

Japan Airlines Corporation

Comparative Non-Consolidated Balance Sheets

	March 31, 2007	September 30, 2007	Change	September 30, 2006
		<i>(Millions of yen)</i>		
Assets				
I. Current assets:				
Cash and time deposits	¥ 8,960	¥ 14,956	¥ 5,995	¥ 147,245
Accounts receivable – trade	2,488	3,647	1,159	8,942
Short-term loans receivable from a subsidiary	90,200	84,700	(5,500)	16,005
Current portion of long-term loans receivable from subsidiaries	53,800	60,473	6,672	52,171
Prepaid expenses	50	18	(32)	56
Accounts receivable – other	3,764	12,348	8,584	3,536
Deferred income taxes	7	7	(0)	7
Other current assets	3	38	34	1,950
Total current assets	159,276	176,190	16,914	229,915
II. Fixed assets:				
Tangible fixed assets:				
Furniture and fixtures	28	24	(3)	32
Total tangible fixed assets	28	24	(3)	32
Intangible fixed assets:				
Software	4	3	(1)	8
Other intangible fixed assets	0	0	–	0
Total intangible fixed assets	5	3	(1)	8
Investments:				
Investments in securities	490	461	(28)	249
Investments in subsidiaries and affiliates	213,489	214,254	765	221,394
Long-term loans receivable from subsidiaries	553,669	582,096	28,427	563,334
Deferred income taxes	–	–	–	34
Other investments	72	89	17	62
Total investments	767,721	796,902	29,180	785,075
Total fixed assets	767,754	796,930	29,175	785,116
III. Deferred charges:				
Stock issuance expenses	669	520	(148)	825
Start-up costs	–	–	–	65
Bond issuance expenses	–	–	–	3
Total deferred charges	669	520	(148)	894
Total assets	¥927,700	¥973,641	¥45,941	¥1,015,926

	March 31, 2007	September 30, 2007	Change	September 30, 2006
	<i>(Millions of yen)</i>			
Liabilities				
I. Current liabilities:				
Accounts payable – trade	¥ 240	¥ 120	¥ (120)	¥ 632
Current portion of long-term loans	53,800	60,473	6,672	52,171
Accounts payable – other	1,599	181	(1,417)	1,506
Accrued expenses	2,467	3,629	1,161	2,587
Accrued income taxes	14	12,278	12,264	2,143
Other current liabilities	1,610	469	(1,141)	4
Total current liabilities	<u>59,731</u>	<u>77,152</u>	<u>17,420</u>	<u>59,045</u>
II. Non-current liabilities:				
Bonds	50,229	50,229	–	130,000
Long-term loans	523,669	552,096	28,427	533,334
Deferred income taxes	67	62	(4)	–
Other non-current liabilities	49	24	(25)	52
Total non-current liabilities	<u>574,015</u>	<u>602,412</u>	<u>28,397</u>	<u>663,387</u>
Total liabilities	<u>633,747</u>	<u>679,565</u>	<u>45,818</u>	<u>722,433</u>
Net assets				
I. Stockholders' equity:				
Common stock	174,250	174,250	–	174,250
Capital surplus:				
Additional paid-in capital	111,503	111,503	–	111,503
Retained earnings:				
Other retained earnings:				
Unappropriated retained earnings	8,718	8,902	183	8,377
Common stock in treasury, at cost	(661)	(704)	(43)	(638)
Total stockholders' equity	<u>293,810</u>	<u>293,951</u>	<u>140</u>	<u>293,493</u>
II. Valuation, translation and other:				
Unrealized gain on other securities, net of taxes	142	125	(17)	–
Total valuation, translation and other	<u>142</u>	<u>125</u>	<u>(17)</u>	<u>–</u>
Total net assets	<u>293,953</u>	<u>294,076</u>	<u>123</u>	<u>293,493</u>
 Total liabilities and net assets	 <u>¥927,700</u>	 <u>¥973,641</u>	 <u>¥45,941</u>	 <u>¥1,015,926</u>

Japan Airlines Corporation

Comparative Non-Consolidated Statements of Income

	Six months ended September 30, 2006	Six months ended September 30, 2007	Change	Year ended March 31, 2007
	<i>(Millions of yen)</i>			
Operating revenues	¥15,920	¥7,570	¥ (8,349)	¥21,808
Cost of operating revenues	4,623	6,303	1,680	9,449
Gross profit	11,297	1,267	(10,030)	12,359
Selling, general and administrative expenses	2,734	1,068	(1,666)	3,764
Operating income	8,562	198	(8,363)	8,594
Non-operating income:				
Interest income and dividends	95	226	131	354
Other non-operating income	55	23	(31)	57
Total non-operating income	150	250	99	411
Non-operating expenses:				
Amortization of stock issuance expenses	75	148	73	223
Amortization of start-up costs	65	—	(65)	130
Other non-operating expenses	66	37	(29)	79
Total non-operating expenses	206	186	(20)	432
Ordinary income	8,506	262	(8,243)	8,573
Extraordinary profit:				
Gain on sales of investments in subsidiaries	—	—	—	503
Total extraordinary profit	—	—	—	503
Income before income taxes	8,506	262	(8,243)	9,077
Income taxes – current	32	64	32	249
Income taxes – deferred	81	7	(73)	85
Net income	¥ 8,392	¥ 190	¥ (8,202)	¥ 8,742

