



JAL Group's Account Settlement for FY2004

May 9th, 2005

Japan Airlines Corporation

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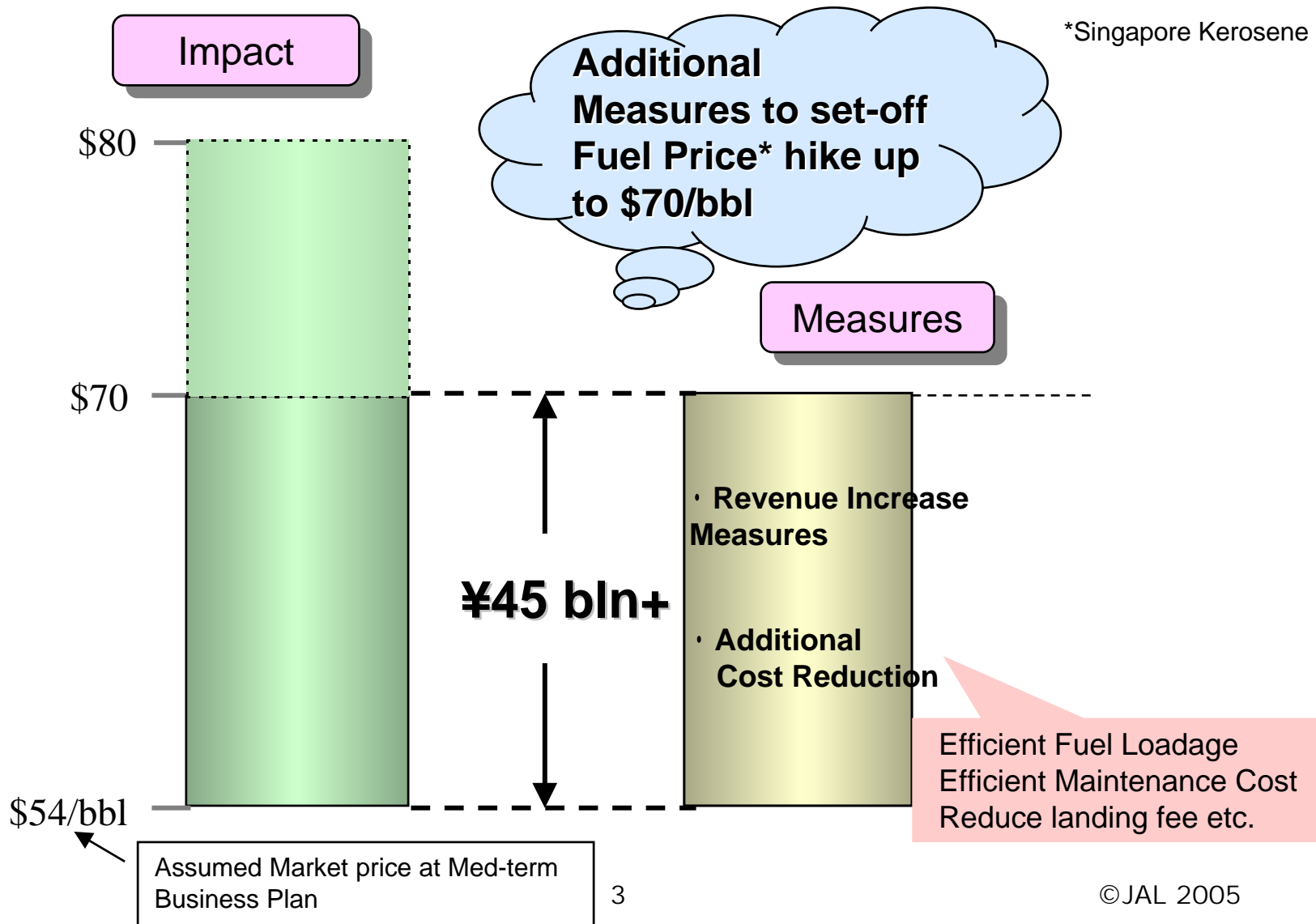
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. Forecast of Business Performance for FY2005

