



JAL Group Account Settlement for FY2008 FY2009 Management Plan



May 12th 2009

Japan Airlines



Disclaimer



This document is for background information purposes only. Please see other disclosure and public filings we made or will make for information regarding the results of our operations.

Certain statements made in this document, including some management strategies and targets, may contain forward-looking statements which reflect management's views and assumptions. We may not be successful in implementing our business strategies, and management may fail to achieve its targets. The management targets and other forward-looking statements involve current assumptions of future events as well as risks and uncertainties that could significantly affect expected results, including without limitation adverse economic or political conditions in Japan or other countries; increased jet fuel prices, negative changes in foreign exchange rates, terrorist attacks and military conflicts, and health epidemics. Please see our latest Annual Report for additional information regarding the risks in our businesses. To the extent this document contains such forward-looking statements, we have no obligation or intent to update them.

In addition, information on companies and other entities outside the JAL group that is included in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by us and cannot be guaranteed.

This document was prepared for our Corporate Business Plan for FY2009 presentation on May 12th, 2009. We reserve all copyrights and other proprietary rights in and to this document.



Table of Contents



I. Outline of Account Settlement for FY2008

Overview of FY2008	<i>P4</i>
Outline of the Consolidated Financial Statements	<i>P5</i>
Operating Income of Air Transportation Segment	<i>P6</i>
FY2008 International Passenger (Capacity•Demand•Yield Trend)	<i>P7</i>
FY2008 Domestic Passenger (Capacity•Demand•Yield Trend)	<i>P8</i>
FY2008 International Cargo (Capacity•Demand•Yield Trend)	<i>P9</i>
Every Effort to Reduce Costs in FY2008	<i>P10</i>
Fuel & FOREX (Air Transportation Segment)	<i>P11</i>

II. FY2009 Management Plan

Prospect of Business Environment in FY2009	<i>P13</i>
FY2009 Forecast for Consolidate Financial Statements	<i>P14</i>
FY2009 Forecast of Operating Income in Air Transportation Segment	<i>P15</i>
Flexible Adjustment of Capacity	<i>P16</i>
Int'l Passenger ~Demand Forecast/Capacity/Unit Price/Revenue~	<i>P17</i>
Int'l Passenger Demand~Key Measures & Forecast of Demand Analysis by Passenger Category~	<i>P18</i>
Domestic Passenger ~Demand Forecast/Capacity/Unit Price/Revenue~	<i>P19</i>
Domestic Passenger Demand~Key Measures & Demand Analysis by Passenger Category~	<i>P20</i>
International Cargo ~Demand Forecast/Capacity/Unit Price/Revenue~	<i>P21</i>
Drastic Cost Reduction in FY2009	<i>P22</i>
Cost Structure Reform	<i>P23</i>
Key Measures of Cost Structure Reform	<i>P24</i>
Various Personnel Cost-Cutting Measures	<i>P25</i>
Capital Expenditure, Depreciation and Reduction in Interest-bearing Debt	<i>P26</i>

III. Medium and Long-term Direction

Progress of the FY08-10 New Medium Term Revival Plan and Future Directions	<i>P28</i>
Cost Structure Reform ~FY2010 and Onward ~	<i>P29</i>
Financial Targets for FY2010	<i>P30</i>

IV. Appendices

Operating Revenue and Income by Segment	<i>P32</i>
International Passenger (Revenue & Demand Analysis)	<i>P33</i>
Demand and Capacity of International Passengers by Routes	<i>P34</i>
Domestic Passenger (Revenue & Demand Analysis)	<i>P35</i>
International Cargo (Revenue & Demand Analysis)	<i>P36</i>
Financial Results of Main Subsidiaries	<i>P37</i>
Financial Targets by Segment	<i>P38</i>
Results during the Period of Japanese “Golden Week Holidays“	<i>P39</i>
Steady Progress of the FY08-10 New Medium Term Revival Plan ①	<i>P40</i>
Steady Progress of the FY08-10 New Medium Term Revival Plan ②	<i>P41</i>
FY2009 Fleet Plan (Acceleration of Aircraft Downsizing)	<i>P42</i>



1. Outline of Account Settlement for FY2008

2. FY2009 Management Plan

3. Medium and Long-Term Direction

4. Appendices

Data for FY2008 Results

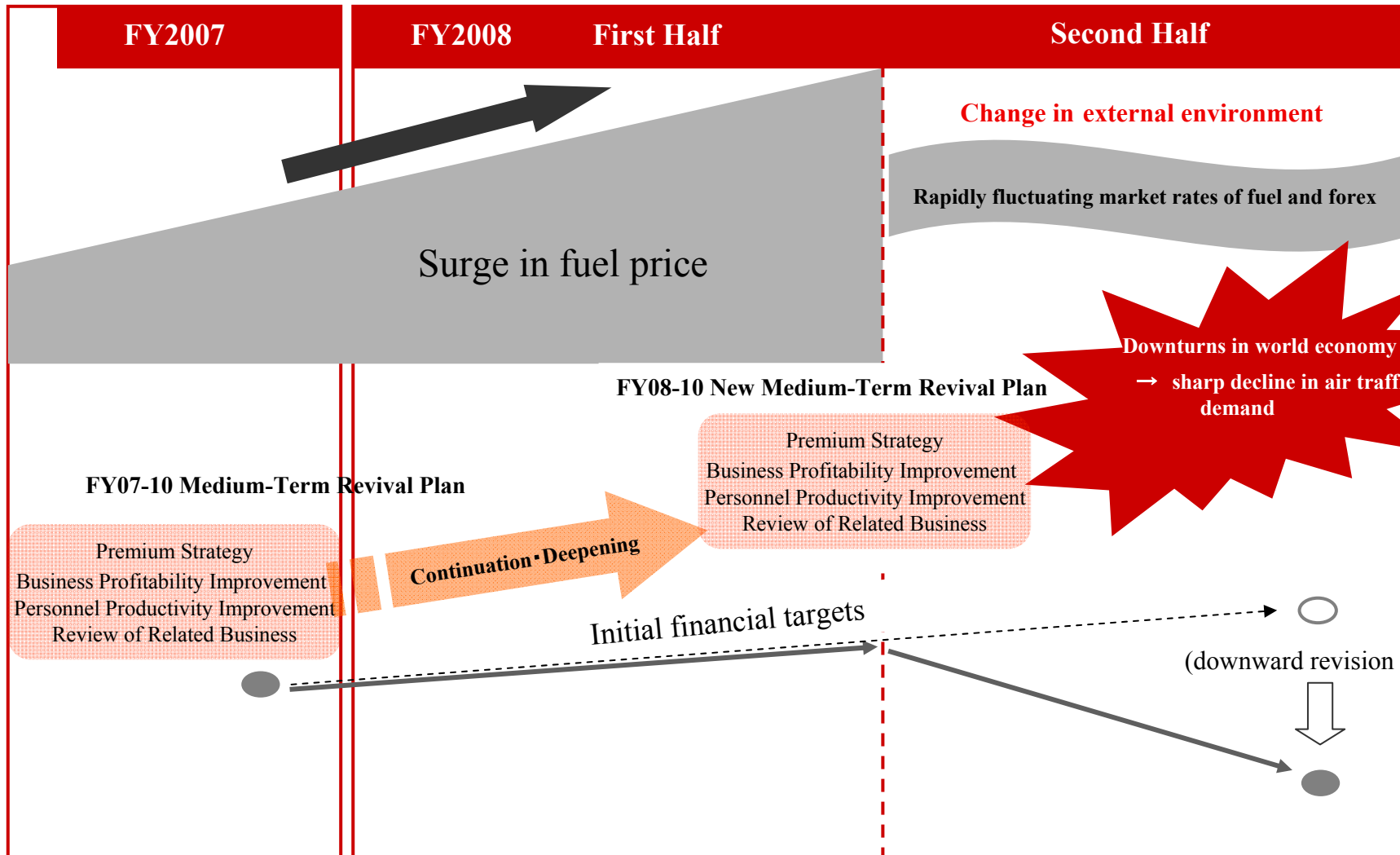
Results during Golden Week

Progress of the FY08-10 New Medium-Term Revival Plan

FY2009 Fleet Plan



Overview of FY2008





Outline of the Consolidated Financial Statements



	Billions of Yen			
	FY07	FY08	y-y	y/y
Operating Revenue	2,230.4	1,951.1	-279.2	87.5%
(Operating Cost)	2,140.4	2,002.0	-138.3	93.5%
Operating Income	90.0	-50.8	-140.8	-
Ordinary Income	69.8	-82.1	-151.9	-
Net Income	16.9	-63.1	-80.1	-



Operating Income of Air Transportation Segment



	Billions of Yen			
	FY07	FY08	yr-yr	yr/yr
Operating Revenue	1,826.7	1,716.4	-110.2	94.0%
International Passenger	754.3	703.5	-50.7	93.3%
Domestic Passenger	677.4	666.5	-10.8	98.4%
International Cargo	188.2	152.1	-36.0	80.8%
Domestic Cargo	27.8	34.7	6.9	124.8%
Mail*1	20.0	12.8	-7.1	64.3%
Other	66.1	66.7	0.6	100.9%
Incidental Business	92.6	79.7	-12.9	86.0%
Operating Cost	1,748.0	1,777.3	29.2	101.7%
Fuel	412.7	509.1	96.3	123.3%
Airport facilities	128.3	123.1	-5.2	95.9%
Maintenance	122.0	116.6	-5.3	95.6%
Passenger services	50.5	44.9	-5.6	88.8%
Commissions	111.0	96.0	-15.0	86.5%
Aircraft Depreciation	73.5	77.3	3.7	105.1%
Aircraft leases*2	108.2	101.2	-6.9	93.6%
Personnel	272.0	277.7	5.7	102.1%
General Expenses*2	214.8	202.6	-12.2	94.3%
Other	254.5	228.4	-26.1	89.7%
Operating Income	78.6	-60.8	-139.5	-

【Passenger Services・Commissions】

Passenger services cost and sales commissions were down due to decline in demand stemming from the revision of routes, the downturn in the world economy, and cost structure reform.

【Personnel Cost】

Despite the rebound from one-time cost reduction in FY2007 due to the revision of retirement benefit system (¥20billion) and suspension of the 10% basic wage cut that had been in place until FY2007, personnel cost was up by only ¥5.7billion due to revision of wage system, cost reduction through “Daiko Henjo” and cutback in employees by the personnel productivity improvement.

【General expenses・Others】

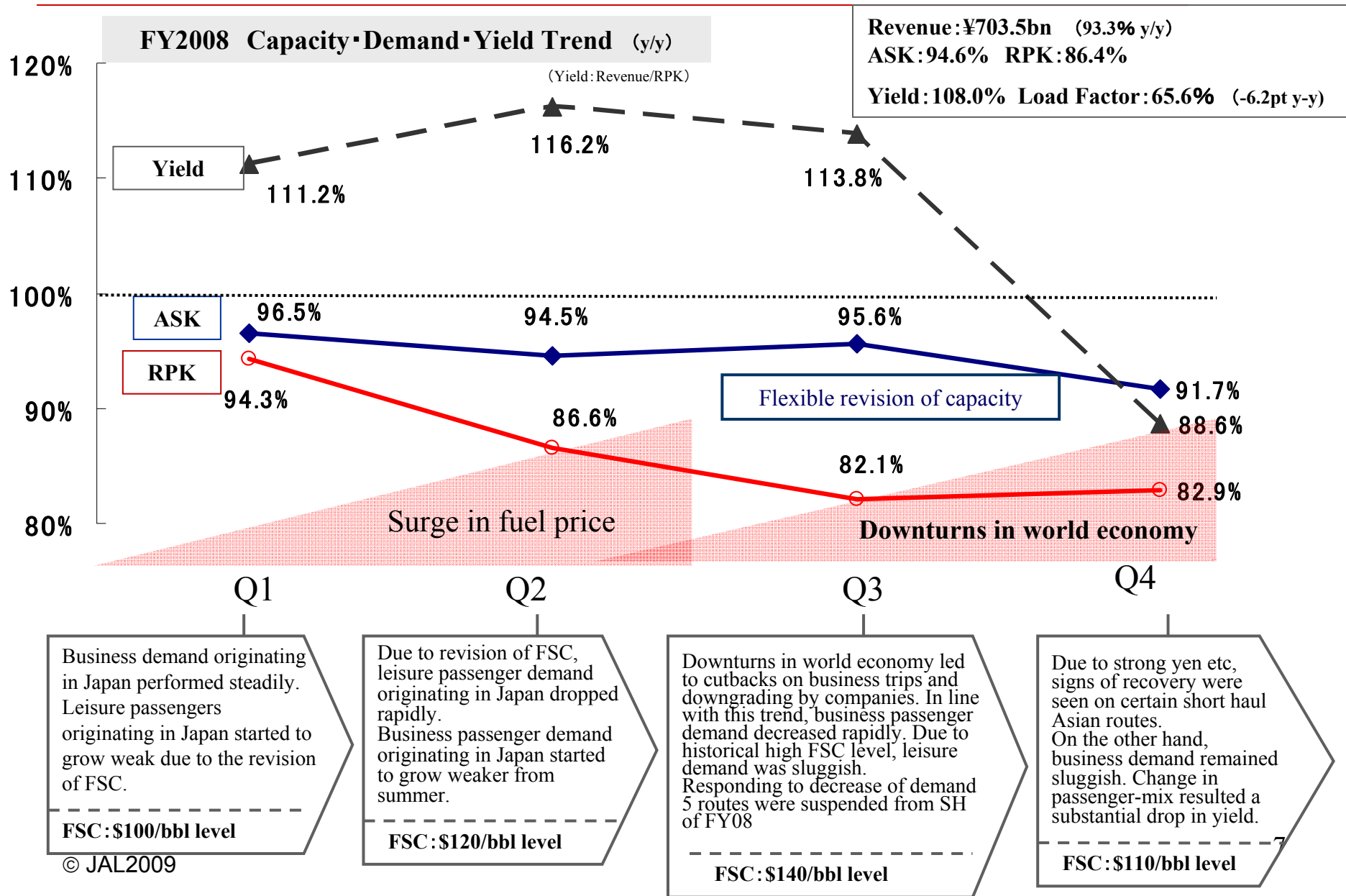
On top of the cost reduction measures already being taken, cost structure reform and emergency measures to improve profitability brought about the drastic reduction in rent and outsourcing cost for ground services

