

***JAL Group's Q1 Account Settlement
for FY2003***

August 4, 2003

Japan Airlines System Corporation



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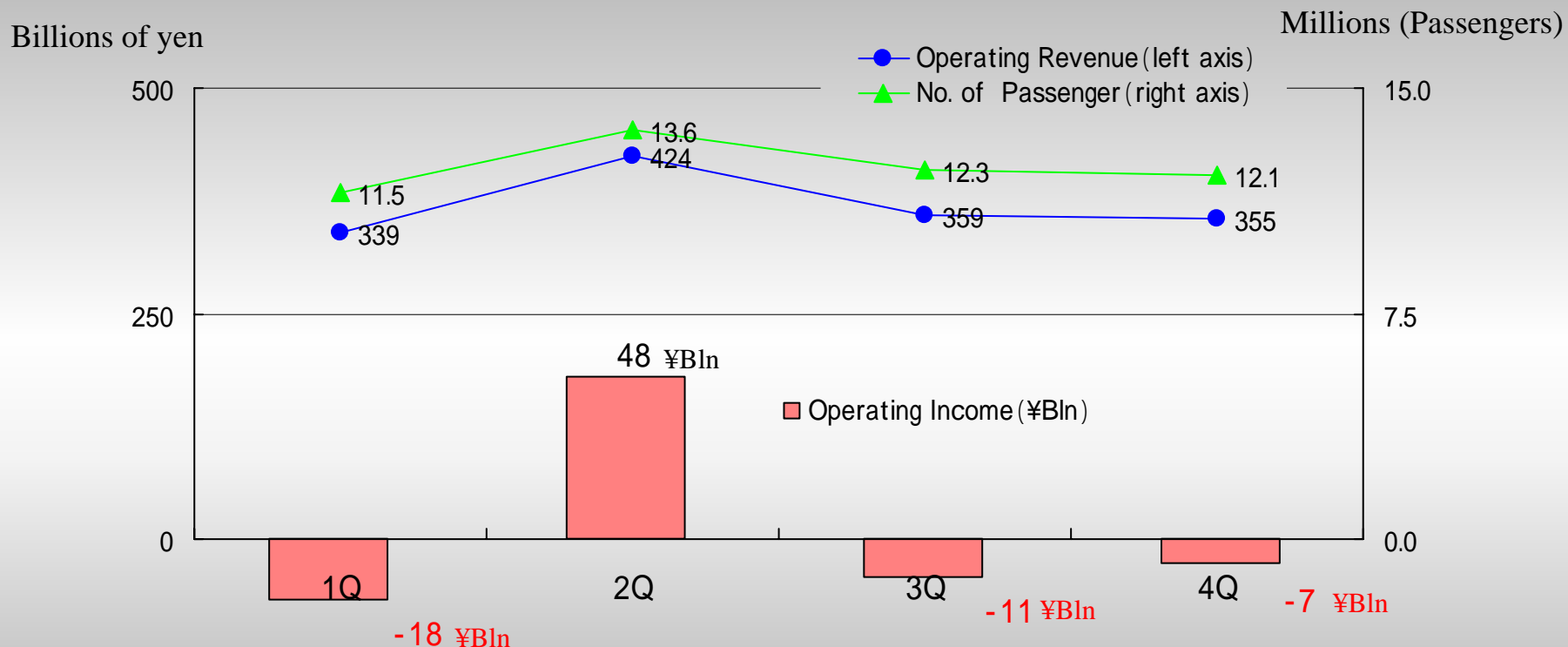
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*. Outline of Q1 Account Settlement
for FY2003*



Average quarterly Results during the past 10 Years

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



Note : Add-up of JAL & JAS without Adjustment (Provisional)



Gist of the Consolidated Financial Statements

	(Billions of yen)	
	FY02 (Reference)	FY03/1Q
Operating Revenue	2,083.4	398.8
Operating Expenses	2,072.8	475.8
Operating Income	10.5	76.9
Non-Operating Revenue	59.2	11.9
Non-Operating Expenses	53.9	11.7
Ordinary Income	15.8	76.7
Net Income	11.6	77.2