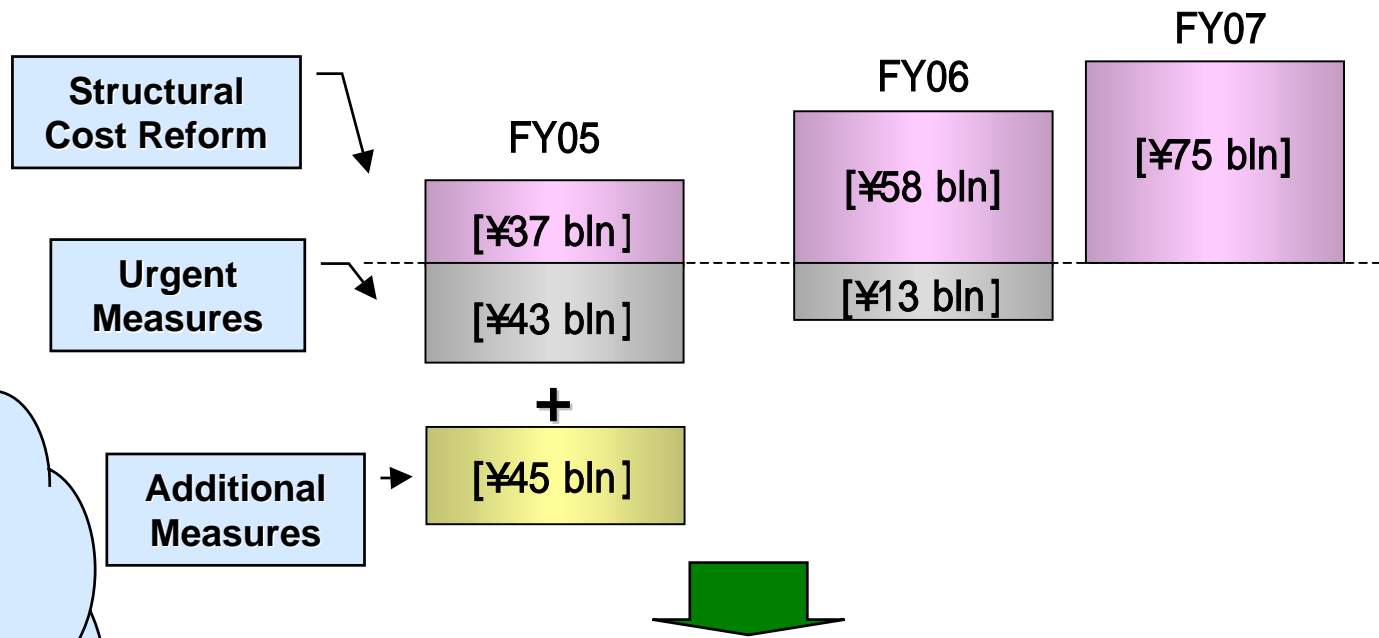


Measures to cope with soaring Fuel Price





First year of the Medium-term Business Plan FY2005-2007



Accomplish the first year plan of the Medium-term Business Plan by steady implementation of structural cost reform and various measures.

[FY2005 - 07 Medium-term Business Plan]

	Billions of Yen		
	FY05	FY06	FY07
Operating Income	60	92	100
Ordinary Income	29	63	74
Net Income	17	34	29



Forecast of Business results for FY2005 (Consolidated)

< Forecast of Business Result >

Billions of Yen	FY04	FY05 (E)
Operating Revenue	2,129.8	2,209.0
(IP)	671.2	720.0
(DP)	674.7	685.0
(IC)	171.3	175.0
(Others)	612.6	629.0
Operating Income	56.1	60.0
Ordinary Income	69.8	29.0
Net Income	30.0	17.0

IP=International Passenger
 DP=Domestic Passenger
 IC=International Cargo

< Assumptions >

		yr/yr
IP	Supply	1.5%
	Demand	3.1%
	Yield	4.0%
DP	Supply	-1.8%
	Demand	1.9%
	Yield	-0.4%
IC	Supply	4.1%
	Demand	4.5%
	Yield	-2.4%

- Supply = ASK, ATK
- Demand = No. of Passenger, Tonnage
- Yield = per Passenger, per weight

Fuel (SIN Kerosene) : \$54/bbl
 FOREX (1USD) : ¥110



Forecast of Business Results for FY2005 (by Segment)