*1 Total of International and Domestic Mail

*2 Amended FY07 figures due to change in consolidated elimination process



FY2008 International Passenger (Capacity·Demand·Yield Trend)





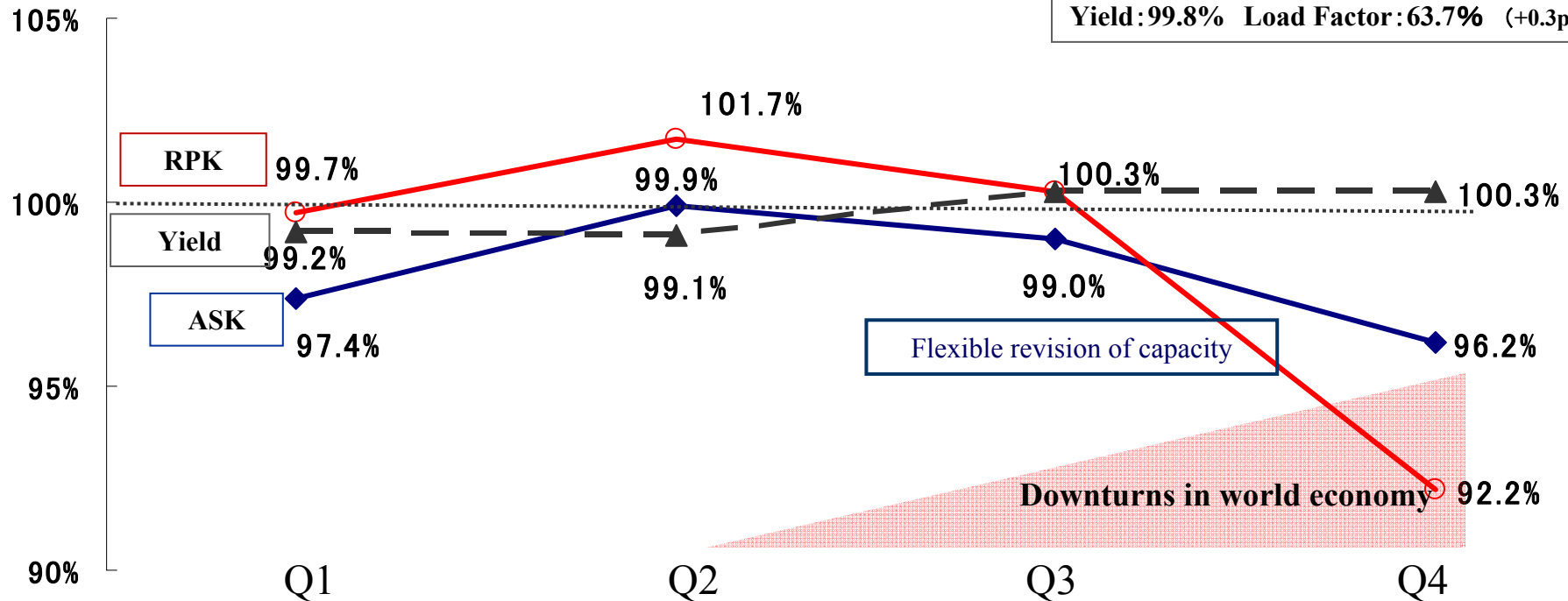
FY2008 Domestic Passenger (Capacity • Demand • Yield Trend)



FY2008 Capacity • Demand • Yield Trend (y/y)

(Yield: Revenue/RPK)

Revenue : ¥666.5bn (98.4% y/y)
 ASK : 98.2% RPK : 98.6%
 Yield : 99.8% Load Factor : 63.7% (+0.3pt y-y)



While capacity decreased, demand remained unchanged from the previous year. Group passenger demand was robust. In contrast, the numbers of individual passengers fell short of a year earlier.

Although individual passenger demand remained sluggish from Q1, group passenger demand remained robust. As a result, overall demand increased from a year earlier.

Although capacity slightly decreased, overall demand remained unchanged from the previous year. However, from November, stagnant business-related passenger demand was marked.

While individual passenger demand performed sluggishly, group passenger demand rapidly decreased from February. Further revision of capacity was implemented. 9 routes were suspended from February.



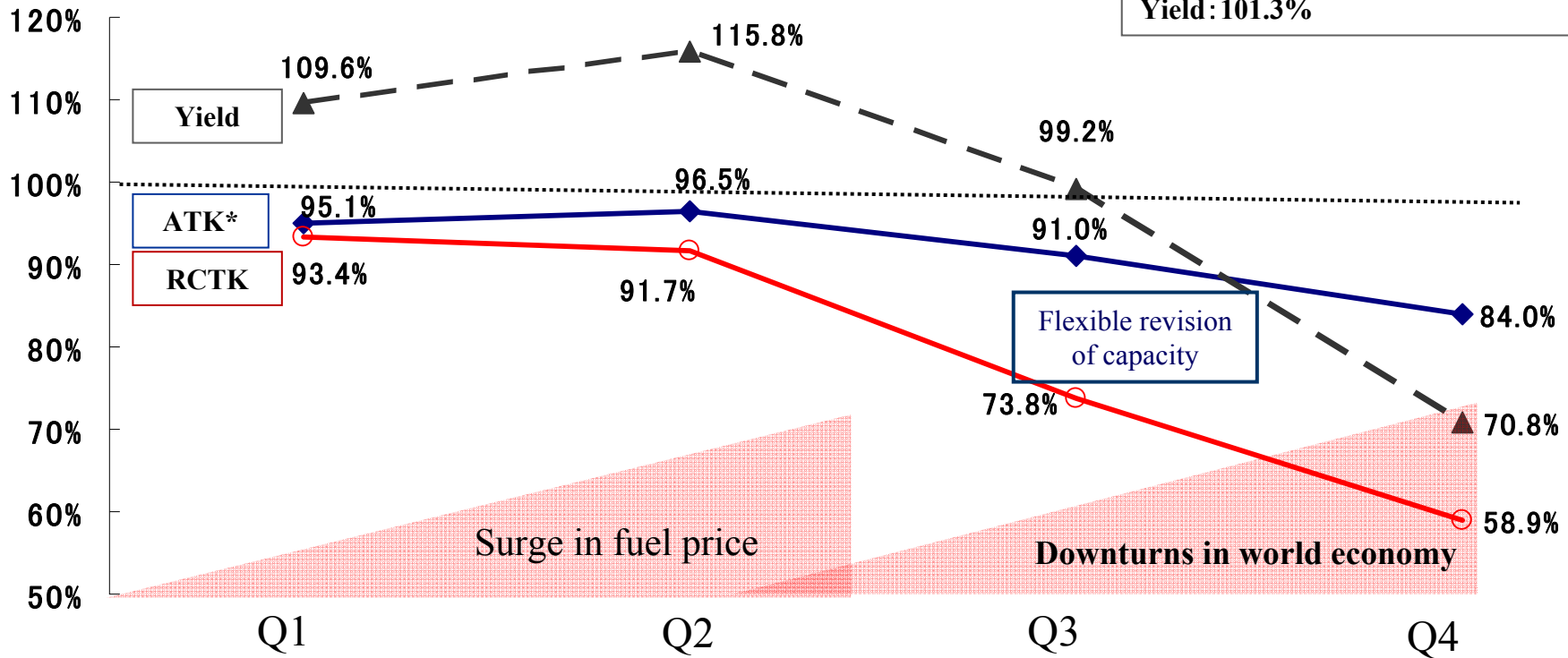
FY2008 International Cargo (Capacity·Demand·Yield Trend)



FY2008 Capacity·Demand·Yield Trend (y/y)

(Yield: Revenue/RCTK)

Revenue : ¥152.1bn (80.8% y/y)
 ATK* : 91.8% RCTK : 79.8%
 Yield : 101.3%



Demand decreased on Pacific routes due to the deteriorating global economy and own revision of freighter capacity. On the other hand, demand on Asian routes stayed steady due to the decrease of flight frequency by other carriers, etc

 FSC : From May \$110/bbl level

While fuel price surged, demand continued the Q1 trend. Although demand on Asian routes was robust, demand on long haul routes was below that of a year earlier.

 FSC : From Jul. \$125/bbl level

Due to the downturn in the global economy, a rapid decrease in demand was seen on all routes. Implemented changes in the capacity structure responding to the demand by progressing decommissioning of 747-200F (classic-type freighter), etc.

 FSC : From Oct. \$140/bbl level

Demand continued to stagnate due to the downturn in the world economy. Implemented further revision of capacity. (Suspended New York routes, etc.)

 FSC : From Jan. \$110/bbl level

*ATK : Total capacity of Passenger flight belly+ Freighter



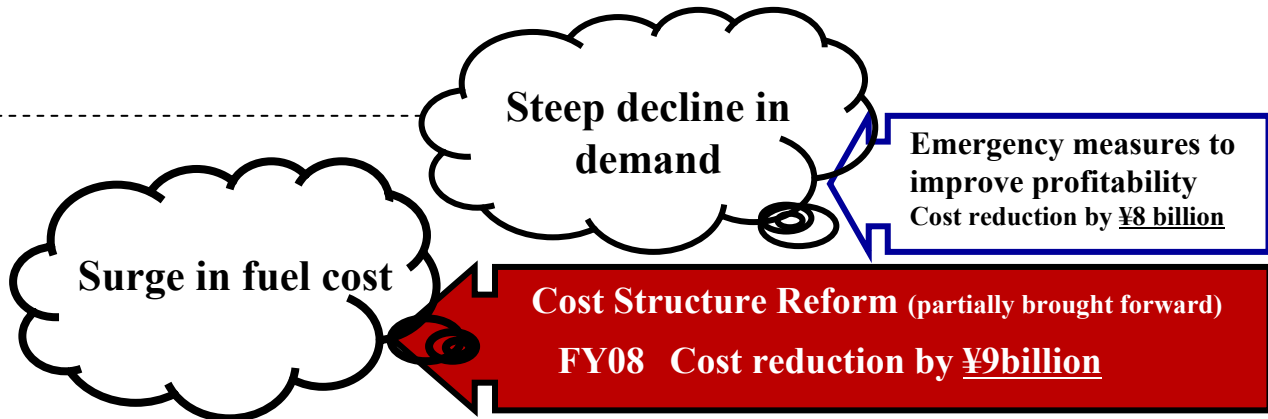
Every Effort to Reduce Costs in FY2008



Drastic reduction in operating cost of air transportation segment (excluding fuel cost)
- ¥ 67 billion (y/y)

Cost Structure Reform
(Full scale development from FY2009)
Reduction in cost by ¥53 billion
Please refer to page 22 regarding FY09

Continuation Deepening
Please refer to page 22 regarding FY09



Existing thorough cost-cutting

- ◆ **Personnel productivity improvement** ~achievement of wage cost-related measures~
- ✓ **Reduction in consolidated wage cost** (comparison with FY06)
 - Reduction in annual bonuses -¥15bln
 - Cost reduction through Daiko Henjo -¥4bln
 - Improved personnel productivity -¥20bln
 - Special early retirement plan -¥11bln
- ✓ **Revision of JAL International's wage system, resulting in reduction in personnel cost by ¥5 billion** (Oct 2008~)
- ✓ **Achieved workforce reduction exceeding the target of 4,300 employees** (end of FY06 53,100人 ⇒ end of FY08 47,526)
- ◆ **Improved efficiency**
- ✓ **Reduction in general expenses**
- ✓ **Various measures to reduce fuel consumption, etc**

Apr. '08

© JAL2009

Oct.

