JAL Group’s Q1 Account Settlement for FY2003

August 4, 2003

Japan Airlines System Corporation
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Ⅱ. Outline of Q1 Account Settlement for FY2003
Average quarterly Results during the past 10 Years

< Average Operating Revenue, Income and Number of Passengers from FY1993 to FY2002>

Billions of yen

Millions (Passengers)

Note: Add-up of JAL & JAS without Adjustment (Provisional)
### Gist of the Consolidated Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>FY02 Reference</th>
<th>FY03/1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td></td>
<td>2,072.8</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>475.8</td>
<td>59.2</td>
</tr>
<tr>
<td>Net Income</td>
<td>11.7</td>
<td>11.9</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>53.9</td>
<td>11.6</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td>77.2</td>
</tr>
<tr>
<td>Operating Income</td>
<td></td>
<td>76.7</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td></td>
<td>76.9</td>
</tr>
<tr>
<td>Revenue</td>
<td>2,083.4</td>
<td>15.8</td>
</tr>
</tbody>
</table>

**Note:** The table above provides a snapshot of the financial statements for FY03/1Q compared to FY02. Values are expressed in billions of yen.
## Outline of Q1 Account Settlement for FY2003

### Gist of the Results of Air Transportation Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY02/1Q*1</th>
<th>FY03/1Q</th>
<th>Difference yr/yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>380.2bn</td>
<td>313.9bn</td>
<td>-66.3bn, -17%</td>
</tr>
<tr>
<td>International Pas</td>
<td>154.9bn</td>
<td>93.8bn</td>
<td>-61.1bn, -39%</td>
</tr>
<tr>
<td>Domestic Passage</td>
<td>143.6bn</td>
<td>145.7bn</td>
<td>2.1bn, 1%</td>
</tr>
<tr>
<td>International Carg</td>
<td>37.7bn</td>
<td>35.6bn</td>
<td>-2.1bn, -6%</td>
</tr>
<tr>
<td>Others</td>
<td>44.0bn</td>
<td>38.8bn</td>
<td>-5.2bn, -12%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>403.8bn</td>
<td>386.8bn</td>
<td>-17.0bn, -4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-23.6bn</td>
<td>-72.8bn</td>
<td>-49.2bn, -172%</td>
</tr>
</tbody>
</table>

*1 Provisional Calculation
Comparison with Assumption in International Passenger

Comparison between Actual Results (yr/yr) and Assumption (announced on May 19)

- Actual Number of Passengers on China Routes
- Estimated Number of Passengers on all Routes
- Estimated Number of Passengers on China Routes
Results of International Passenger

International Passenger Revenue
93.8 billion yen

Year on Year

International Passenger Revenue
93.8 billion yen

Yr/yr - 61 billion yen

Revenue Yield (%)

ASK:  -39.4 -38.9
RPK:  -18.1

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Outline of Q1 Account Settlement for FY2003

Number of International Passengers by Route (yr/yr)

- The Americas
  - Hawaii
- Europe
  - Southeast Asia
- Oceania
  - Guam
- Korea
  - China

* L/F
- '03/1Q 53.2%
- '02/1Q 69.0%
Domestic Passengers — Increase of the Ratio of Individual to Group Passengers

The Composition Ratio of Individual Passengers in Total Passengers increased by 1% in Q1.
Outline of Q1 Account Settlement for FY2003

Results of Domestic Passenger

International Passenger Revenue 145.7 billion yen
Yr/yr +2.1 billion yen

ASK: Available Seat-km
RPK: Revenue Passenger-km

Revenue
Yield

(Year on Year)
Results of International Cargo

International Cargo Revenue
35.6 Billion yen
Yr/yr (-2.0bln yen)

Year on Year

International Cargo Tonnage by Route to and from Japan on a year-on-year basis

RCTK: Revenue Cargo ton-km

Southeast Asia & Others
Europe
Pacific

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### Breakdown of the Operating Expenses of Air Transportation Segment

<table>
<thead>
<tr>
<th></th>
<th>FY02/1Q*2</th>
<th>FY03/1Q</th>
<th>Difference</th>
<th>(yr/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>59.0</td>
<td>59.3</td>
<td>+1.3%</td>
<td></td>
</tr>
<tr>
<td>Airport facilities</td>
<td>32.1</td>
<td>31.3</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>29.0</td>
<td>29.4</td>
<td>+1.4%</td>
<td></td>
</tr>
<tr>
<td>Passenger services</td>
<td>14.5</td>
<td>9.7</td>
<td>-4.8%</td>
<td></td>
</tr>
<tr>
<td>Commissions</td>
<td>31.2</td>
<td>23.6</td>
<td>-7.6%</td>
<td></td>
</tr>
<tr>
<td>Aircraft Depreciation</td>
<td>18.0</td>
<td>19.0</td>
<td>+1.0%</td>
<td></td>
</tr>
<tr>
<td>Aircraft leases</td>
<td>25.6</td>
<td>23.1</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>81.2</td>
<td>82.9</td>
<td>+1.7%</td>
<td></td>
</tr>
<tr>
<td>Others - Consolidated Adjustments</td>
<td>113.2</td>
<td>108.5</td>
<td>-4.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>403.8</strong></td>
<td><strong>386.8</strong></td>
<td><strong>-17.0%</strong></td>
<td><strong>(yr/yr)</strong></td>
</tr>
</tbody>
</table>

*2 Provisional Calculation
Outline of Q1 Account Settlement for FY2003

Fuel & Forex (Air Transportation Segment)

Fuel

- Singapore Kerosene
  FY03/1Q Average $30.5/bbl
  (FY02/1Q Average $27.0/bbl)
- FY03 Hedge Ratio
  about 50%

Forex

- Exchange Rates of main Currencies

  - USD 129.3 119.0 $ 2.7
  - HKD 16.6 15.2 $ 6.7
  +4.0

  - EUR 116.0 131.3
  - Operating Revenue

  - Operating Expenses

  = Operating Income

Average of Company exchange rate for April to June.
### Revenue & Operating Income by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Upper Operating Revenue</th>
<th>Down Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation-related</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel &amp; Resort</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*3 before Consolidation Adjustments
_topics
Upgrade of J PRODUCTS

- Expansion of J SPEED Network to cover 523 cities all over the World
- First ever Services in Japan!
- Time Definite Services Space-Guarantee Service
- Elimination of the weight limit for J SPEED

Need of know-how for Special Transportation

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Progress of the Integration

- Reorganization of Retails Companies
  - Japan Airlines System Corporation
    - JAL Sales Co., Ltd.
    - JAS
      - Travel Agencies
        - 3 companies
      - Travel Agencies
        - 5 companies
      - Reorganized into
        - 4 companies

- Integration of Offices in Tokyo Area

- New Uniforms
  - Economies of Scale
  - Reform of Procurement
  - Cost Reduction
<Notice>

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(N.B.)
Please refer to the Financial Information (“Kessan Tanshin”,”Yukashoken Hokokusyo”etc.) for the precise figures on the account settlement. Any statements in this document, other than those of historical facts, are forward-looking statements about future performance, which are based on management’s assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts. This document is published as supplemental materials for the Briefing on JAL Group’s Financial Statements for FY2002. The copyright of this document belongs Japan Airlines System Corporation.

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