Billions of Yen

	Operating Revenue			Operating Income	
	FY05	yr-yr	yr/yr	FY05	yr-yr
Air Transportation	1,786.0	+84.6	+5.0%	44.0	+2.3
Airline-related	297.0	+3.2	+1.1%	4.0	-1.3
Travel Service	433.0	+8.5	+2.0%	1.0	+1.3
Others	269.0	+0.9	+0.3%	10.5	+0.4
Consolidated Adjustments	-576.0	-18.1	-	0.5	1.2
Total	2,209.0	+79.1	+3.7%	60.0	+3.9

- Outline of Account Settlement for FY2004**



Results of Remedial Measures for FY2004

(Billions of Yen)

	Plan	Actual
<u>Operating Profit</u>		
Revision of Airfare & Fuel Surcharge	14.0	17.0
IP	10.0	9.0
DP	2.0	2.0
IC	2.0	6.0
Revision of Routes & Flights Plan	5.0	3.5
Incidental Business Income	3.0	3.5
Total	22.0	24.0
<u>Operating Cost</u>		
Revision of Maintenance Plan	3.5	5.5
Revision of Reservation personel Cost	1.0	1.0
IT Cost Reduction	1.0	1.0
General Cost Reduction	3.0	3.0
Others	8.5	9.0
Total	17.0	19.5
<u>Non-Operating Income</u>		
Improvement of Non-operating Income	8.0	5.5
<u>Total Remeidal Measures</u>	47.0	49.0

IP=International Passenger DP=Domestic Passenger IC=International Cargo



Outline of the Consolidated Financial Statements

	FY03	FY04	Billions of Yen	
			yr-yr	yr/yr
Operating Revenue	1,931.7	2,129.8	+198.1	+10.3%
(Operating Cost)	1,999.3	2,073.7	+74.3	+3.7%
Operating Income	-67.6	56.1	+123.7	-
Ordinary Income	-71.9	69.8	+141.7	-
Net Income	-88.6	30.0	+118.7	-
R O E	-	17%		
Repayment Period*1	22years	11years		

*1: Interesting-bearing debt/operating cash flow



Revenue and Operating Income by Segment

Billions of Yen

	Operating Revenue			Operating Income	
	FY04	yr-yr	yr/yr	FY04	yr-yr
Air Transportation	1,701.3	+152.5	+9.8%	41.6	+113.8
Airline-related	293.7	+50.0	+20.5%	5.3	+3.4
Travel Service	424.5	+42.5	+11.2%	-0.2	+3.6
Others	268.0	+9.9	+3.9%	10.0	+3.7
Consolidated Adjustments	-557.8	-56.9	+11.4%	-0.6	-0.8
Total	2,129.8	+198.1	+10.3%	56.1	+123.7



Outline of the Results of Air Transportation Segment

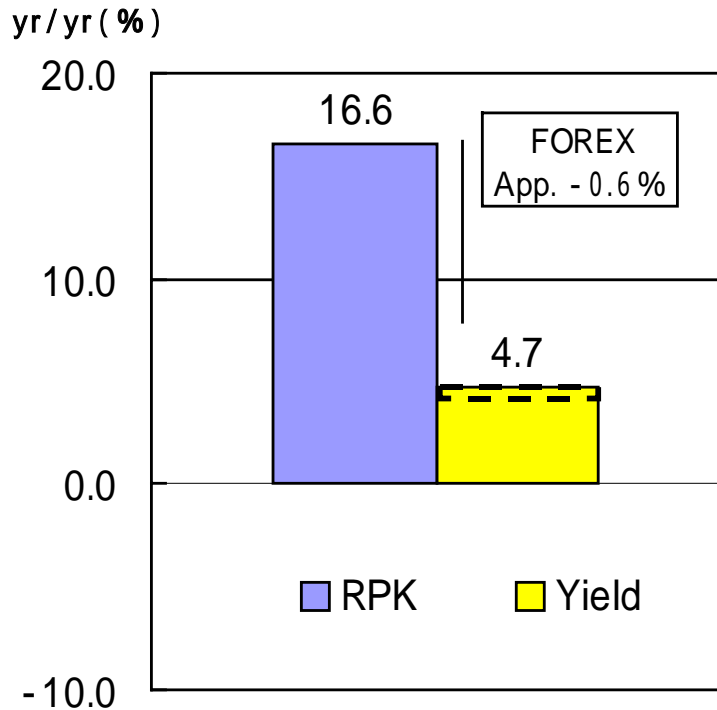
		Billions of Yen			
		FY03	FY04	yr-yr	yr/yr
International	Passenger	549.7	671.2	+121.5	+22.1%
	Cargo	153.0	171.3	+18.4	+12.0%
Domestic	Passenger	668.8	674.7	+5.8	+0.9%
	Cargo	30.8	30.5	-0.3	-0.9%
Others		64.8	66.7	+2.0	+3.1%
Incidental Business		81.7	86.6	+4.8	+5.9%