Jan. '09

Mar.

FY2009

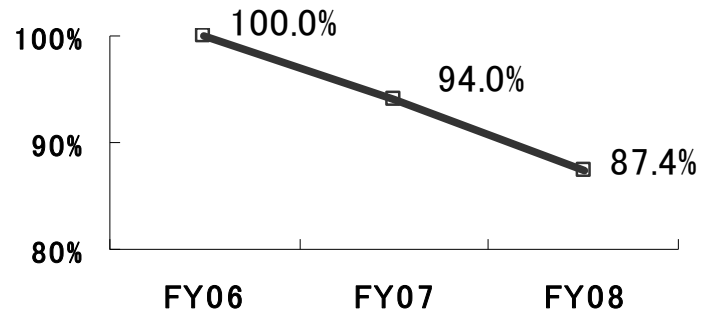
10



Fuel & FOREX (Air Transportation Segment)



Progress of reduction in fuel consumption (FY06=100)

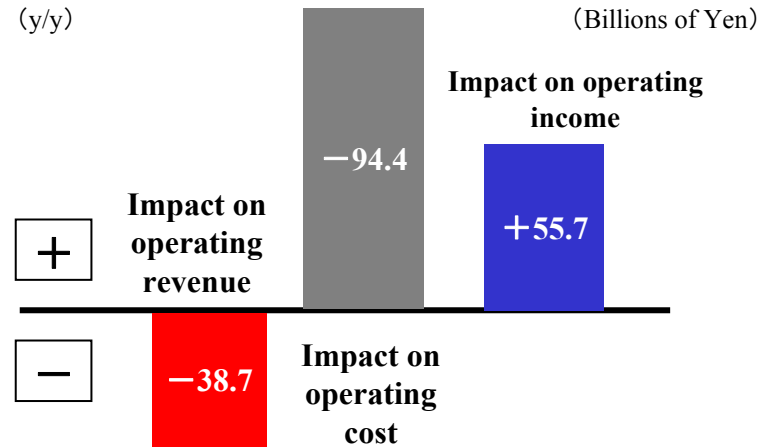


<Fuel hedging>

	FY07	FY08
Hedging ratio	89%	89%
Average price*	\$93.2/bbl	\$112.7/bbl

*Average price of Singapore Kerosene \$/bbl

Impact of FOREX on operating income



<Average Forex rate**>

	FY07	FY08
USD	¥115.5	¥100.4
EUR	¥161.3	¥145.3

**Based on the average company exchange rate

<Forex hedging ratio >

FY08: 75%



1. Outline of Account Settlement for FY2008

2. FY2009 Management Plan

3. Medium and Long-Term Direction

4. Appendices

Data for FY2008 Results

Results during Golden Week

Progress of the FY08-10 New Medium-Term Revival Plan

FY2009 Fleet Plan



Prospects for Business Environment in FY2009



Outlook of Macro Environment ~As no economic recovery can be expected in 2009, air traffic demand will be slumping .

➤ Overview

As the economic environment for FY2009 seems to be sluggish due to the global financial crisis and the downturn in the world economy, air traffic market is also expected to slump. However it is forecasted that the declining pace will be moderate in the second half due to the effect of economic policy and progress in inventory adjustment.

(International passenger)

Business passenger demand is expected to slightly recover although curbs on companies' business trips and trend of class downgrading continue. The recovery trend of leisure passenger demand is expected to continue against the backdrop of appreciation of yen and drastic drop in fuel surcharge, but the impact of new type of influenza must be carefully monitored.

(Domestic passenger)

Passenger demand is expected to be below the previous year during 2009, but it is forecast that it will exceed the previous year's level in 2010.

(International cargo)

Although some signs are seen that the drastically declining demand hit the bottom, exports and imports are expected to be below the previous year's level at least in 2009.

Outlook of JAL's performance ~Merit of declining oil prices can be expected, but limited.

(Positive factors)

- ◆ Drastic cost reduction due to cost structure reform
- ◆ Symptom of recovery in leisure passenger demand due to the strong yen and reduction in fuel surcharges
- ◆ Sharp decline in oil market rate (but limited merit)



(Negative factors)

- ◆ Big reduction in revenue due to decline in fuel surcharge
- ◆ Fuel hedge ratio 78%(limited merit for fuel dropping : 22%)
- ◆ Slackening business passenger demand due to economic doldrums

Tackle the harsh situation with several countermeasures



FY2009 Forecasts for Consolidated Financial Statements



	Billions of Yen		
	FY08	FY09E	Difference
Operating Revenue	1,951.1	1,748.0	-203.1
Operating Cost	2,002.0	1,807.0	-195.0
Operating Income	-50.8	-59.0	-8.2
Ordinary Income	-82.1	-108.0	-25.9
Net Income	-63.1	-63.0	0.1

【Operating revenue】

Operating revenue is expected to fall by ¥203.1bln y/y due to reduction in demand attributable to downturn in world economy and lowering of fuel surcharge.

【Operating income】

Operation income is expected to be on a par with the previous year.

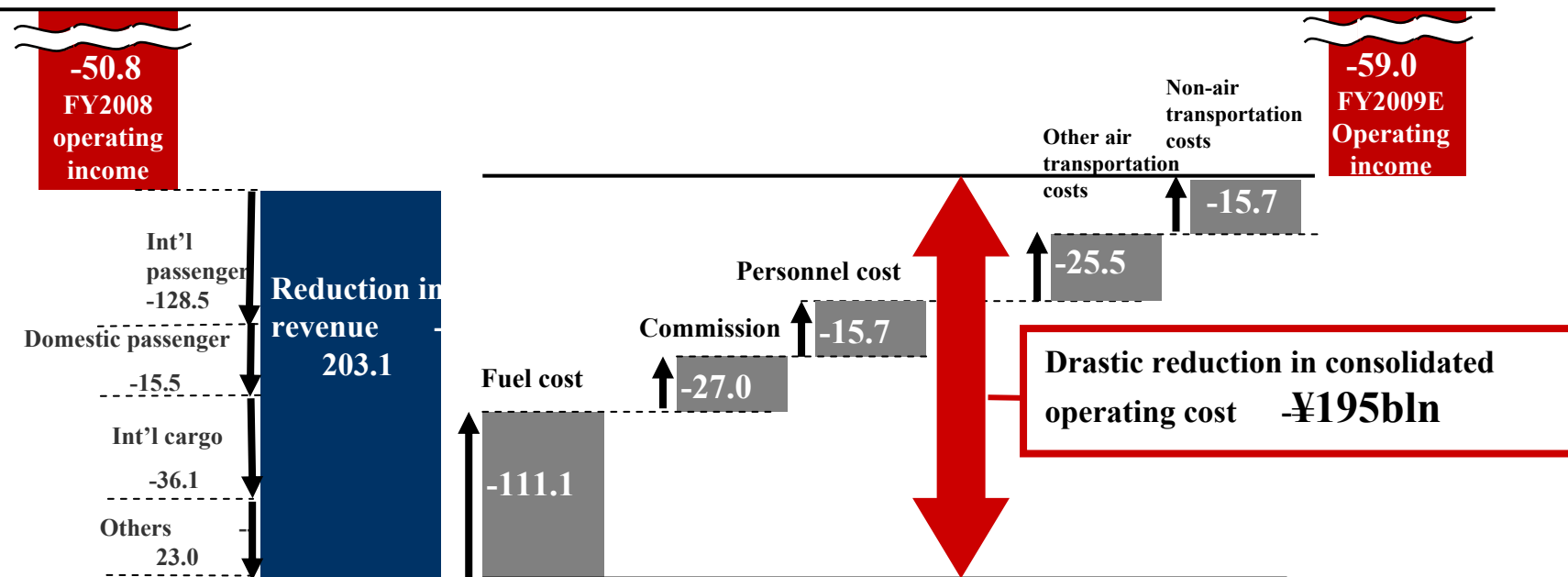
【Ordinary income】

Ordinary income is expected to worsen from operating income due mainly to sales loss of aircraft and aircraft parts accompanied by renewal of aircraft.

【Net Income】

Net income is expected to be -¥63bln because extraordinary gain is improved due to the revision of corporate pension system.

Forecasts for consolidated operating income





FY2009 Forecast of Operating Income in Air Transportation Segment



(Billions of Yen)

	FY08	FY09 Forecast	y-y
Operating Revenue	1,716.4	1,532.0	-184.4
International Passenger	703.5	575.0	-128.5
Domestic Passenger	666.5	651.0	-15.5
International Cargo	152.1	116.0	-36.1
Domestic Cargo	34.7	35.0	0.3
Mail*	12.8	13.0	0.2
Other	146.5	142.0	-4.5
Operating Cost	1,777.3	1,598.0	-179.3
Fuel	509.1	398.0	-111.1
Airport Facilities	123.1	114.0	-9.1
Maintenance	116.6	118.0	1.4
Passenger Services	44.9	41.0	-3.9
Commissions	96.0	69.0	-27.0
Aircraft Depreciation	77.3	77.0	-0.3
Aircraft Leases	101.2	99.0	-2.2
Personnel	277.7	262.0	-15.7
General Expenses	202.6	197.0	-5.6
Other	228.4	223.0	-5.4
Operating Income	-60.8	-66.0	-5.2

* Total of international and domestic mail

【Fuel Cost】

Effect of decline in oil prices is limited due to fuel hedge. However, fuel cost is expected to drastically drop by ¥111.1bln due to self-efforts such as reduction in fuel consumption and the strong yen.

【Sales Commissions】

Commissions are expected to drop sharply due to abolition of sales commissions for international flights from Japan. (Net effect -¥7bln)

【Personnel Cost】

Personnel cost is expected to decline due to reduction in employees resulting from productivity improvement, efficiency improvement of back-end operations resulting from Cost Structure Reform and full-year effect of JALI wage system revision.

【FY2009 Assumptions】

(y/y)	Capacity	Demand	Unit Price
Int'l Passenger	90.2%	100.6%	81.2%
Domestic Passenger	97.0%	98.4%	99.3%
Int'l Cargo	82.1%	95.3%	79.8%

Fuel Price (Singapore Kerosene)	\$76.2/bbl
Hedging Ratio	78%
Forex (1USD)	¥95.0

- Capacity = ASK、ATK
- Demand = the number of passenger, tonnage
- Unit Price = Price per head, or per ton

The capacity of int'l cargo = Belly space of passenger aircraft and cargo freighter



Flexible Adjustment of Capacity



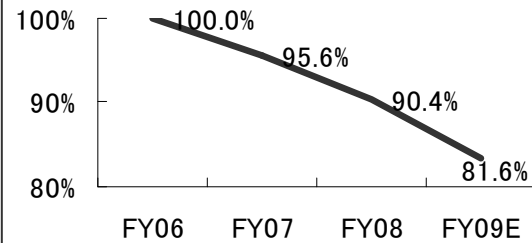
Int'l passenger

FY2008 Result

Suspension: 5 routes
 Frequency reduction : 3 routes
 Downsizing: 11 routes
FY2009 Plan

Suspension : 8 routes
 Downsizing : 7 routes

【ASK of FY2006 =100】



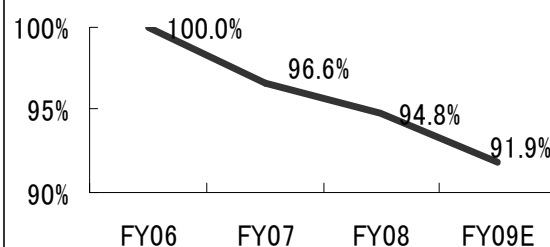
Domestic passenger

FY2008 Result

Suspension: 14 routes
 Frequency reduction: 5 routes
FY2009 Plan

Suspension : 5 routes
 Frequency reduction : 1 route
 Downsizing by introducing E170 etc.

【ASK of FY2006=100】



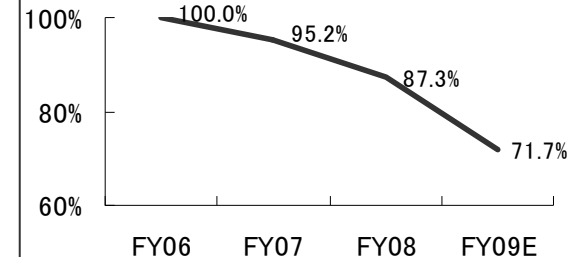
Int'l cargo

FY2008 Result

Suspension: 5 routes
 Frequency reduction : 4 routes
FY2009 Plan

Suspension & frequency reduction: 8 routes

【ATK of FY06*=100】



On top, flexible revision of capacity can be implemented in response to change in demand.