Gist of the Results of Air Transportation Segment

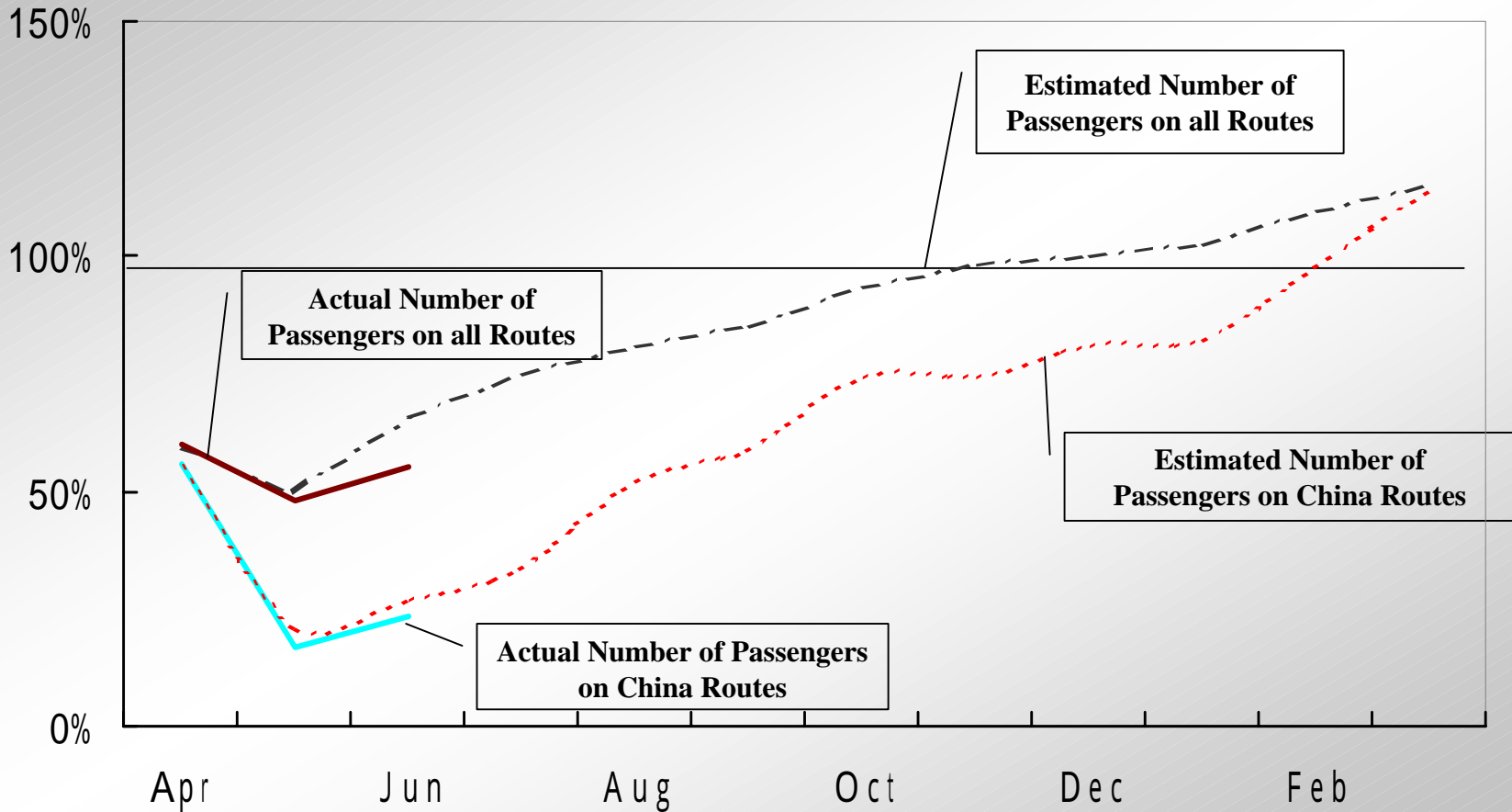
	(Billions of yen)			
	FY02/1Q*1	FY03/1Q	Difference	(yr/yr)
Operating Revenue	380.2	313.9	66.3	(17%)
International Passe	154.9	93.8	61.1	(39%)
Domestic Passenge	143.6	145.7	2.1	(1%)
International Cargo	37.7	35.6	2.1	(6%)
Others	44.0	38.8	5.2	(12%)
Operating Expenses	403.8	386.8	17.0	(4%)
Operating Income	23.6	72.8	49.2	(-)