Results of International Passenger

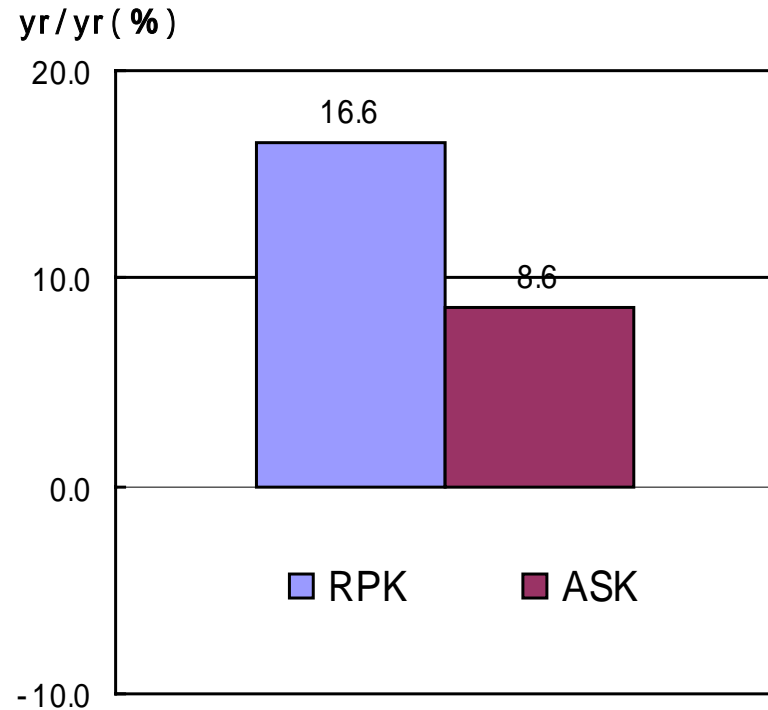
< Revenue >

FY04 ¥671.2bln (yr/yr + 22.1%)



