balance of interest-bearing debt decreased by 17.2 billion yen to 83.3 billion yen as a result of repayment.

✓ Shareholder's Equity Ratio increased by 2.3pt to 55.0%

Note: 1. Accounts Payable-installment Purchase included
2. D/E ratio = On-balance sheet Interest-bearing Debt / Shareholder's Equity

(Reference) ※As of End of 1st Half FY2015
D/E ratio including Future Rental Expenses under Operating Leases : 0.2x

- The balance of interest-bearing debt came to 83.3 billion yen, down 17.2 billion yen from the previous fiscal year-end, as a result of repaying long-term loans and lease obligations.
- Future Rental Expenses under Operating Leases decreased by 14.2 billion yen from the previous fiscal year-end to 110.8 billion yen.
- The equity ratio was 55.0%, up 2.3 points from the previous fiscal year-end, as a result of paying dividends and posting net profit.

Major Cash Flow Items



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(JPY Bn)	1 st H FY Mar/15	1 st H FY Mar/16	Difference
Net income before income taxes and minority interests	91.8	123.6	+31.7
Depreciation and Amortization	42.6	43.4	+0.7
Other	7.2	10.6	+3.4
Cash Flow from Operating Activities	141.7	177.7	+35.9
Capital Expenditure ⁽¹⁾	▲77.2	▲97.3	▲20.1
Other	2.1	▲0.5	▲2.6
Cash Flow from Investing Activities ⁽²⁾	▲75.1	▲97.8	▲22.7
Free Cash Flow ⁽³⁾	66.6	79.8	+13.2
Repayment of Interest-bearing Debt ⁽⁴⁾	▲22.0	▲17.7	+4.3
Cash dividend, and Other	▲30.9	▲40.5	▲9.6
Cash Flow from Financing Activities	▲52.9	▲58.3	▲5.3
Total Cash Flow ⁽⁵⁾	13.6	21.4	+7.8
EBITDA	135.4	163.3	+27.8
EBITDAR	148.6	175.6	+26.9

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

- Cash flow from operating activities totaled 177.7 billion yen, up 35.9 billion yen from the year-earlier-period.
- In cash flow from investing activities, capital expenditures for facilities increased by 20.1 billion yen year-on-year. This is mainly due to investments in aircraft, and so we are progressing according to our plan.
- In cash flow from financing activities, the repayment of interest-bearing debt and payment of dividends resulted in a cash outflow of 58.3 billion yen. Total cash flow ended at a cash inflow of 21.4 billion yen.

FY2015 Earnings Forecast (Consolidated)



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(JPY Bn)		FY Mar/15 Result	FY Mar/16 Forecast	Previous Forecast Announced on April 30, 2015	予想 増減額		New Forecast for FY Mar/16	Previous Forecast Announced on April 30, 2015
Revenue		1,344.7	1,347.0	1,328.0	+19.0	ASK* Int'l	+1.5%	+3.1%
	Int'l Passenger	454.8	458.0	445.0	+13.0	Doms.	▲1.1%	+0.7%
	Doms. Passenger	487.5	497.0	494.0	+3.0	ASK Total	+0.4%	+2.0%
	Cargo and Mail	98.3	96.0	97.0	▲1.0	RPK* Int'l	+6.7%	+5.9%
	Other	303.9	296.0	292.0	+4.0	Doms.	+0.3%	+0.8%
Operating Expense		1,165.0	1,143.0	1,156.0	▲13.0	*y/y		
	Fuel	282.5	247.0	265.0	▲18.0	FX (JPY/USD)	123.4	118.0
	Excl. Fuel	882.4	896.0	891.0	+5.0	Singapore Kerosene (USD/bbl)	70.3	80.0
Operating Profit		179.6	204.0	172.0	+32.0	Dubai Crude Oil (USD/bbl)	56.1	63.0
Operating Profit Margin(%)		13.4%	15.1%	13.0%	+2.1pt	✓ Reviewed fuel price forecasts ✓ Revised operating profit upward		
Ordinary Income		175.2	202.0	169.0	+33.0			
Net Income ⁽¹⁾		149.0	172.0	144.0	+28.0			
Unit Cost (JPY) ⁽²⁾		8.9	9.2	9.0	+0.2			

Note: 1. Net Income Attributable to owners of the parent

2. Unit Cost = Air Transportation Segment Operating Cost (excluding fuel costs, transactions (revenues / expenses) with a related company)/ASK

- We revised our profit forecast upward from our initial forecast announced on April 30.
- Regarding the assumption on which our revised forecast is based, we revised our exchange rate and fuel price forecasts for the second half of the fiscal year to 125 yen per U.S. dollar, 71 U.S. dollars per barrel for Singapore kerosene, and 55 U.S. dollars per barrel for Dubai crude oil.
- Unit Cost is projected to be 9.2 yen due to the effect of the weaker yen and such.
- We will maintain our revenue expansion and cost reduction initiatives in the second half of the fiscal year, and strive to maximize profit.