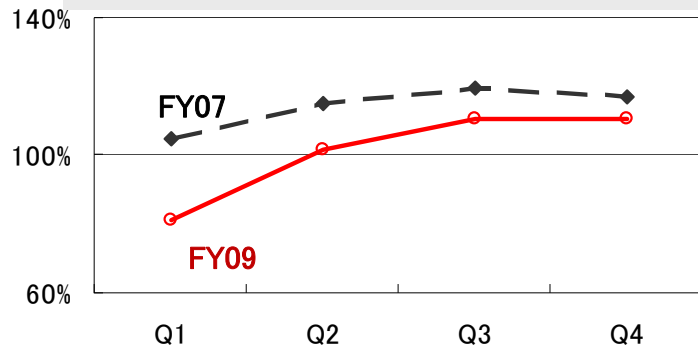


International Passenger

~Demand Forecast / Capacity / Unit Price / Revenue~



Demand Forecast (y/y)



Mainly due to the decrease in business passenger demand, overall demand is expected to be sluggish during FY2009. From Q3, demand is expected to slightly increase compared to the previous year's level. (Refer to the next page for details)

Forecast of Unit Price (y/y)

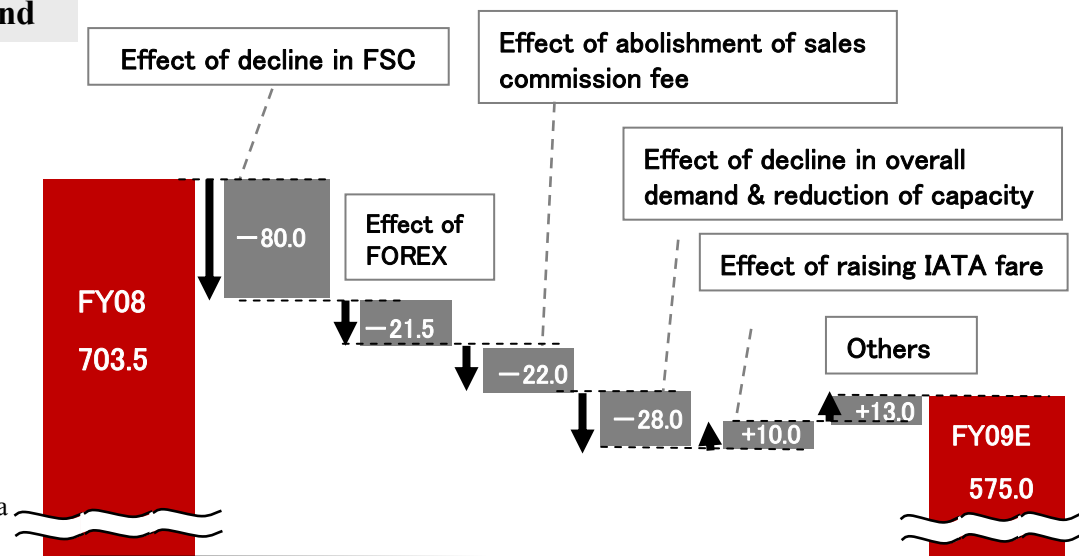
- Decline in Fuel Surcharge
- Appreciation of Yen
- Abolishment of sales commission fee
- Revision of IATA fare, change in passenger mix, route mix, etc

⇒ 81.2%

Breakdown of Change in Revenue (forecast)

Forecast -¥128.5bln in revenue (y/y)

(Billions of Yen)



Flexible Capacity Adjustment in Response to Demand

➤ Rightsizing of capacity & Aircraft downsizing

- Revision of capacity in response to rapid decline in demand
 - Decreasing flight frequency on Narita=New York routes, etc.
- Downsizing on 7 routes:
 - Downsizing from 747-400 to 777-300ER on Narita=Chicago, Los Angeles routes, etc

➤ Promote Efficient Operation System

- Launch of international scheduled flights operated by JAL Express from May 2009 utilizing 737-800
- Operated by 737-800 on 3 international Asian routes, primarily China
- Operating cost is lower than that of JAL



International Passenger Demand

~Key Measures & Forecast of Demand Analysis by Passenger Category~



Key Measures

➤ Strengthen sales promotion for leisure passengers

Under sluggish business passenger demand, while continuing our Premium Strategy, we will expand measures to target leisure passengers

- Expand demand stimulating fares for leisure passengers
- Expand packaged tours departing from local destinations by increasing feeder flights
 - Inaugurate Kansai=Narita routes & increase flight frequency on Sapporo=Narita routes
- Inaugurate short-haul charter flights, etc.

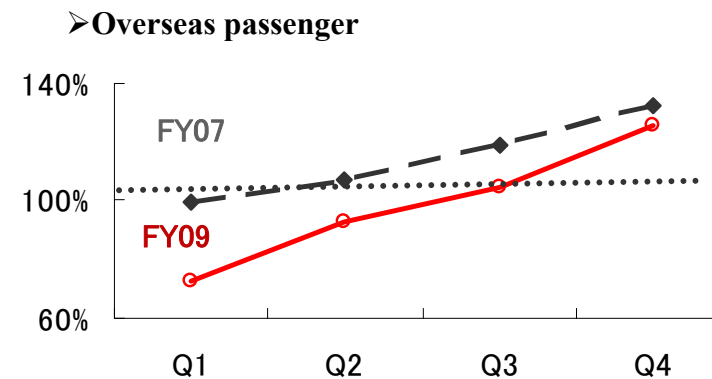
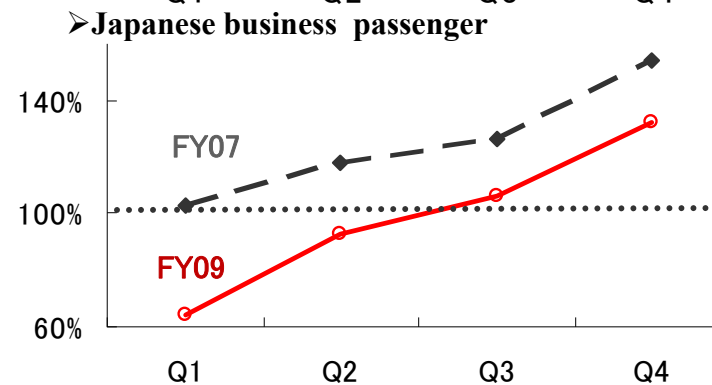
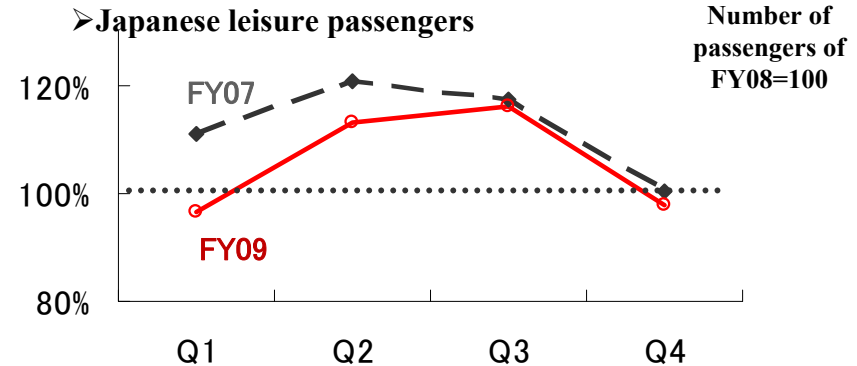
➤ Enhancement of sales competitiveness for business passengers

- Expansion of new First class and Business class seats on U.S routes
- Strengthening competitive-edge by improving functions on JAL's business support website

➤ Strengthen sales promotion for overseas passengers

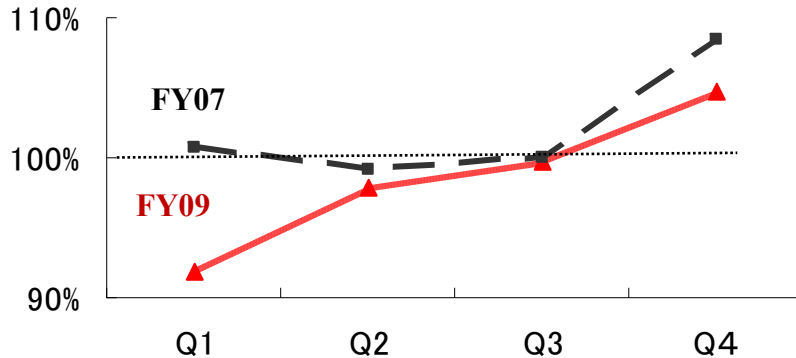
- Enhancement of promotion for business passenger demand by boosting overseas corporate contracts
- Strengthen promotion for overseas passenger demand by boosting contracts with local travel agencies

Demand Forecast by Passenger Category





Demand Forecast (y/y)



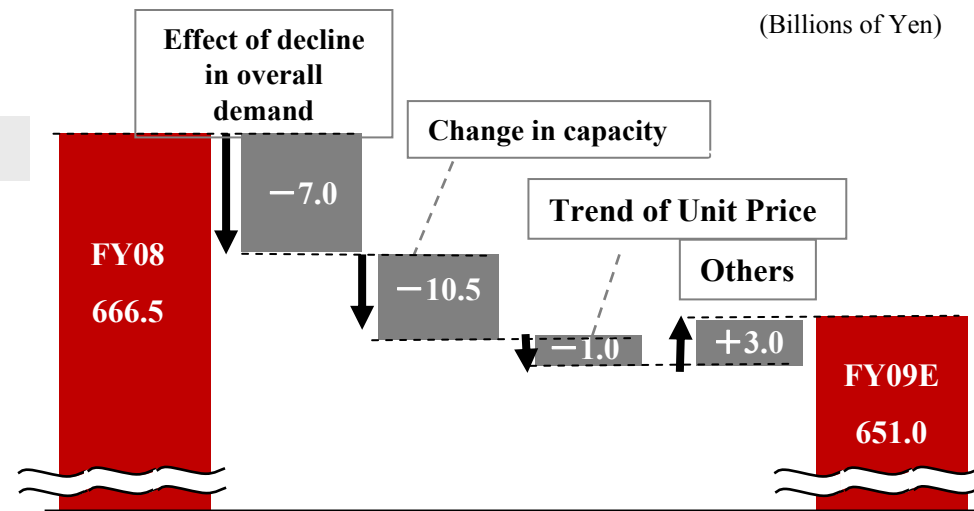
Due to the economic downturns, passenger demand for 2009 is expected to be below the level of the previous year. When the year of 2010 comes, the demand is expected to finally reach the previous year's level again. (Refer to the next page for details.)

Forecast of Unit Price (y/y)

Although implementing various measures to increase revenue, unit price will be unchanged from the previous year ⇒ 99.3%

Breakdown of Change in Revenue (forecast)

Forecast -¥15.5bln in revenue (y/y)



Flexible Capacity Adjustment in response to demand

➤ **Rightsizing of capacity & Aircraft downsizing**

Revision of capacity reflecting continuously flagging demand

- 5 routes will be suspended. Kansai=Asahikawa, Kansai=Memambetsu etc.

— Acceleration of aircraft downsizing

- Introduction of cutting-edge regional jets (E170 x 4)

Fukuoka =Matsuyama, Sapporo= Akita routes etc.