*1 : Provisional Calculation



Comparison with Assumption in International Passenger

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

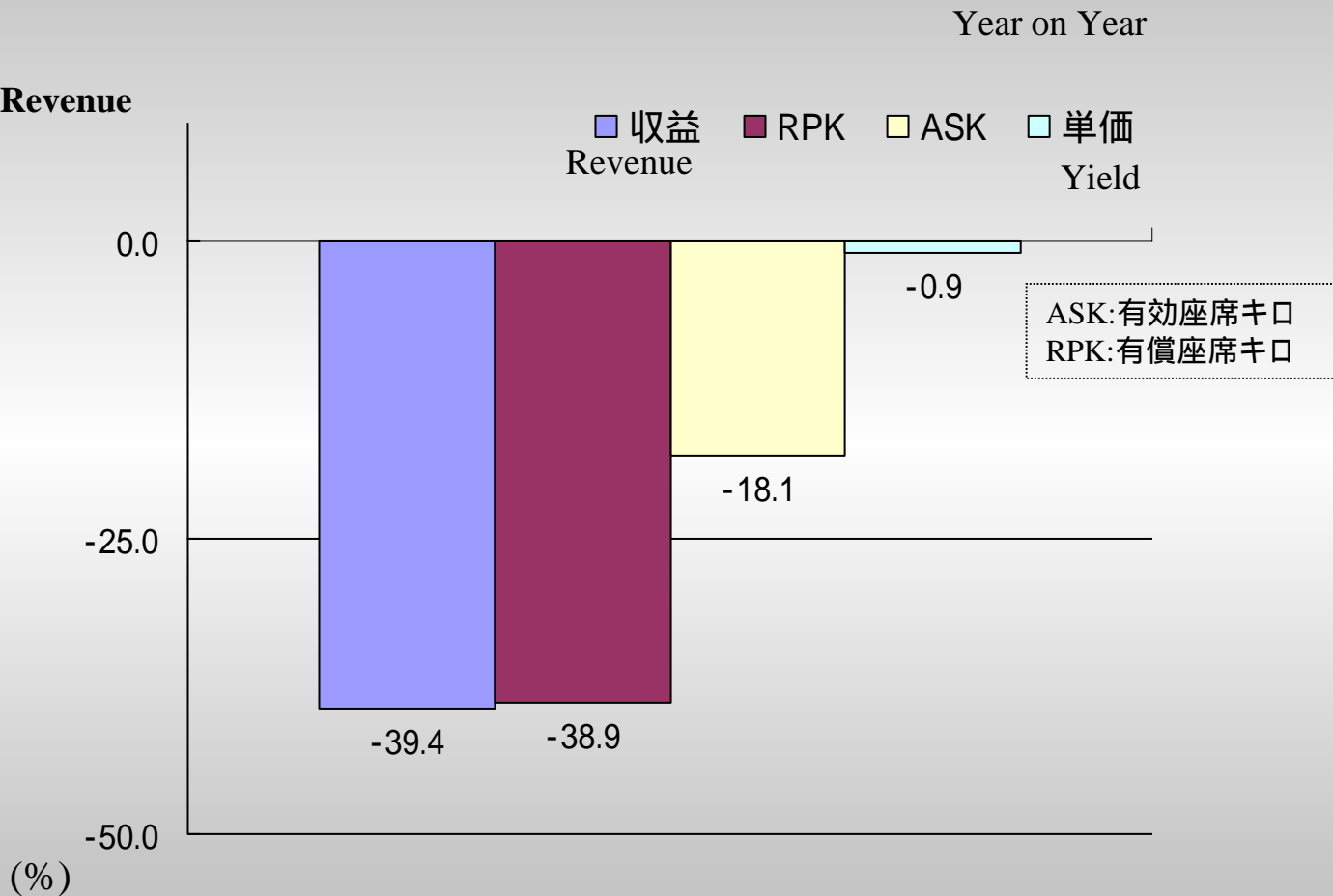




Results of International Passenger

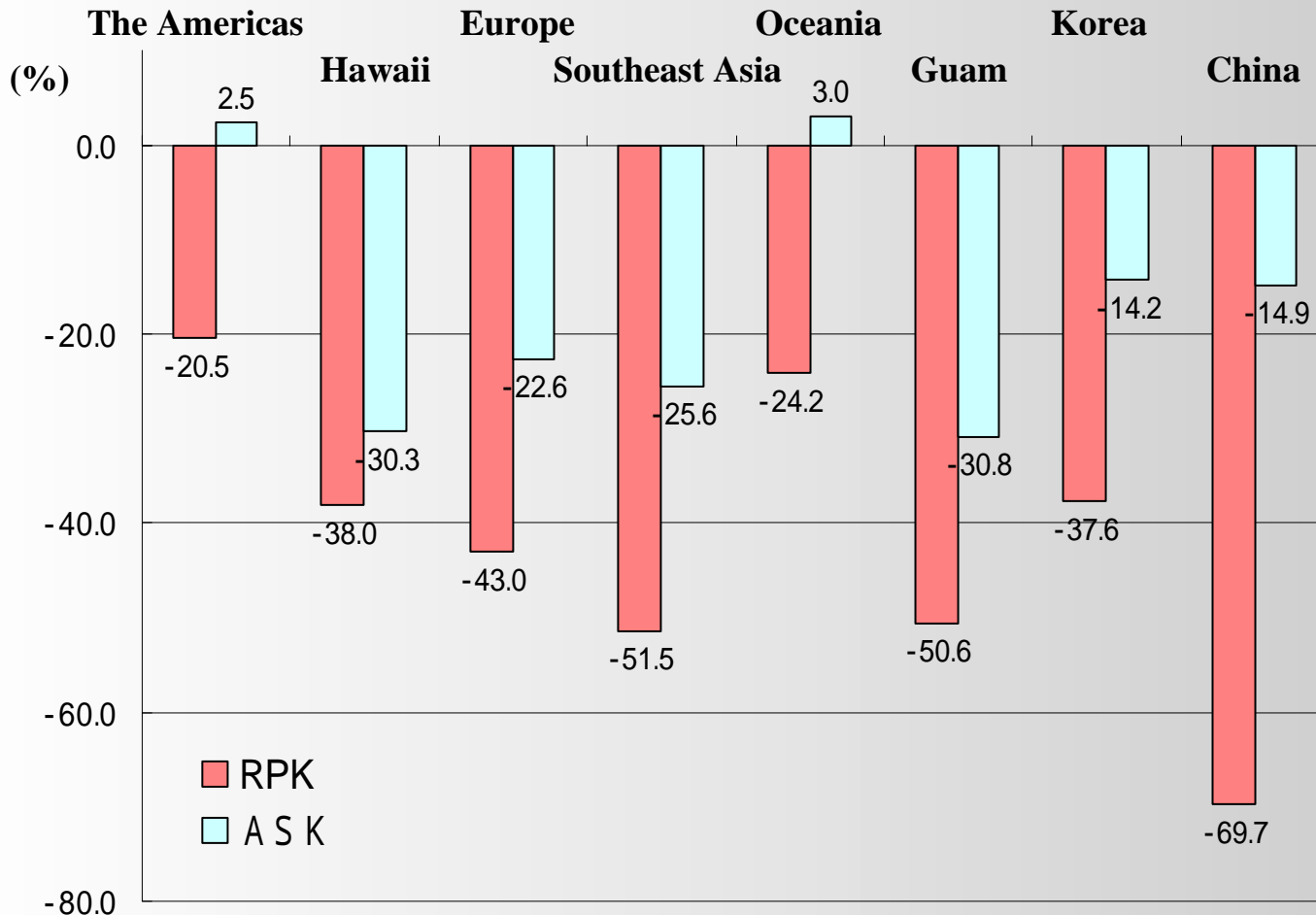
International Passenger Revenue
93.8 billion yen