FY Mar/16 Earnings Forecast (Consolidated BS/Cash Flow)



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Consolidated Balance Sheet

(JPY Bn)	FY Mar/15 Result	FY Mar/16 New Forecast	Previous Forecast Announced on April 30, 2015	Difference
Total Assets	1,473.3	1,598.0	1,581.0	+17.0
Balance of Interest-bearing Debt	100.5	86.0	86.0	-
Shareholder's Equity	776.4	860.0⁽⁴⁾	894.0	▲34.0 ⁽⁴⁾
Shareholder's Equity Ratio(%)	52.7%	53.8%	56.5%	▲2.7pt
ROE (%) ⁽¹⁾	20.3%	21.0%	17.2%	+3.8pt
ROA (%) ⁽²⁾	12.8%	13.3%	11.3%	+2.0pt

Consolidated Cash Flow

(JPY Bn)	FY Mar/15 Result	FY Mar/16 New Forecast	Previous Forecast Announced on April 30, 2015	Difference
Cash Flow from Operating Activities	261.1	294.0	261.0	+33.0
Cash Flow from Investing Activities ⁽³⁾	▲199.2	▲206.0	▲215.0	+9.0
Free Cash Flow ⁽³⁾	61.8	88.0	46.0	+42.0
Cash Flow from Financing Activities	▲67.3	▲55.0	▲54.0	▲1.0
EBITDA	265.5	294.0	262.0	+32.0
EBITDAR	292.7	317.0	285.0	+32.0

Note: 1. ROE = Net Income*/Shareholder's Equity at the beginning and the end of year . * Net Income Attributable to owners of the parent

2. ROA = Operating Profit/Average of Total Assets at the beginning and the end of year.

3. Excludes depositing and withdrawal from deposit accounts.

4. Accumulated other comprehensive income will be decreased approximately by JPY50 billion as a result of changing preconditions for calculating retirement benefit obligations at the end of the fiscal year

- This page shows our balance sheet and cash flow forecasts.
- The equity ratio is seen to decline by 2.7 points from the previous forecast to 53.8%, as we will change practice for calculating retirement benefit obligations at the end of the fiscal year and post about 50 billion yen on liability for retirement benefit.
- Free cash flow is expected to increase by 42 billion yen from our previous forecast, due to an increase in cash flow from operating activities.

Submission of Corporate Governance Report



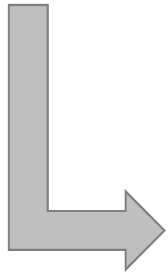
JAPAN AIRLINES

Corporate Governance Report

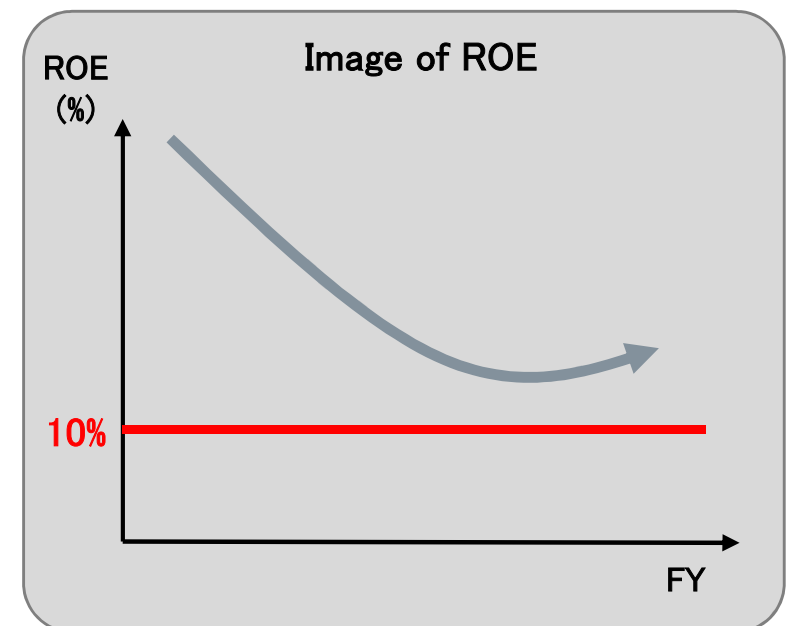


- ✓ We submitted our Corporate Governance Report to TSE on October 30, 2015
- ✓ We will comply with each principle in the Corporate Governance Codes.

In the Principle 5-2, “Establishing and Disclosing Business Strategy and Business Plan”, we represent capital efficiency (ROE) target under the Corporate Governance Code.



Based on maintaining sound financial foundation, we aim to achieve ROE of 10% or more by enhancing profitability and asset efficiency.



- On this page, I will explain our Corporate Governance Report, which we have submitted to the Tokyo Stock Exchange.
- To comply with the Corporate Governance Code effective this June, we have revised our Corporate Governance Report and submitted it to the Tokyo Stock Exchange on October 30.
- In this report, we have clearly stated to maintain ROE of 10% or more as our capital efficiency target. We aim to achieve this by enhancing profitability and asset efficiency, based on maintaining sound financial foundation. .
- For your reference, at the end of the handout, we have provided results of international passenger revenue by geographic segments, a list of aircraft in our fleet, and our earnings forecast for the fiscal year ending March 31, 2016 (air transport business). We would appreciate it if you would refer to the information.