Domestic Passenger Demand

~Key Measures & Demand Forecast by Passenger Category~



Key Measures

➤ Enhancement of sales competitiveness for business passenger

- Enhancing appeal to win over more business passengers through expansion of the number of flights equipped with the First Class and Class J
- Promoting corporate utilization of "JALONLINE", the online system that supports business trip efficiently
- Increasing JAL preference through improvement in WEB function (search of flights by the cheapest available fares and by region, enhancement of English language website)
- Promotion of "Business KIPPU (Ticket)", which is exclusively available for JALCARD members

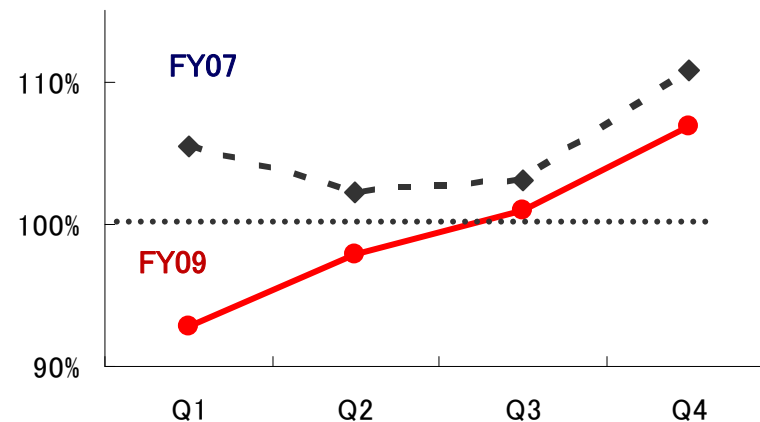
➤ Measures to stimulate leisure passenger demand

- Enhancing appeal to win over more individual leisure passengers by introducing demand stimulus fares
- Implementation of various sales campaign
- Measures to win over more group passengers (expansion of "Dynamic Package" products, Sales promotion of tours specially designed for customers to spend "fixed-amount cash handout")

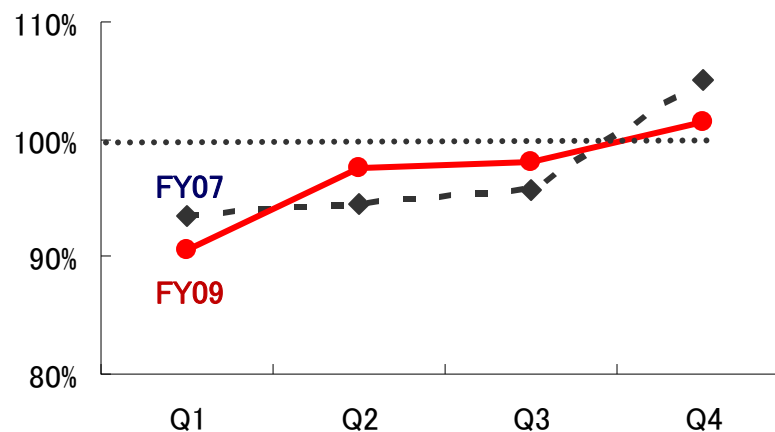
Demand Forecast by Passenger Category

➤ Individual passenger demand

Number of passengers of FY08=100

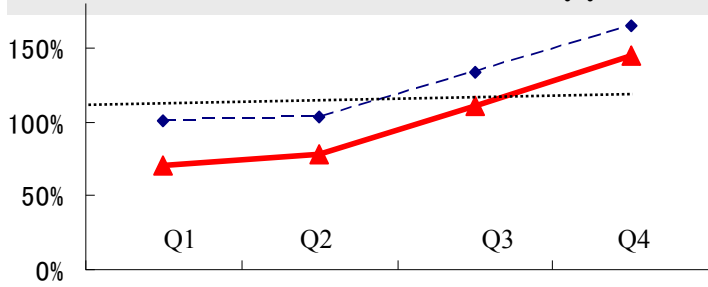


➤ Group passenger demand





Forecast of Demand (y/y)



Due to the economic downturns, cargo demand for 2009 is expected to be below the level of the previous year. When the year of 2010 comes, demand is expected to finally reach the previous year's level again.

Key Measures

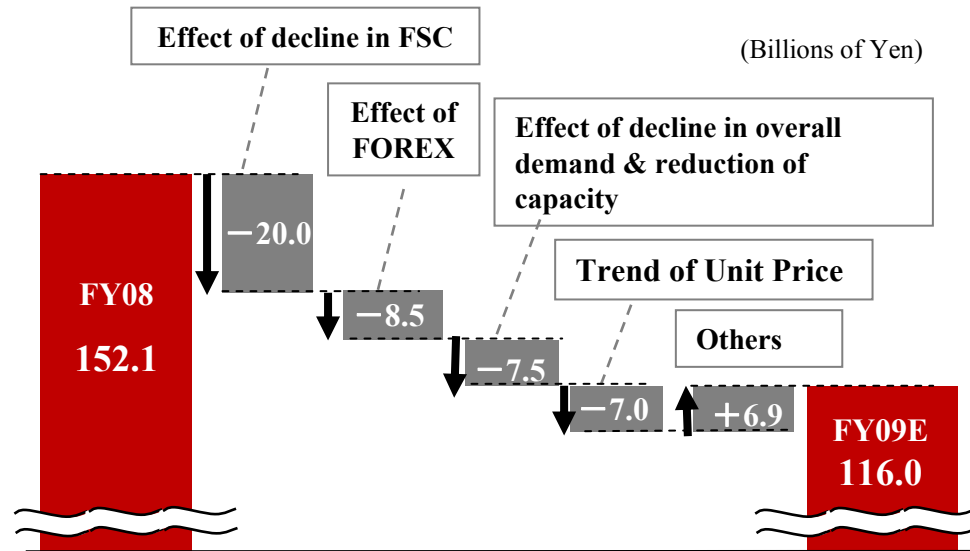
- **Rightsizing of capacity**
Revision of capacity through streamlining routes and number of flights on which freighters are operated.
 - Frequency decrease on Narita=Los Angeles and Narita= Manila
 - Fleet downsizing to mid-sized aircraft on Asia and China routes
- **Alliance with other carriers**
— Expansion of cargo freighter code sharing with NCA etc.
- **Expansion of route network and number of flights**
— The code share with NCA allows for increase in total number of cargo flights by 20% on the Pacific, Korea, and Shanghai routes. In addition, full usage of passenger aircraft will improve customer convenience and strengthen JAL preference
- **Enhancement of high-value-added products**
— Exploitation of new products and services and development of potential demand by meeting customer needs

Forecast of Unit Price (y/y)

- Decline in Fuel Surcharge
 - Appreciation of Yen
 - Change in route mix, etc
- ⇒ 79.8%

Breakdown of Change in Revenue (forecast)

Forecast -¥36.1bln in revenue (y/y)





Drastic Cost Reduction in FY2009



Reduction in consolidated operating cost
 -¥195.0 billion (y/y)

Revision of corporate pension system
 Extraordinary gain
 ¥88bln (forecast)

Reduction in personnel cost due to revision of pension system

Effect of cost reduction

Cost Structure Reform

Cost reduction by -¥53bln

Enhancing the existing cost reduction measures

- Cost reduction due to enhancement of efficiency
- Full year effect of JALI wage system reform
- Cost reduction due to capacity reduction
- Cost reduction due to revenue reduction

- Full year effect
- Deepening

Please refer to P29 regarding FY2010

- Continuation
- Deepening

FY2009
 © JAL2009

FY2010

22



Goal of Cost Structure Reform

Establish a solid business base that has strong resistance to unexpected risk factors surrounding the JAL Group such as a sharp decline in demand in the economic doldrums and fluctuation of oil prices

➤ **Full-scale implementation in the following nine spheres effective FY2009**

Spheres involving business fabric structure reform

✓ Sales ✓ Maintenance ✓ Airports ✓ Back-end Operations

Spheres other than the above

✓ IT systems ✓ Fixed Assets ✓ Aviation Fuel ✓ Procurement and Logistics ✓ Customer Service

¥ 53 billion in cost cuts for FY2009 (accumulated effects currently foreseeable)

~ Cost cuts are deepened compared with the forecast as of Feb. 6th of ¥ 50 billion. ~



Key Measures of Cost Structure Reform



	Targeted fields	Measures to be taken	FY09 cut in the cost
Business Structure Reform	① Sales	<ul style="list-style-type: none"> – Introduction of more efficient sales, booking and ticketing system – Review of sales commission, reduction in sales administrative expenses etc. 	¥13 billion
	② Maintenance	<ul style="list-style-type: none"> – Establishment of a new maintenance company through integration of Group's four subsidiaries ⇒ Improvement in aircraft quality and productivity due to enforcement of maintenance and technological capability, streamlining of organization and elimination of duplicated operation – Establishment of effective maintenance operation system through verification of current maintenance procedure (aircraft, engine and parts) – Improvement in cash flow and reduction of storage cost by curbs on purchasing new maintenance parts, cuts in holding inventories by utilizing JALMighty, streamlining engine maintenance, and reviewing contracts 	¥6 billion
	③ Back-end Operations	<ul style="list-style-type: none"> – Streamlining 30% of the support division ⇒ streamlining # of divisions, minimizing intermediate adjusting functions, concentrating office location, streamlining & consolidating Group's functions, optimizing allocation of human resources, enhancing efficiency of the Group's management, etc. 	¥3 billion
	④ Airports	<ul style="list-style-type: none"> – Reorganization of the Group's Tokyo-based airport-handling company in light of expansion of Narita Airport and expansion/internationalization of Haneda Airport – Fundamental improvement in efficiency of ground-handling business 	¥2 billion
Structure Reform	⑤ IT systems	<ul style="list-style-type: none"> – Reduction in IT-related costs through the revision of IT-related contracts 	¥1 billion
	⑥ Fixed Assets	<ul style="list-style-type: none"> – Review of rent and space, reduction in real estate usage cost through such measures as return of facilities with low usage rate – Promotion of utilization of real estate 	¥4 billion
	⑦ Aviation Fuel	<ul style="list-style-type: none"> – Adoption of optimum flight operations, lightening of aircraft weight, reduction in fuel consumption and improvement in fuel efficiency through optimum loading of in-flight materials 	¥3 billion
	⑧ Procurement & Logistics	<ul style="list-style-type: none"> – Visualization of vender cost, thorough competitive bid and joint purchasing, reduction in the Group's procurement cost based on optimum number of order, optimum inventory adjustment 	¥21 billion
	⑨ Customer services	<ul style="list-style-type: none"> – Attempt to induce customers to Website through improving its convenience, simplification of airports operation through promoting IT-related handling 	Involved in ①, ⑦ and ⑧

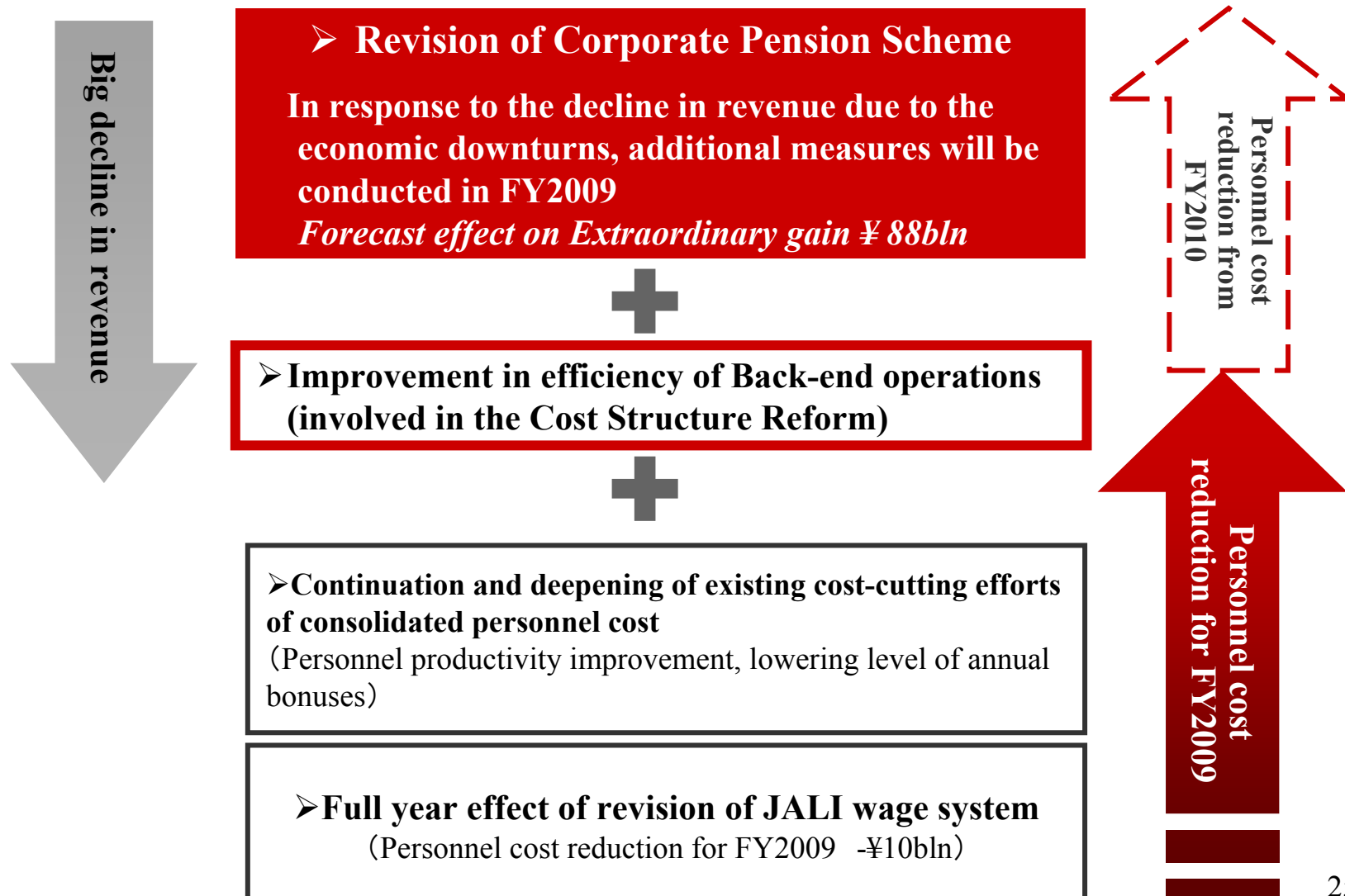
¥ 53 billion in cost cuts for FY2009 ~ We will consider further cost-cutting steps ~