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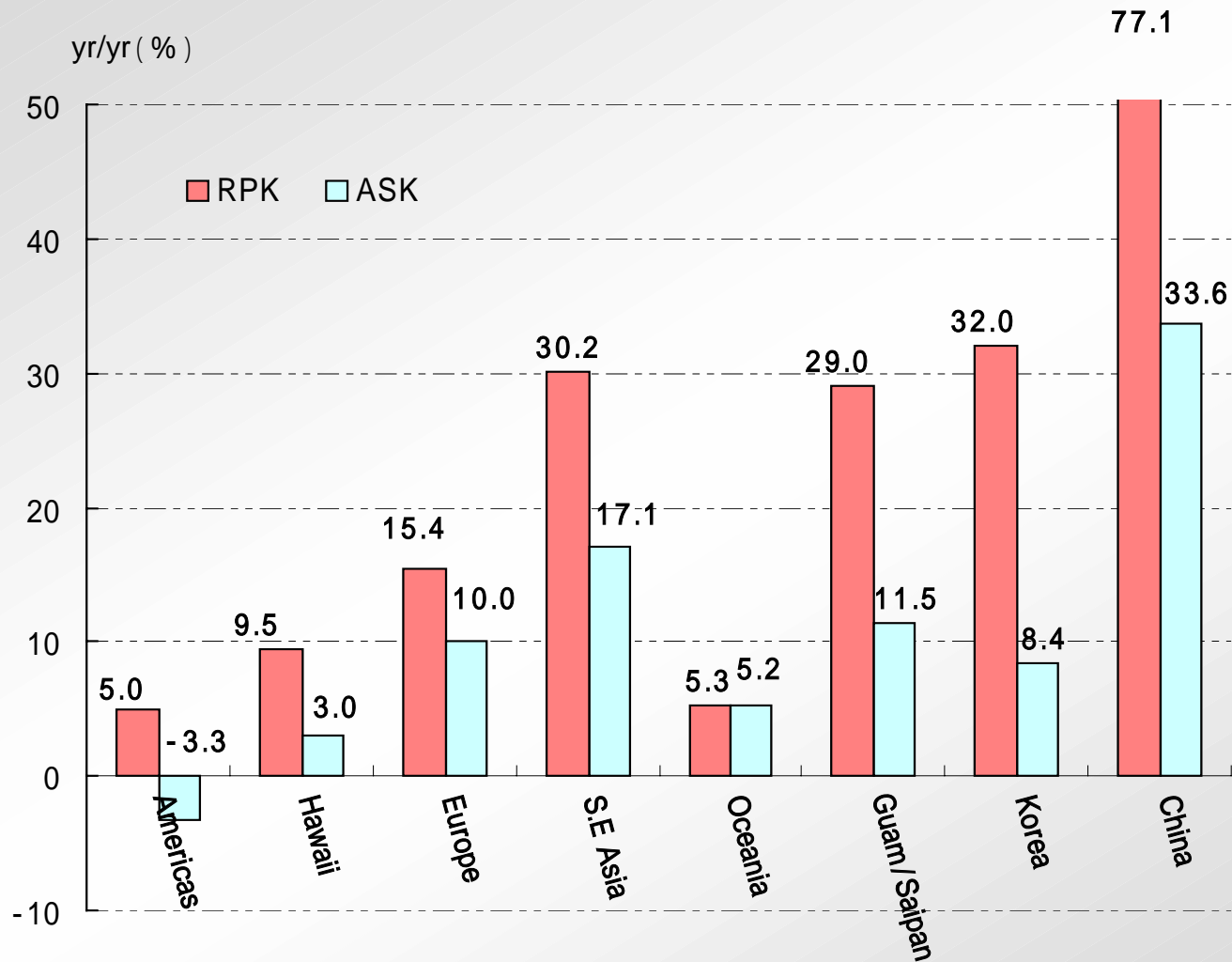
FY04 69.3% (vs FY03 + 4.7%)