Yr/yr - 61 billion yen





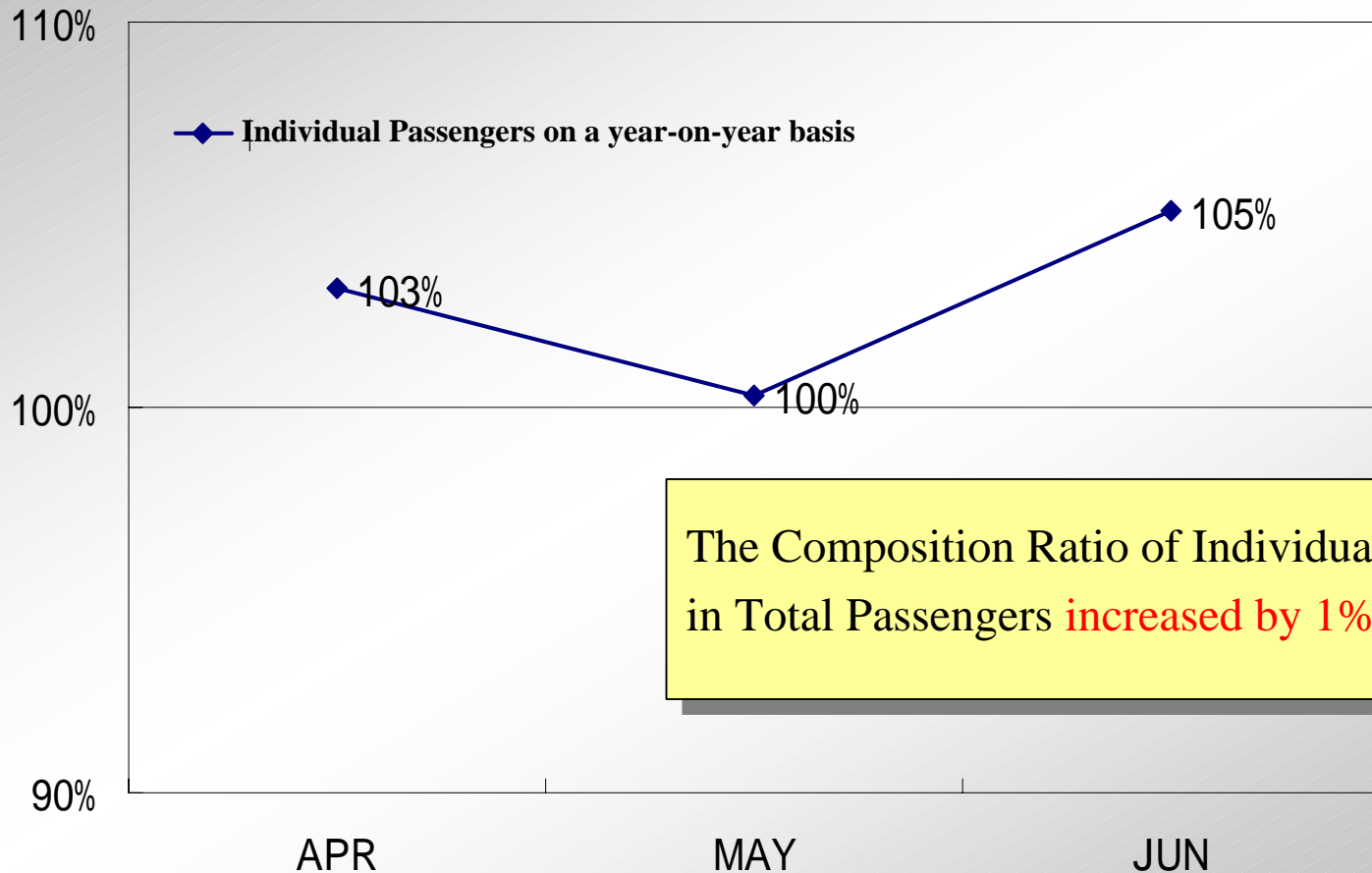
Number of International Passengers by Route (yr/yr)