Fly into tomorrow.



JAPAN AIRLINES

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《Supplemental Reference》

Revenue of International Routes by Geographic Segment



JAPAN AIRLINES

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

(%)	FY Mar/15 1st Half	FY Mar/16 1st Half	Difference	FY Mar/16 2nd Quarter	Difference
Trans Pacific	36.5%	37.5%	+1.0pt	39.5%	+1.5pt
Europe	18.5%	16.5%	▲2.0pt	16.5%	▲2.0pt
Asia/Oceania	33.5%	34.5%	+1.0pt	32.5%	+0.0pt
China	11.5%	11.5%	+0.0pt	11.5%	+0.5pt

ASK

(MN seat km)	FY Mar/15 1st Half	FY Mar/16 1st Half	y/y	FY Mar/16 2nd Quarter	y/y
Trans Pacific	9,068	9,774	+7.8%	4,963	+7.3%
Europe	4,050	3,936	▲2.8%	2,001	▲3.9%
Asia/Oceania	9,038	8,889	▲1.7%	4,438	▲4.0%
China	1,831	1,640	▲10.5%	827	▲10.8%

RPK

(MN passenger km)	FY Mar/15 1st Half	FY Mar/16 1st Half	y/y	FY Mar/16 2nd Quarter	y/y
Trans Pacific	7,440	7,953	+6.9%	4,117	+5.3%
Europe	3,133	3,014	▲3.8%	1,639	▲2.4%
Asia/Oceania	6,414	7,049	+9.9%	3,545	+6.1%
China	1,196	1,292	+8.0%	648	▲1.1%

Passengers

('000 passengers)	FY Mar/15 1st Half	FY Mar/16 1st Half	y/y	FY Mar/16 2nd Quarter	y/y
Trans Pacific	951	1,016	+6.9%	528	+5.2%
Europe	342	332	▲2.9%	181	▲1.6%
Asia/Oceania	1,960	2,056	+4.9%	1,032	+1.9%
China	641	687	+7.3%	344	▲2.2%

Load Factor

(%)	FY Mar/15 1st Half	FY Mar/16 1st Half	Difference	FY Mar/16 2nd Quarter	Difference
Trans Pacific	82.1%	81.4%	▲0.7pt	83.0%	▲1.6pt
Europe	77.4%	76.6%	▲0.8pt	81.9%	+1.2pt
Asia/Oceania	71.0%	79.3%	+8.3pt	79.9%	+7.6pt
China	65.3%	78.8%	+13.5pt	78.4%	+7.7pt

《Supplemental Reference》

Number of Aircraft in Service as of September 2015



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		End of Mar/15 2015/3/31			End of 1 st Half FY Mar/16 2015/9/30			Difference
		Owned	Leased	Total	Owned	Leased	Total	
Large Size	Boeing 777-200	13	0	13	12	0	12	▲1
	Boeing 777-200ER	11	0	11	11	0	11	-
	Boeing 777-300	7	0	7	5	0	5	▲2
	Boeing 777-300ER	13	0	13	13	0	13	-
	Large Total	44	0	44	41	0	41	▲3
Medium Size	Boeing 787-8	20	0	20	22	0	22	+2
	Boeing 787-9	0	0	0	1	0	1	+1
	Boeing 767-300	13	0	13	12	0	12	▲1
	Boeing 767-300ER	24	8	32	26	6	32	-
	Medium Total	57	8	65	61	6	67	+2
Small Size	Boeing 737-400	12	0	12	12	0	12	-
	Boeing 737-800	21	29	50	21	29	50	-
	Small Total	33	29	62	33	29	62	-
Regional	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	13	0	13	13	0	13	-
	Bombardier D8-300	1	0	1	1	0	1	-
	Bombardier D8-100	4	0	4	4	0	4	-
	Regional Total	51	2	53	51	2	53	-
Total		185	39	224	186	37	223	▲1

《Supplemental Reference》

FY2015 Earnings Forecast (Air transportation Segment)



JAPAN AIRLINES

	International Passenger			Domestic Passenger		
y/y% (Except Load Factor)	1H (Result)	2H (Forecast)	FY Mar/16 (Forecast)	1H (Result)	2H (Forecast)	FY Mar/16 (Forecast)
ASK	+1.0%	+2.0%	+1.5%	▲1.2%	▲0.9%	▲1.1%
RPK	+6.2%	+7.2%	+6.7%	+0.6%	+0.0%	+0.3%
Passengers	+5.1%	+5.6%	+5.4%	+0.8%	▲0.1%	+0.4%
L/F (%)	79.7%	79.4%	79.6%	66.8%	67.2%	67.0%
Yield	▲5.1%	▲5.9%	▲5.5%	+2.9%	+0.6%	+1.8%
Unit Revenue	▲0.3%	▲1.1%	▲0.7%	+4.7%	+1.5%	+3.1%
Unit Price	▲4.1%	▲4.4%	▲4.3%	+2.6%	+0.7%	+1.7%

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