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



Demand and Supply of International Passenger by Route

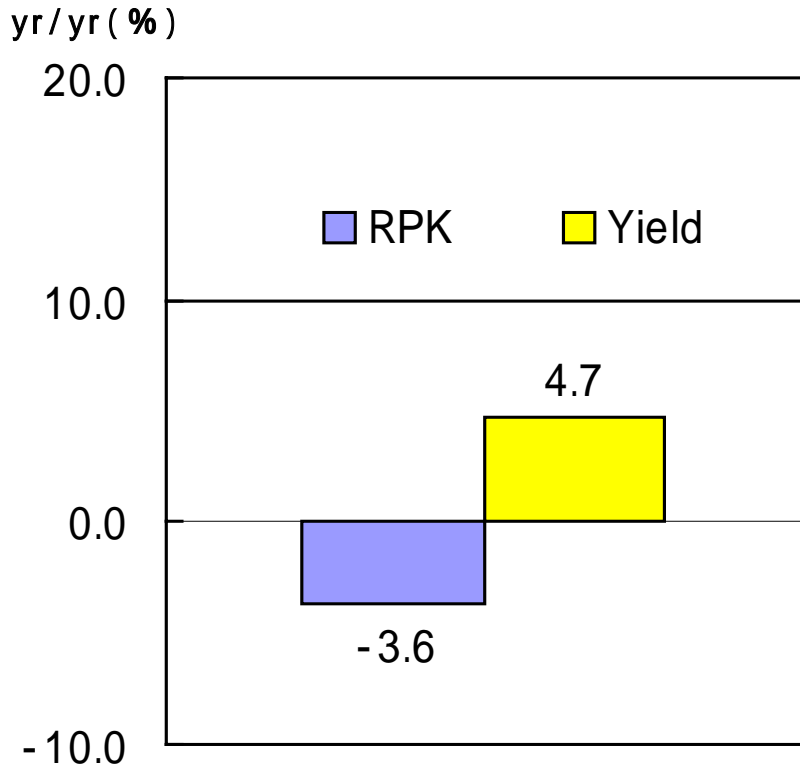




Results of Domestic Passenger

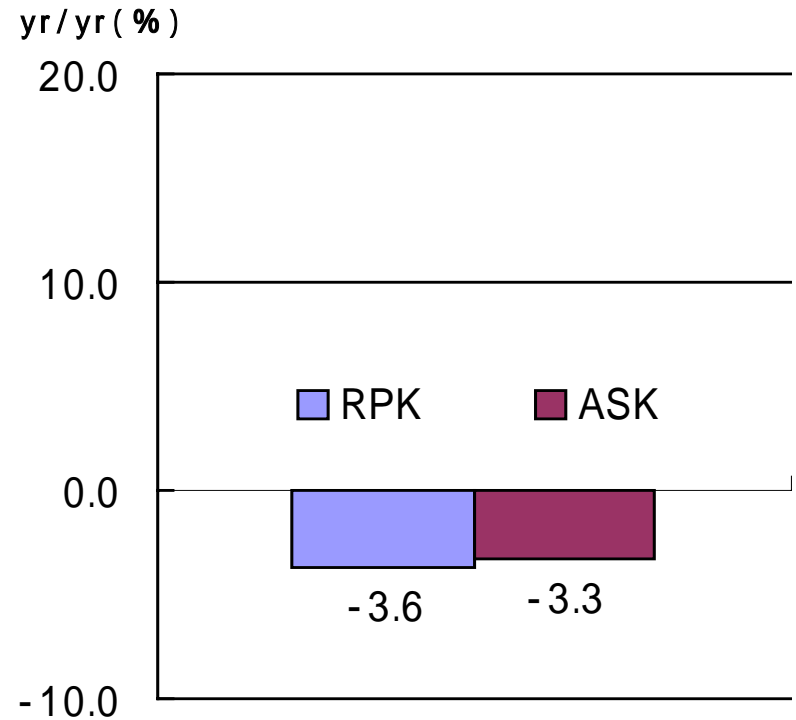
< Revenue >

FY04 ¥674.7bln (yr/yr + 0.9%)



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FY04 63.7% (vs FY03 -0.2%)



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



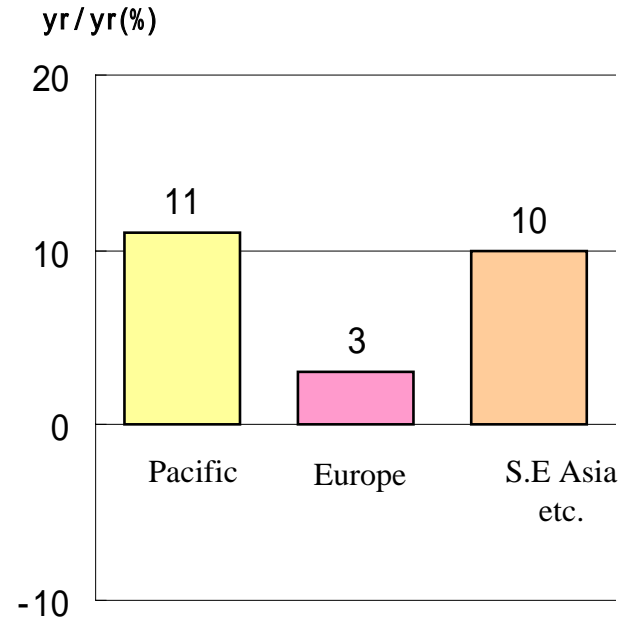
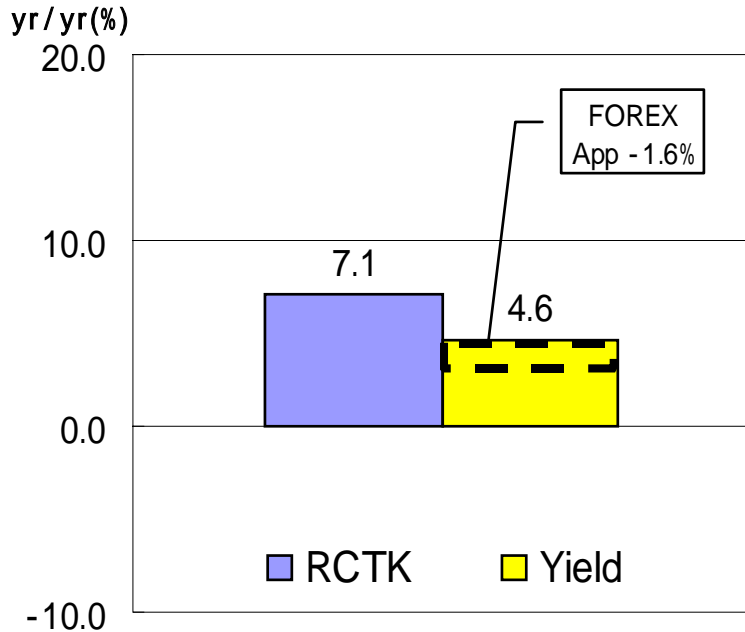
Results of International Cargo