* 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

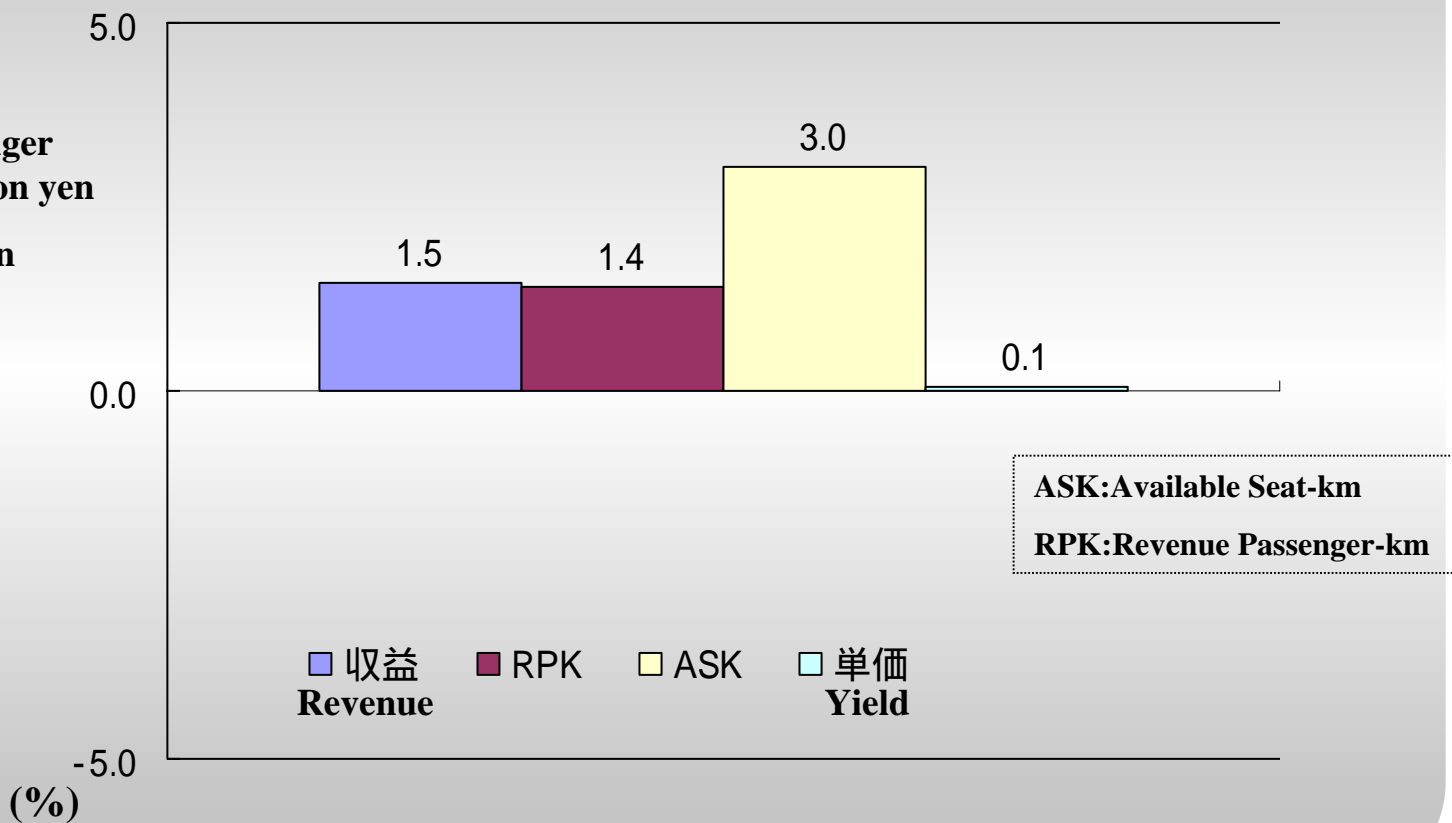


Results of Domestic Passenger

(Year on Year)