Various Personnel Cost-Cutting Measures



Measures for FY2009





Results and Forecast of Capital Expenditure, Depreciation

	Results of FY07	Results of FY08	(Billions of Yen) Forecast for FY09
Investment (Purchase)	118.5	135.0	107.0
(Aircraft)	82.6	110.0	79.0
(Others)	35.8	250.0	28.0
Depreciation	116.5	118.0	121.0
Principal payment of Finance Lease	58.6	56.1	47.0

Prospect of interest-bearing debt

		End of FY07 Balance	End of FY08 Balance	(Billions of Yen) End of FY09E Balance
On Balanced	Corporate Loan/Debt	919.6	808.7	887.0*1
Off-Balanced	Lease Obligation	357.5	301.7	252.0
	Unrecognized Obligation	323.7	331.5	- *2
Interest-bearing Debt		1,600.9	1,441.9	-

*1 In case raising necessary fund during FY09 by loan

*2 No calculation of balance for Unrecognized obligation at this point



1. Outline of Account Settlement for FY2008

2. FY2009 Management Plan

3. Medium and Long-Term Direction

4. Appendices

Data for FY2008 Results

Results during Golden Week

Progress of the FY08-10 New Medium-Term Revival Plan

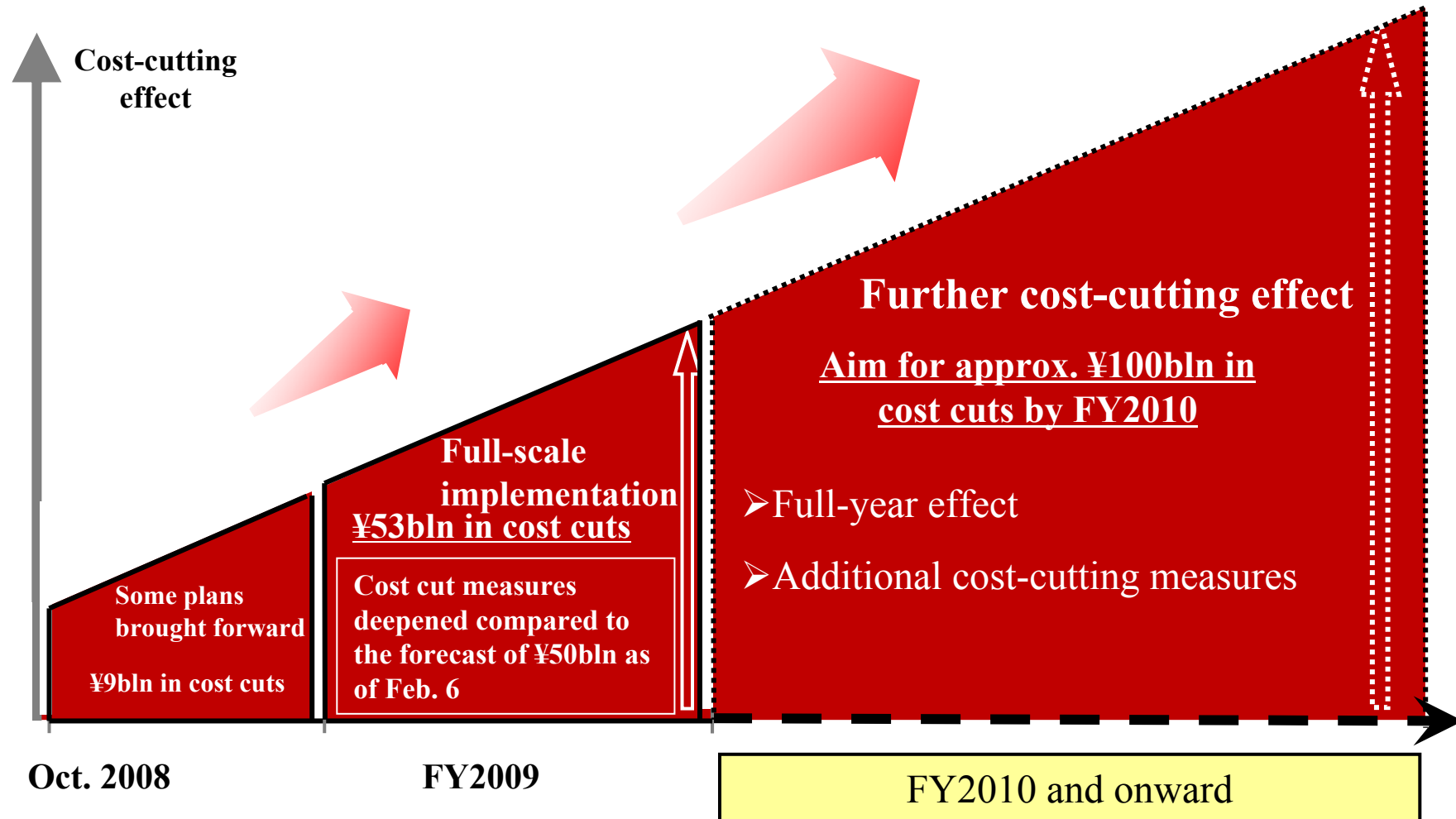
FY2009 Fleet Plan



		Rebuilding the Business Foundation		Stable Growth
		FY2008 Results	FY2009 Key Measures	FY2010 and onward
Basic Policy	Premium Strategy	<ul style="list-style-type: none"> Progressed steadily as planned (partially ahead of schedule) But unable to achieve financial targets due to world economy crisis 	<ul style="list-style-type: none"> Projects will be continued and expanded or will constructively be absorbed to another project. Additional measures will be taken 	<p>Will achieve sustainable growth under the expansion of the two metropolitan airports</p> <p>(plan to announce the details in the Next Medium Term Plan)</p>
	Business Profitability Improvement	<ul style="list-style-type: none"> Introduction of new seats on US routes. Expansion of First Class Service on Domestic routes, etc. 	<ul style="list-style-type: none"> Not only continue targeting high-yield & top-tier customers, but also strengthen stimulus measures for increasing leisure passengers, etc. 	
	Personnel Productivity Improvement	<ul style="list-style-type: none"> Flexible revision of capacity in response to low demand Int'l Passenger Suspension 5 routes, Dom. Passenger Suspension: 14 routes, etc. 	<ul style="list-style-type: none"> Continue revising unprofitable routes and downsizing Int'l Passenger Suspension 1 route, Dom. Passenger Suspension: 5 routes, etc. 	
	Revision of Related Businesses	<ul style="list-style-type: none"> Achieved reduction in consolidated staff by 4,300, one year ahead of schedule, etc 	<ul style="list-style-type: none"> Expansion of TPS - "KAIZEN" Streamline support-division operations implementing Cost Structure Reform etc. 	
		<ul style="list-style-type: none"> Cost reduction related to air transportation business by streamlining outsourcing areas Sales of stocks of JALCARD by 49.375% 	<ul style="list-style-type: none"> Cost reduction related to air transportation business by streamlining outsourcing areas Integration of 4 subsidiaries of JAL Group Maintenance companies etc. 	



Aim to expand cost-cutting effect to approx. ¥100bln in FY2010

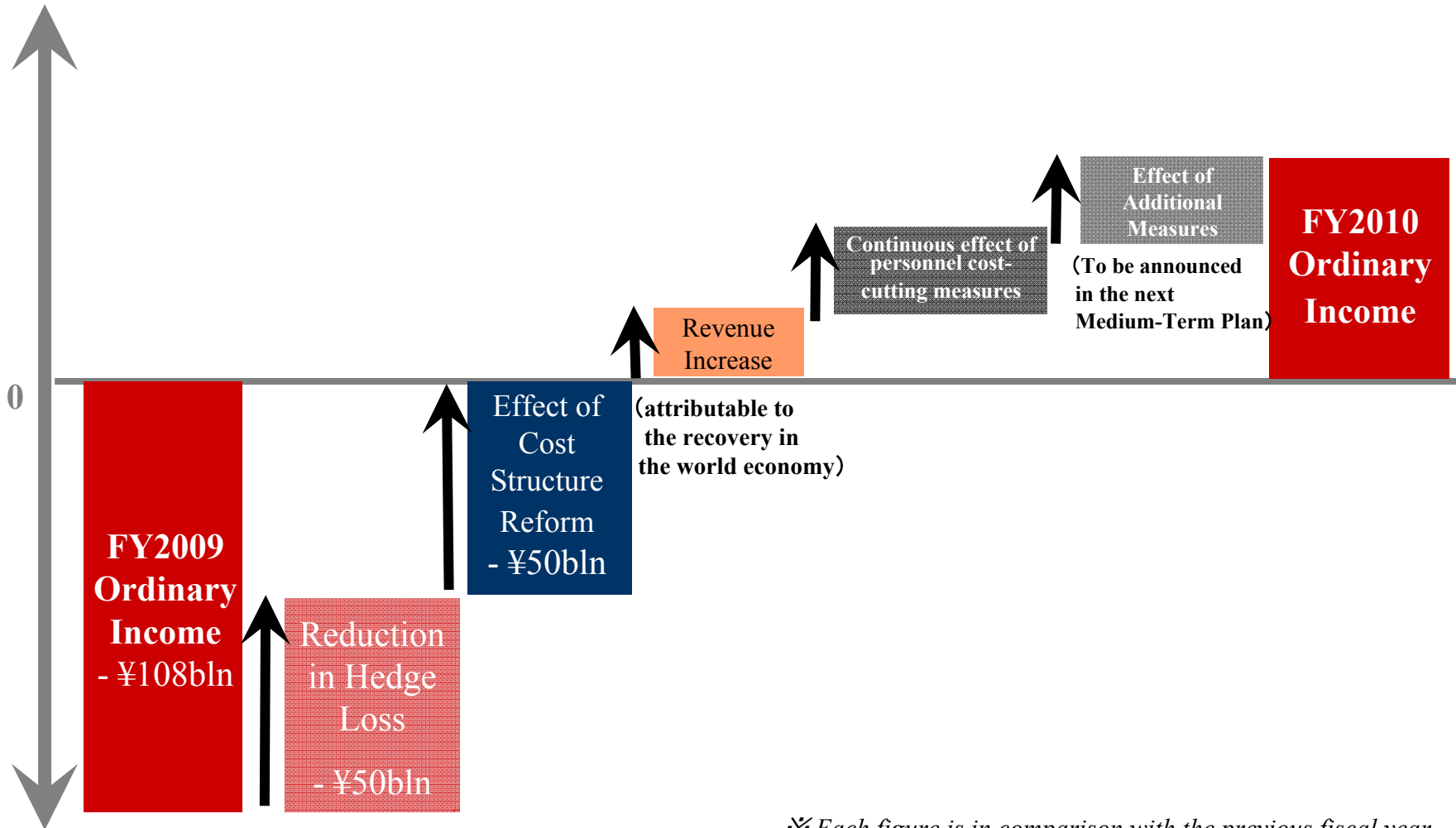




Financial Targets for FY2010



(billion yen)



※ Each figure is in comparison with the previous fiscal year.