Japan Airlines Corporation

Non-Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2006

	Stockholders' equity					
	Capital surplus				Retained earnings	
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Unappropriated retained earnings	
					(accumulated deficit)	
<i>(Millions of yen)</i>						
Balance at March 31, 2006	¥100,000	¥105,069	¥ 63,458	¥ 168,528	¥(131,274)	¥(131,274)
Changes during the six months ended September 30, 2006:						
Issuance of common stock	74,250	74,250		74,250		
Transfer from capital surplus to accumulated deficit in accordance with a resolution approving elimination of deficit		(67,815)	(63,458)	(131,274)	131,274	131,274
Net income for the six months ended September 30, 2006					8,392	8,392
Purchases of common stock in treasury						
Sales of common stock in treasury					(14)	(14)
Total changes	74,250	6,434	(63,458)	(57,024)	139,652	139,652
Balance at September 30, 2006	¥174,250	¥111,503	¥ —	¥ 111,503	¥ 8,377	¥ 8,377

	Stockholders' equity		
	Common stock in treasury, at cost	Total stockholders' equity	Total net assets
	<i>(Millions of yen)</i>		
Balance at March 31, 2006	¥(659)	¥136,593	¥136,593
Changes during the six months ended September 30, 2006:			
Issuance of common stock		148,500	148,500
Transfer from capital surplus to accumulated deficit in accordance with a resolution approving elimination of deficit		—	—
Net income for the six months ended September 30, 2006		8,392	8,392
Purchases of common stock in treasury	(63)	(63)	(63)
Sales of common stock in treasury	85	70	70
Total changes	21	156,899	156,899
Balance at September 30, 2006	¥(638)	¥293,493	¥293,493

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Non-Consolidated Statements of Changes in Net Assets (continued)

For the six months ended September 30, 2007

	Stockholders' equity						
	Capital surplus			Retained earnings		Common stock in treasury, at cost	Total stockholders' equity
	Common stock	Additional paid-in capital	Total capital surplus	Other retained earnings			
				Unappropriated retained earnings	Total retained earnings		
<i>(Millions of yen)</i>							
Balance at March 31, 2007	¥174,250	¥111,503	¥111,503	¥8,718	¥8,718	¥(661)	¥293,810
Changes during the six months ended September 30, 2007:							
Net income for the six months ended September 30, 2007				190	190		190
Purchases of common stock in treasury						(84)	(84)
Sales of common stock in treasury				(6)	(6)	41	34
Changes other than stockholders' equity, net							
Total changes	—	—	—	183	183	(43)	140
Balance at September 30, 2007	¥174,250	¥111,503	¥111,503	¥8,902	¥8,902	¥(704)	¥293,951

	Valuation, translation and other		
	Unrealized gain on other securities, net of taxes	Total valuation, translation and other	Total net assets
			<i>(Millions of yen)</i>
Balance at March 31, 2007	¥142	¥142	¥293,953
Changes during the six months ended September 30, 2007:			
Net income for the six months ended September 30, 2007			190
Purchases of common stock in treasury			(84)
Sales of common stock in treasury			34
Changes other than stockholders' equity, net	(17)	(17)	(17)
Total changes	(17)	(17)	123
Balance at September 30, 2007	¥125	¥125	¥294,076

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Non-Consolidated Statements of Changes in Net Assets (continued)

For the year ended March 31, 2007

	Stockholders' equity					
	Capital surplus				Retained earnings	
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Unappropriated retained earnings (accumulated deficit)	
<i>(Millions of yen)</i>						
Balance at March 31, 2006	¥100,000	¥105,069	¥ 63,458	¥ 168,528	¥(131,274)	¥(131,274)
Changes during the year ended March 31, 2007:						
Issuance of common stock	74,250	74,250		74,250		
Transfer from capital surplus to accumulated deficit in accordance with a resolution approving elimination of deficit		(67,815)	(63,458)	(131,274)	131,274	131,274
Net income for the year ended March 31, 2007					8,742	8,742
Purchases of common stock in treasury						
Sales of common stock in treasury					(24)	(24)
Changes other than stockholders' equity, net						
Total changes	74,250	6,434	(63,458)	(57,024)	139,993	139,993
Balance at March 31, 2007	¥174,250	¥111,503	¥ —	¥ 111,503	¥ 8,718	¥ 8,718

	Stockholders' equity		Valuation, translation and other		
	Common stock in treasury, at cost	Total stockholders' equity	Unrealized gain on other securities, net of taxes	Total valuation, translation and other	Total net assets
	(Millions of yen)				
Balance at March 31, 2006	¥(659)	¥136,593	¥ —	¥ —	¥136,593
Changes during the year ended March 31, 2007:					
Issuance of common stock		148,500			148,500
Transfer from capital surplus to accumulated deficit in accordance with a resolution approving elimination of deficit		—			—
Net income for the year ended March 31, 2007		8,742			8,742
Purchases of common stock in treasury	(130)	(130)			(130)
Sales of common stock in treasury	129	105			105
Changes other than stockholders' equity, net			142	142	142
Total changes	(1)	157,217	142	142	157,359
Balance at March 31, 2007	¥(661)	¥293,810	¥142	¥142	¥293,953