International Passenger
Revenue 145.7 billion yen

Yr/yr +2.1 billion yen

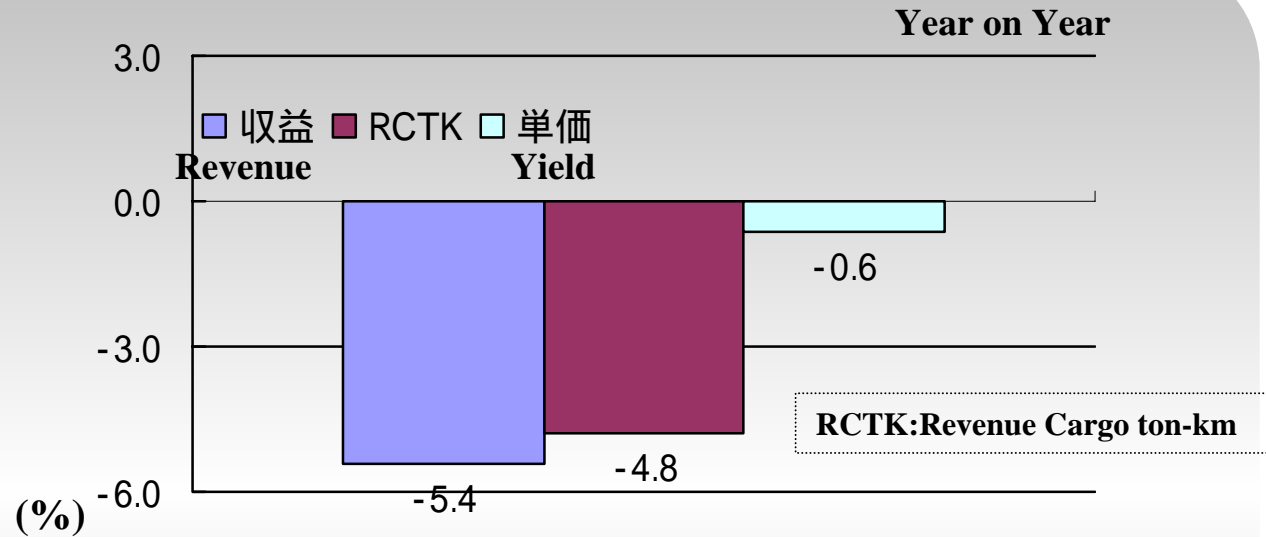




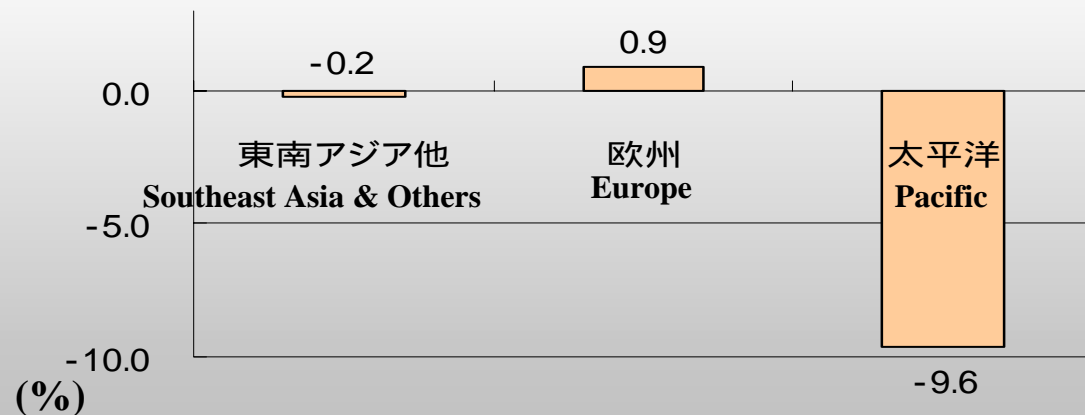
Results of International Cargo

International Cargo Revenue
35.6 Billion yen

Yr/yr (-2.0bln yen)



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





Breakdown of the Operating Expenses of Air Transportation Segment

(Billions of yen)

	FY02/1Q*2	FY03/1Q	Difference	(yr/yr)
Fuel	59.0	59.3	(1%)
Airport facilities	32.1	31.3	0.8	(2%)
Maintenance	29.0	29.4	0.4	(1%)
Passenger services	14.5	9.7	4.8	(33%)
Commissions	31.2	23.6	7.6	(24%)
Aircraft Depreciation	18.0	19.0	1.0	(6%)
Aircraft leases	25.6	23.1	2.5	(10%)
Personnel	81.2	82.9	1.7	(2%)
Others · Consolidated Adjustments	113.2	108.5	4.7	(4%)
Total	403.8	386.8	17.0	(4%)

*2: Provisional Calculation



Fuel & Forex (Air Transportation Segment)

Fuel

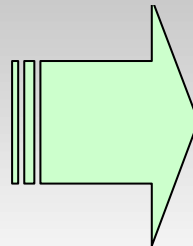
→ **Singapore Kerosene**
 FY03/1Q Average \$30.5/bbl
 (FY02/1Q Average \$27.0/bbl)

→ **FY03 Hedge Ratio**
 about 50%

Forex

Exchange Rates of main Currencies

USD	129.3	119.0
EUR	116.0	131.3
HKD	16.6	15.2



Effects of Forex

Operating Revenue	2.7	(Billions of yen)
Operating Expenses	6.7	
Operating Income	+4.0	

Average of Company exchange rate for April to June.