1. Outline Account Settlement for FY2008

2. FY2009 Management Plan

3. Medium and Long-Term Direction

4. Appendices

Data for FY2008 Results

Results during Golden Week

Progress of the FY08-10 New Medium-term Revival Plan

FY2009 Fleet Plan



Operating Revenue and Income by Segment



Billions of Yen

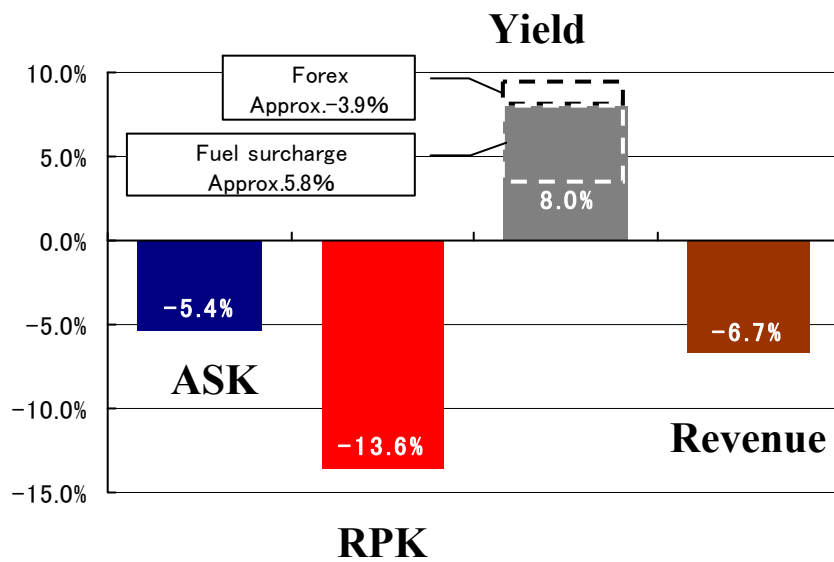
	Operating Revenue			Operating Income	
	FY08	yr-yr	yr/yr	FY08	yr-yr
Air Transportation	1,716.4	-110.2	94%	-60.8	-139.5
Airline-related	212.3	-136.4	61%	4.0	-0.1
Travel Service	320.3	-53.4	86%	1.1	0.1
Card • Lease	66.1	0.3	100%	4.9	1.0
Other	84.6	-16.7	84%	0.7	-1.8
Total	2,399.9	-316.5	88%	-49.9	-140.3
General corporate assets and intercompany eliminations	-448.8	37.2	-	-0.8	-0.5
Consolidated	1,951.1	-279.2	87%	-50.8	-140.8



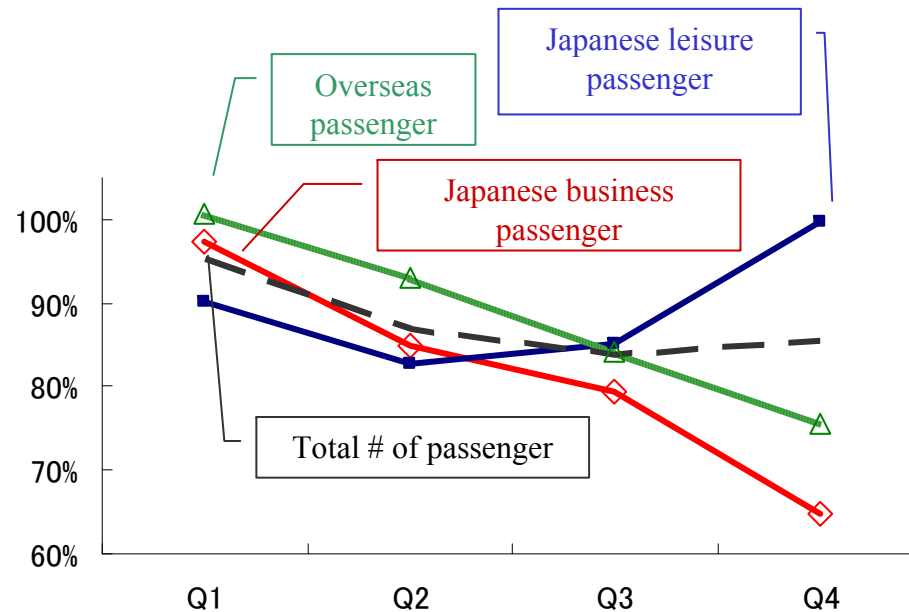
International Passenger (Revenue & Demand Analysis)



Capacity • Demand • Yield • Revenue (y/y)



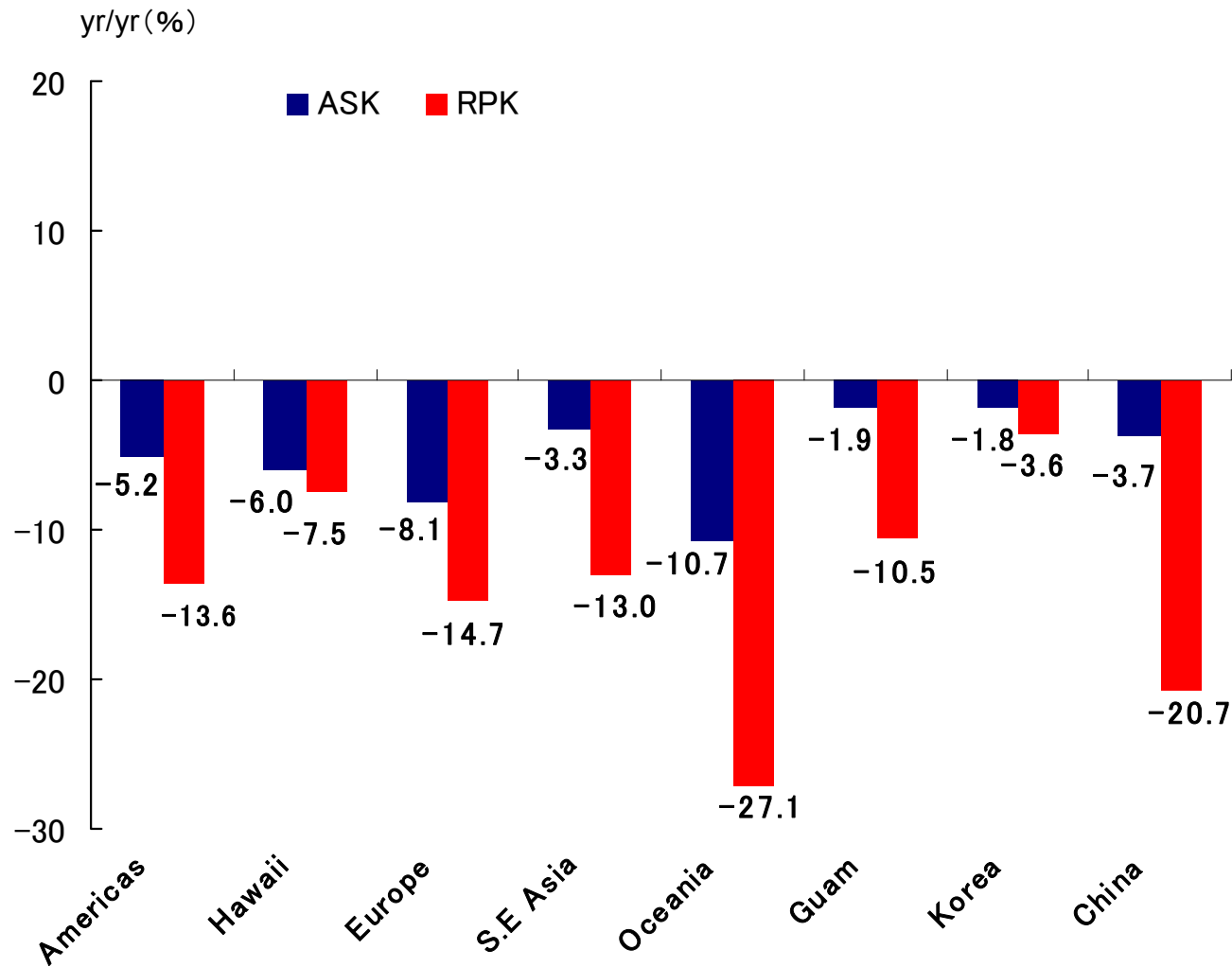
Demand Analysis (y/y)



Capacity: ASK (Available Seat Kilometer)
 Demand: RPK (Revenue Passenger Kilometer)
 Yield: Revenue/RPK



Demand and Capacity of International Passengers by Route



Capacity: ASK (Available Seat Kilometer)

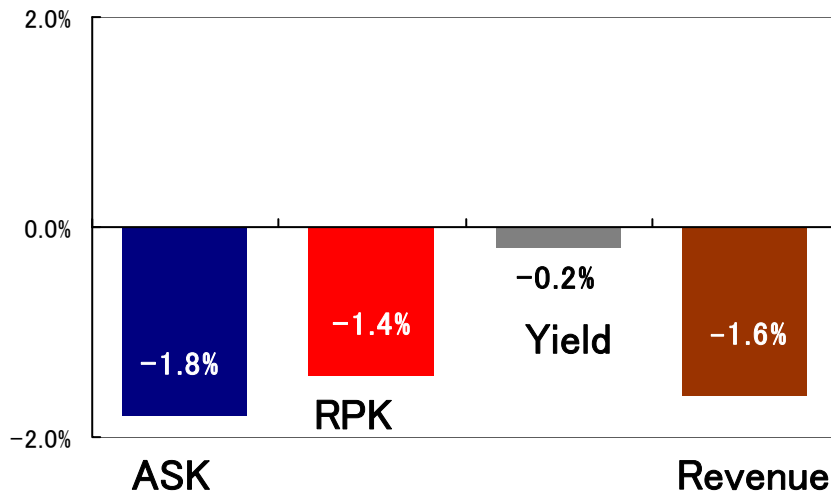
Demand: RPK (Revenue Passenger Kilometer)



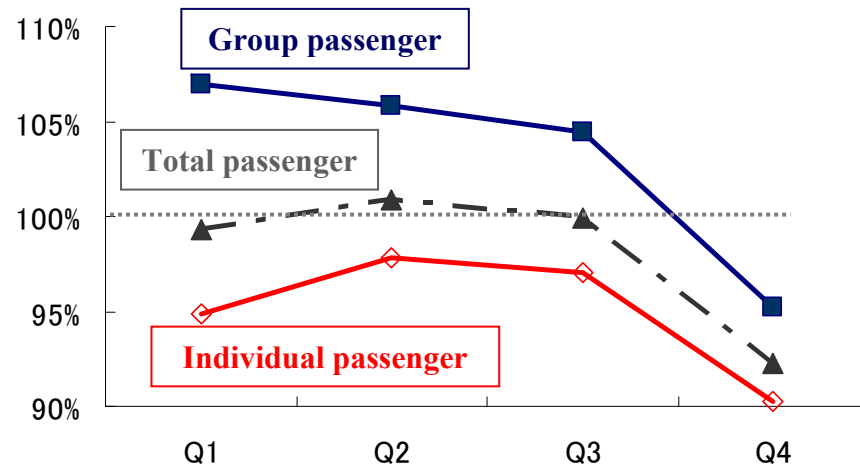
Domestic Passenger (Revenue & Demand Analysis)



Capacity • Demand • Yield • Revenue (y/y)



Demand Analysis (y/y)



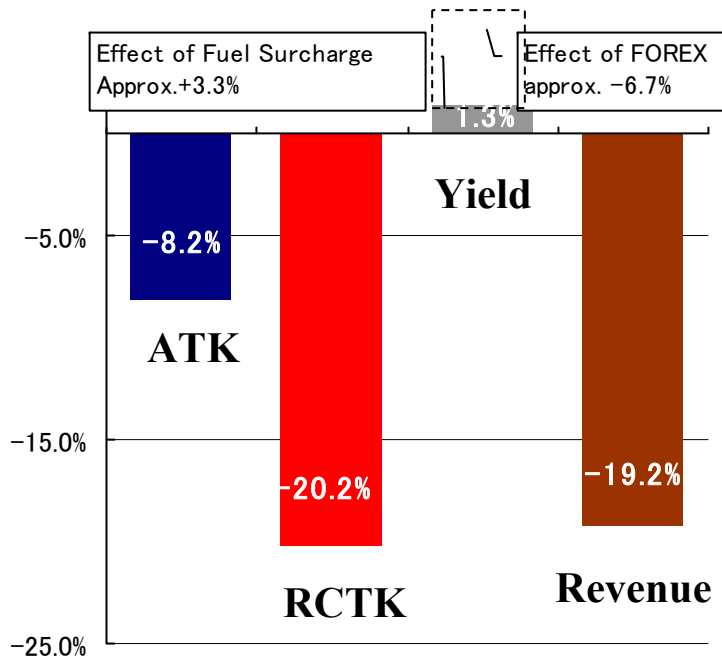
Capacity: ASK (Available Seat Kilometer)
Demand: RPK (Revenue Passenger Kilometer)
Yield: Revenue/ RPK



International Cargo (Revenue & Demand Analysis)



Capacity • Demand • Yield • Revenue (y/y)

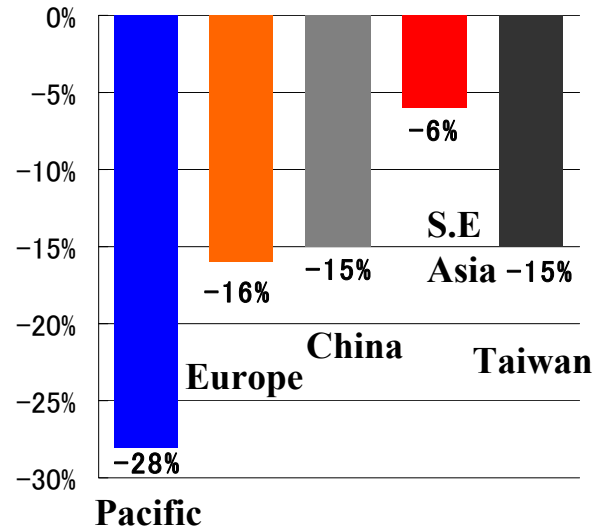


Capacity : ATK (Available Cargo Ton-kilometer) Total cargo capacity of passenger flights & cargo freighter