< Revenue >

FY04 ¥171.3bln (yr/yr + 12.0%)

< Tonnage >

FY04 Total Revenue Cargo ton-km(yr/yr) + 7.1%





Outline of the Break down of Operating Costs (Air Transportation Segment)

	Billions of Yen			
	FY 0 3	FY 0 4	yr-yr	yr/yr
Fuel	244.8	289.0	44.1	+18%
Airport facilities	132.7	135.1	2.4	+2%
Maintenance	106.0	108.6	2.6	+2%
Passenger services	48.1	52.7	4.6	+10%
Commissions	121.6	137.9	16.4	+13%
Aircraft Depreciation	76.1	75.0	-1.2	1%
Aircraft leases	96.8	105.5	8.6	+9%
Personnel	332.0	282.9	-49.1	15%
Others · Consolidated Adjustments	462.9	473.1	10.3	+2%
Total	1,621.0	1,659.7	38.7	+2%



Fuel & FOREX

< Fuel >

[Averaged Fuel Price]

	FY03	FY04
USD	\$33.0	\$49.8

*SIN Kerosene \$/bbl

< FOREX >

[Year-Average Rate]

	FY03	FY04
USD	¥114.0	¥107.7

*Based on the averaged Company Exchange Rate for Apr-Mar of FY2005

[Impact]

	Billions of Yen
FY03	244.8
FY04	289.0
Difference	44.1
Unit Cost Difference	36.3
FOREX Price	-12.5
Hedge and Others	-20.4
Loadage Difference	7.8

Hedge Ratio of FY2004: App. 40%

[Impact]

	Billions of Yen
Operating Revenue	-7.6
Operating Cost	-22.9
Operating Income	+15.3

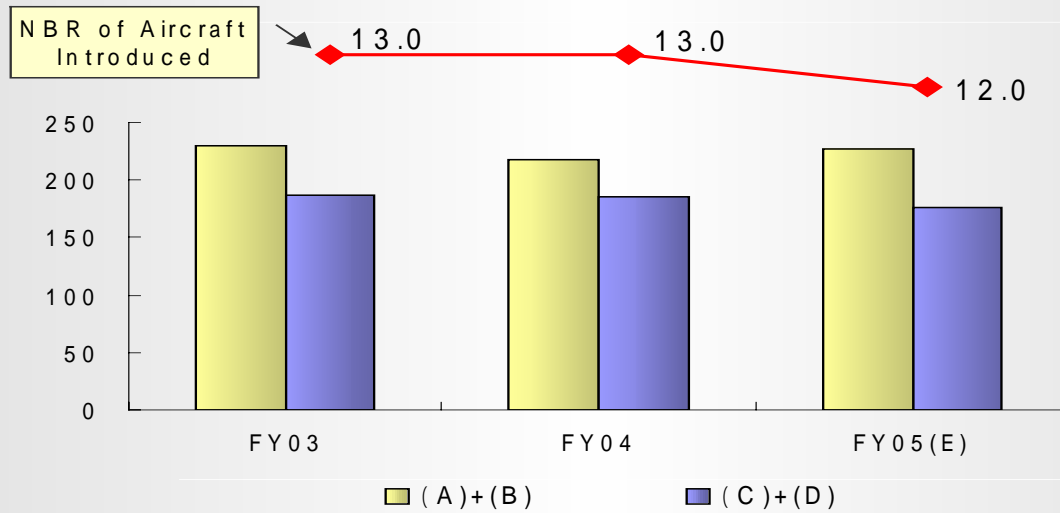
(Appendix)