Revenue & Operating Income by Segment

		(Billions of yen)	
Upper	Operating Revenue	FY02 (Reference)	FY03/1Q*3
Down	Operating Income		
	Aviation -related	468.2	108.6
		8.6	1.3
	Travel Services	435.7	77.1
		0.2	2.0
	Hotel & Resort	39.8	8.8
		0.2	0.6

*3: before Consolidation Adjustments

• *Topics*

Upgrade of J PRODUCTS

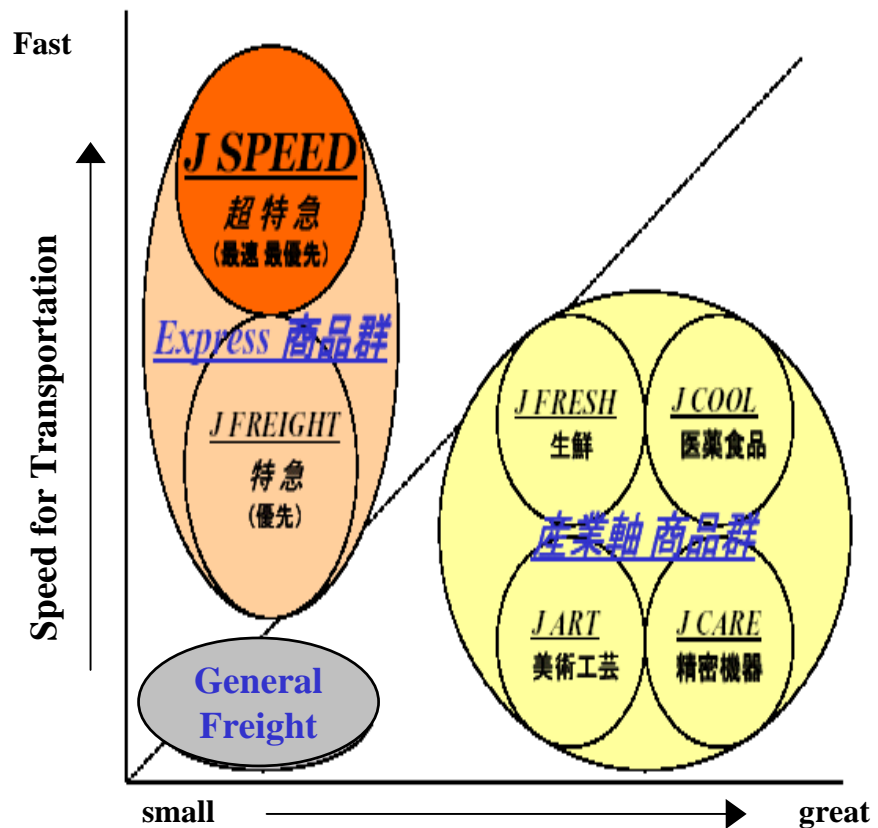
WOW

Expansion of J SPEED Network to cover 523 cities all over the World

First ever Services in Japan!

Time Definite Services
Space-Guarantee Service

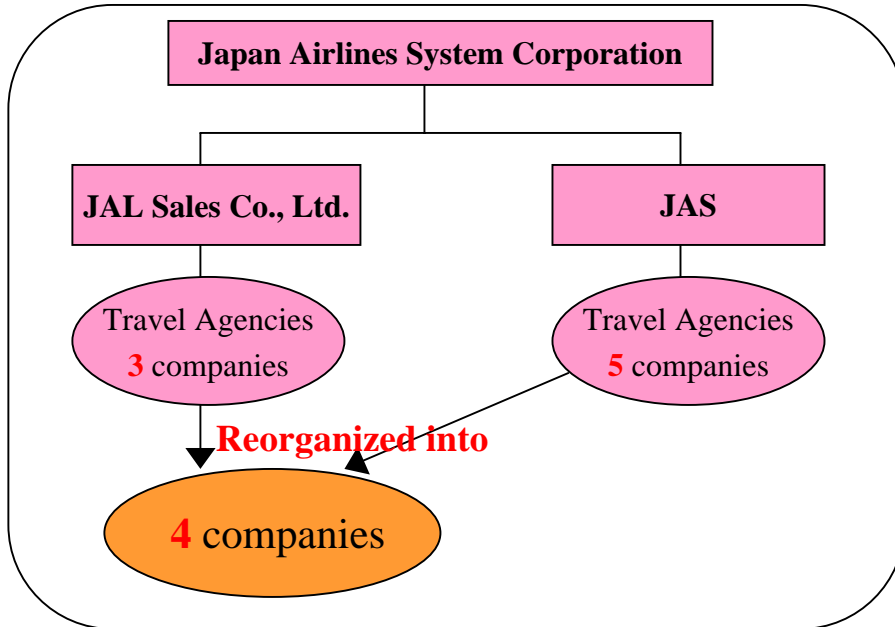
Elimination of the weight limit
for J SPEED



Progress of the Integration



Reorganization of Retails Companies



Integration of Offices in Tokyo Area

New Uniforms



<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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