

Japan Airlines Corporation

Comparative Non-Consolidated Balance Sheets

March 31, 2007 and 2008

	2007	2008	Change
	(Millions of yen)		
Assets			
I. Current assets:			
Cash and time deposits	¥ 8,960	¥ 166,450	¥157,489
Accounts receivable – trade	2,488	2,365	(122)
Short-term loans receivable from a subsidiary	90,200	86,871	(3,329)
Current portion of long-term loans receivable from a subsidiary	53,800	79,292	25,492
Prepaid expenses	50	19	(30)
Accounts receivable – other	3,764	5,368	1,604
Deferred income taxes	7	12	4
Other current assets	3	52	48
Total current assets	159,276	340,433	181,157
II. Fixed assets:			
Tangible fixed assets:			
Furniture and fixtures	28	20	(7)
Total tangible fixed assets	28	20	(7)
Intangible fixed assets:			
Software	4	1	(3)
Other intangible fixed assets	0	0	–
Total intangible fixed assets	5	1	(3)
Investments:			
Investments in securities	490	275	(215)
Investments in subsidiaries and affiliates	213,489	213,210	(278)
Long-term loans receivable from a subsidiary	553,669	545,396	(8,272)
Deferred income taxes	–	20	20
Other investments	72	97	24
Total investments	767,721	758,999	(8,721)
Total fixed assets	767,754	759,022	(8,732)
III. Deferred charges:			
Stock issuance expenses	669	1,933	1,264
Total deferred charges	669	1,933	1,264
Total assets	¥927,700	¥1,101,389	¥173,688

	2007	2008	Change
	<i>(Millions of yen)</i>		
Liabilities			
I. Current liabilities:			
Accounts payable – trade	¥ 240	¥ 146	¥ (93)
Current portion of bonds	–	10,000	10,000
Current portion of long-term loans	53,800	69,292	15,492
Accounts payable – other	1,599	5,427	3,827
Accrued income taxes	14	121	107
Accrued expenses	2,467	2,267	(200)
Other current liabilities	1,610	63	(1,546)
Total current liabilities	59,731	87,318	27,586
II. Non-current liabilities:			
Bonds	50,229	40,229	(10,000)
Long-term loans	523,669	525,396	1,727
Deferred income taxes	67	–	(67)
Other non-current liabilities	49	24	(25)
Total non-current liabilities	574,015	565,649	(8,365)
Total liabilities	633,747	652,968	19,221
Net assets			
I. Stockholders' equity:			
Common stock and preferred stock	174,250	251,000	76,750
Capital surplus:			
Additional paid-in capital	111,503	188,253	76,750
Retained earnings:			
Other retained earnings:			
Unappropriated retained earnings	8,718	9,876	1,157
Common stock in treasury, at cost	(661)	(723)	(62)
Total stockholders' equity	293,810	448,406	154,595
II. Valuation, translation adjustments and other:			
Unrealized gain on other securities, net of taxes	142	15	(127)
Total valuation, translation adjustments and other	142	15	(127)
Total net assets	293,953	448,421	154,467
Total liabilities and net assets	¥927,700	¥1,101,389	¥173,688

Japan Airlines Corporation

Comparative Non-Consolidated Statements of Income

For the years ended March 31, 2007 and 2008

(Millions of yen)

	2007	2008	Change
Operating revenues	¥21,808	¥16,595	¥(5,213)
Cost of operating revenues	9,449	13,061	3,612
Gross profit	12,359	3,533	(8,826)
Selling, general and administrative expenses	3,764	2,441	(1,323)
Operating income	8,594	1,092	(7,502)
Non-operating income:			
Interest income and dividends	354	497	142
Other non-operating income	57	24	(32)
Total non-operating income	411	521	110
Non-operating expenses:			
Amortization of start-up costs	130	-	(130)
Amortization of stock issuance expenses	223	439	216
Other non-operating expenses	79	163	84
Total non-operating expenses	432	602	169
Ordinary income	8,573	1,011	(7,562)
Extraordinary gain:			
Gain on sales of investments in subsidiaries	503	433	(69)
Total extraordinary gain	503	433	(69)
Income before income taxes	9,077	1,445	(7,632)
Income taxes:			
Current	249	282	33
Deferred	85	(4)	(89)
Net income	¥ 8,742	¥ 1,167	¥(7,575)

Japan Airlines Corporation

Non-Consolidated Statements of Changes in Net Assets

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 adjustments and other		
	Common stock in treasury, at cost	Total stockholders' equity	Unrealized gain on other securities, net of taxes	Total valuation, translation adjustments 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

Japan Airlines Corporation

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

For the year ended March 31, 2008

	Stockholders' equity				
	Capital surplus			Retained earnings	
	Common stock and preferred stock	Additional paid-in capital	Total capital surplus	Other retained earnings	Total retained earnings
				Unappropriated retained earnings	
	(Millions of yen)				
Balance at March 31, 2007	¥174,250	¥111,503	¥111,503	¥8,718	¥8,718
Changes during the year ended March 31, 2008:					
Issuance of preferred stock	76,750	76,750	76,750		
Net income for the year ended March 31, 2008				1,167	1,167
Purchases of common stock in treasury					
Sales of common stock in treasury				(9)	(9)
Changes other than stockholders' equity, net					
Total changes	76,750	76,750	76,750	1,157	1,157
Balance at March 31, 2008	¥251,000	¥188,253	¥188,253	¥9,876	¥9,876

	Stockholders' equity		Valuation, translation adjustments and other		
	Common stock in treasury, at cost	Total stockholders' equity	Unrealized gain on other securities, net of taxes	Total valuation, translation adjustments and other	Total net assets
	(Millions of yen)				
Balance at March 31, 2007	¥(661)	¥293,810	¥ 142	¥ 142	¥293,953
Changes during the year ended March 31, 2008:					
Issuance of preferred stock		153,500			153,500
Net income for the year ended March 31, 2008		1,167			1,167
Purchases of common stock in treasury	(139)	(139)			(139)
Sales of common stock in treasury	77	67			67
Changes other than stockholders' equity, net			(127)	(127)	(127)
Total changes	(62)	154,595	(127)	(127)	154,467
Balance at March 31, 2008	¥(723)	¥448,406	¥ 15	¥ 15	¥448,421