Results of main Subsidiaries

(Before Consolidated Adjustment, Billions of Yen)

		Operating revenue		Operating Income		Net Income	
		FY 04	yr/yr Difference	FY 04	yr/yr Difference	FY 04	yr/yr Difference
Airline-related	AGP	9.6	+0.1	0.4	+0.0	0.1	+0.0
	TFK	26.1	+3.2	0.3	+0.7	0.1	+0.0
Travel Service	JALT	108.5	+3.8	0.0	-0.6	0.0	-0.5
	JLPK	194.1	+27.7	-1.2	+3.2	-0.2	+2.0
	JSA	40.9	-4.3	0.4	+1.0	2.3	+3.5
Others	JCI	18.0	+2.5	2.3	+0.7	1.3	+0.3
	JAL Hotels	25.1	+1.4	1.8	+1.0	0.8	-0.3
	JALUX	89.2	+10.7	2.0	+0.6	1.2	+0.2

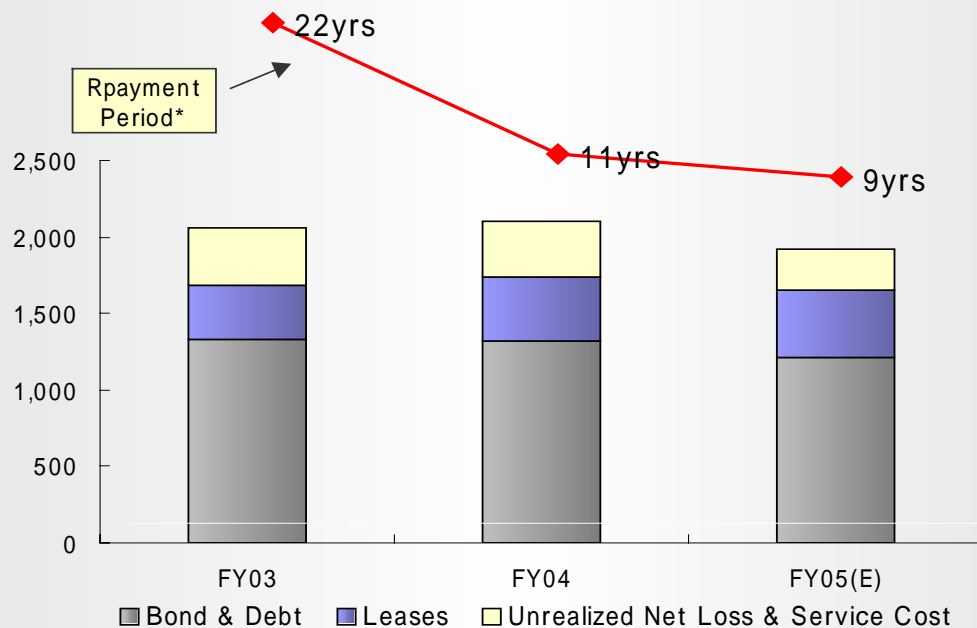
Capital Expenditure & Depreciation



	FY03	FY04	FY05(E)
Investment (Purchase) (A)	151.5	121.9	132.0
(Aircraft)	105.4	63.6	78.0
(Ground Asset etc.)	19.1	37.1	37.0
(Intangible Fixed Assets)	27.0	21.1	17.0
Capital Investment (Finance Lease) (B)	78.5	96.0	77.0
(A)+(B)	230.0	217.9	227.0
Depreciation (C)	119.3	124.7	125.0
Principal Payment of Finance Lease (D)	68.0	60.6	51.0
(C)+(D)	187.3	185.3	176.0

Interest-bearing Debt

*Interest-bearing debt/operating cash flow(Operating Income+Net Interest Income-Tax Dividend+Repayment Lease Principal+Depreciation etc.



	FY03	FY04	FY05 (E)
Bond & Debt	1,325.6	1,318.5	1,215.0
Leases	355.0	424.8	432.0
Unrealized Net Loss & Service Cost	377.4	355.5	278.0
Total	2,058.1	2,098.9	1,925.0

<Notice>



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(N.B.)

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