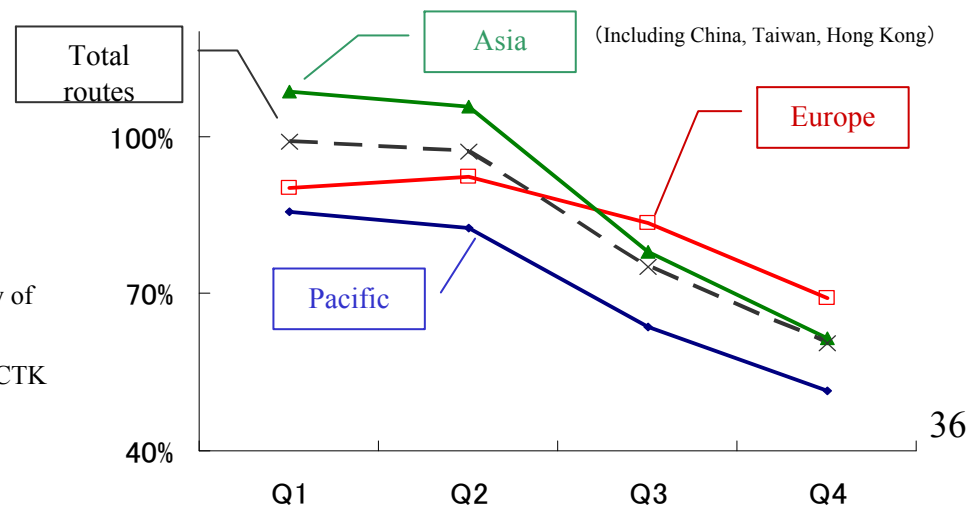
Demand : RCTK (Revenue Cargo Ton-kilometer) Yield : Revenue/RCTK

© JAL2009

Demand by destination (loaded weight y/y)



Demand Analysis by destination (loaded weight y/y)





Financial Results of Main Subsidiaries



(Billions of Yen)

		Operating revenue		Operating Income		Net Income	
		FY08	yr-yr	FY08	yr-yr	FY08	yr-yr
Airline-Related	TFK	25.8	-1.1	0.8	-0.3	0.5	-0.1
	JAL TOURS	129.2	4.8	0.3	1.3	0.2	1.3
Travel Service	JALPAK	129.1	-47.8	-0	-1.1	-0.1	-0.7
Card-Lease	JALCARD	21.5	-0.3	3.4	1.0	2.0	0.2
Other	JAL HOTELS	12.1	-6.0	0.1	-0.5	0.3	-0.6



Financial Targets by Segment



Billions of Yen

	Operating Revenues		Operating Income	
	FY09	yr-yr	FY09	yr-yr
Air Transportation	1,532.0	-184.4	-66.0	-5.2
Airline-related	211.0	-1.3	1.0	-3.0
Travel Service	300.0	-20.3	1.0	-0.1
Card • Lease	64.0	-2.1	4.0	-0.9
Other	78.0	-6.6	1.0	0.3
General corporate assets and intercompany eliminations	-437.0	11.8	0.0	0.8
Consolidated	1,748.0	-203.1	-59.0	-8.2



Results during the Period of Japanese “Golden Week Holidays”



Results between April 28 and May 6, 2009

	Available # of seats (y/y)		# of passengers (y/y)		Seat factor
Int'l passenger	418,594 seats	91.3%	306,565	103.9%	73.2%
Domestic passenger	1,606,466 seats	97.5%	1,063,066	100.8%	66.2%

Outline

【International Passengers】

- Basically the number of leisure passengers originating Japan increased due to decline in fuel surcharge and strong yen.
- Load factor was up 8.9point on a y/y basis.
- Although there were some cases of travel cancellation mainly on US routes due to fears of swine flu, monetary loss during the period was minimal at this stage. We have to continue to monitor the situation carefully.

【Domestic Passengers】

- Load factor was up due to consecutive public holidays and good weather.
- By destination, Okinawa and Kansai routes were relatively robust.
- No direct impact was seen from the reduction in expressway toll.



Steady Progress of the FY08-10 New Medium Term Revival Plan

~Premium Strategy & Business Profitability Improvement~



Basic Policy	FY2008 Results	FY2009 Key Measures
Premium Strategy	<ul style="list-style-type: none"> ✓ Introduction of New First Class and Business class seats on US routes <ul style="list-style-type: none"> — Aug. '08~ Introduced to Narita=New York, San Francisco routes ✓ Expansion of Premium Economy Service <ul style="list-style-type: none"> — Currently expanded to 9 International routes 	<ul style="list-style-type: none"> ❑ Expansion of New First Class and Business Class seats on US routes <ul style="list-style-type: none"> — Nov. '09~ Expand to Narita=Chicago, Los Angeles routes ❑ Expansion of Premium Economy Service <ul style="list-style-type: none"> — Nov. '09~ Expands to Narita=Chicago, Los Angeles routes etc.
	<ul style="list-style-type: none"> ✓ Expansion of First Class Service on Domestic Routes <ul style="list-style-type: none"> — Additionally introduced to Haneda=Fukuoka, Sapporo= routes — Expanded to all 15 round trip on Haneda=Itami route starting from July 	<ul style="list-style-type: none"> ❑ Revision of Unprofitable routes <ul style="list-style-type: none"> — Int'l routes/ Suspension: 1 routes, Decreasing Frequency: 8 routes — Domestic routes/ Suspension : 5 routes, Decreasing Frequency : 1 route ❑ Accelerating Fleet Downsizing on 7 Int'l routes <ul style="list-style-type: none"> — Downsized aircraft from 747-400 to 777-300ER on Narita=Chicago, Los Angeles routes etc. Introduction of 4 x E170 on domestic routes ❑ Decommissioning of Aged Aircraft and Introduction of Fuel-efficient Aircraft <ul style="list-style-type: none"> — Fleet Plan: Introduction 18, Decommissioning 23 — Complete retirement of 6 x classic-type 747 during FY09 ❑ Launch of international scheduled flights operated by JAL Express <ul style="list-style-type: none"> — May '09~ Launch of int'l scheduled flights operating 737-800
Business Profitability Improvement	<ul style="list-style-type: none"> ✓ Revision of Unprofitable routes <ul style="list-style-type: none"> — Int'l routes/Suspension: 5 routes, Decreasing Frequency: 3 routes — Domestic routes/Suspension : 14 routes, Decreasing Frequency : 5 routes ✓ Accelerating Fleet Downsizing on 11 Int'l routes <ul style="list-style-type: none"> — Int'l Passenger: Downsized aircraft from 747-400 to 777-300ER on Narita=New York, San Francisco routes etc. — Dom. Passenger: Introduction of cutting-edge strategic Regional Jet E170 	<ul style="list-style-type: none"> ❑ Revision of Unprofitable routes <ul style="list-style-type: none"> — Int'l routes/ Suspension: 1 routes, Decreasing Frequency: 8 routes — Domestic routes/ Suspension : 5 routes, Decreasing Frequency : 1 route ❑ Accelerating Fleet Downsizing on 7 Int'l routes <ul style="list-style-type: none"> — Downsized aircraft from 747-400 to 777-300ER on Narita=Chicago, Los Angeles routes etc. Introduction of 4 x E170 on domestic routes ❑ Decommissioning of Aged Aircraft and Introduction of Fuel-efficient Aircraft <ul style="list-style-type: none"> — Fleet Plan: Introduction 18, Decommissioning 23 — Complete retirement of 6 x classic-type 747 during FY09 ❑ Launch of international scheduled flights operated by JAL Express <ul style="list-style-type: none"> — May '09~ Launch of int'l scheduled flights operating 737-800



Steady Progress of the FY08-10 New Medium Term Revival Plan

~ Personnel Productivity Improvement • Revision of Related Businesses ~



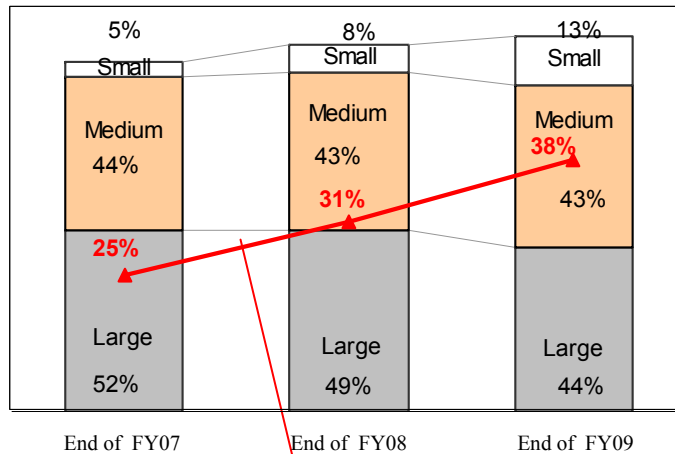
Basic Policy	FY2008 Results	FY2009 Key Measures
Personnel Productivity Improvement	<p>✓ Achieved reduction in workforce by 4,300 employees on a consolidated basis</p> <p>— End of FY06 53,100 employees ⇒ End of FY08 47,526 employees</p> <p>※Refer to P10 for “Reduction of consolidated personnel cost by ¥50bn “</p>	<p>□ Expansion of TPS •”KAIZEN”</p> <hr/> <p>□ Streamlining of support-division operations</p> <p>Streamlining # of divisions, minimizing intermediate adjusting functions, quick decision making by concentrating functions, streamlining operating procedures of support-divisions</p>
Revision of Related Businesses	<p>✓ Cost reduction related to air transportation business by streamlining outsourcing areas</p> <hr/> <p>✓ Concentrating resources on Air Transportation Business</p> <p>— Sales of stocks of JALCARD by 49.375% — Restructuring JALPAK’s overseas operation</p> <hr/> <p>✓ Streamlining, integration and closure of subsidiaries</p> <p>— consolidated subsidiaries :End of FY06 142⇒End of FY08 120</p>	<p>✓ Cost reduction related to air transportation business by streamlining outsourcing areas</p> <hr/> <p>□ Integration of four JAL Group Maintenance Companies (Oct '09~)</p> <p>— Not only enhancing maintenance technology, but revising each functions to eliminate duplicated jobs and to simplify organization</p>



FY2009 Fleet Plan (Acceleration of Aircraft Downsizing)

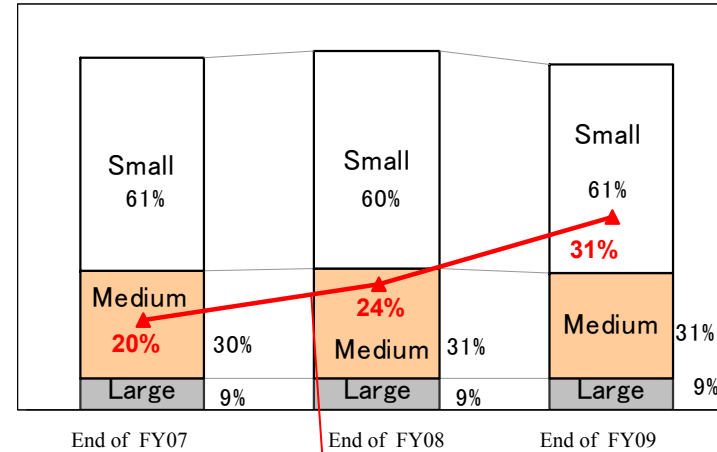


【International Fleet】



Fuel-efficient aircraft*

【Domestic Fleet】



Fuel-efficient aircraft*

FY08-09 breakdown of introduction and decommissioning of aircraft by fleet type

< Introduction >	777-300ER	767-300ER	737-800	E170**	Total
Results of FY08	3	3	8	2	16
Plans for FY09	3	2	9	4	18

< Decommissioning >	747LR	767-300	737-400	MD87	MD81	BN2B***	747F	Total
Results of FY08	3	0	0	2	4	0	3	12
Plans for FY09	6	4	2	0	8	2	1	23

注: Large: 747-400, 747, 777-300,
 Medium: 767, 777-200, A300-600,
 Small: MD90, MD81, MD87, 737, E170, regional jets
 The ratio of fuel efficient aircraft was calculated by excluding turboprop aircrafts



*Fuel-efficient aircraft = 777, 737-800, E170

E170 = Embraer170 *BN2B = Britain Norman BN-2B



Japan Airlines Corporation