November 13, 2009

Summary of Consolidated Business Results of Japan Airlines Corporation and Consolidated Subsidiaries for the six months ended September 30, 2009

Company Name: Japan Airlines Corporation
Security Code: 9205
Listings: Tokyo, Osaka and Nagoya Stock Exchanges
URL: http://www.jal.com/ja
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Scheduled date for filing the quarterly Financial Report for the six months ended September 30, 2009: November 13, 2009
Scheduled date for starting payment of Dividends: ―

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2009(April 1, 2009 to September 30, 2009)

(1) Consolidated Operating Results

(Notes) Percentage figures shown year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2009 second quarter	763,953	-28.8	-95,793	―	-114,449	―	-131,217	―
FY2008 second quarter	1,073,597	―	30,229	―	18,023	―	36,674	―

	Net income per share	Diluted net income per share
	yen	yen
FY2009 second quarter	-48.08	―
FY2008 second quarter	13.44	10.86

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio excluding minority interests	Net assets per share excluding minority interests
	million yen	million yen	%	yen
FY2009 second quarter	1,682,719	159,268	8.2	-5.85
FY2008 ended Mar. 2009	1,750,679	196,771	10.0	5.44

(Reference) Net assets excluding minority interest;
As of September 30, 2009: 137,530 million yen
As of March 31, 2009: 174,656 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY2008	―	―	―	0.00	0.00
FY2009	―				
FY2009(Forecast)		―	―	0.00	0.00

(Note1) Changes of the forecasted amounts of dividends announced on May 12, 2009:
(Note2) Refer to page 2 of this document regarding the information of preferred stock.

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2010(April 1, 2009 to March 31, 2010)

(Note) Changes of the Consolidated Forecast announced on August 7, 2009: Yes
Currently, as it is difficult to forecast future performance, we withdrew the full-year consolidated performance forecast which was announced on August 7, 2009. (See item 1. of “*Explanation concerning appropriate use of performance forecast, Other mattes to be noted.”)

4. Others

(1) Significant changes with respect to the important subsidiaries during the six months ended September 30, 2009
(Such as inclusion or exclusion of specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Adoption of simplified accounting methods or special accounting methods that can be applied to quarterly consolidated financial reports: None

(3) Changes of accounting policies, procedures and presentations applied to consolidated financial statements
(Matters described in significant changes in the basis of consolidated financial statements)

(a) Changes to reflect amendments of accounting standards and related matters: None
(b) Changes other than (a): None

(4) Number of shares issued (common stock)

(a) Total number of the shares issued at the end of the period (including treasury stock)
As of September 30, 2009: 2,732,383,250
As of March 31, 2009: 2,732,383,250

(b) Number of treasury stock at the end of the period
As of September 30, 2009: 3,488,492
As of March 31, 2009: 3,309,457

(c) Average number of shares outstanding
During the six months ended September 30, 2009: 2,728,961,141
During the six months ended September 30, 2008: 2,729,299,748

*Explanation concerning appropriate use of performance forecast, other matters to be noted

1. With respect to the full-year consolidated performance forecast, please see the "Announcement of Amendment to the Performance Forecast and the Dividend Forecast" dated today (November 13, 2009).

2. The statements concerning the future such as performance forecast stated herein are based on information currently available to us and certain conditions determined as reasonable, and the actual performance, etc. may drastically differ due to various factors.

5. Status of the Dividends for Class Shares

The breakdown of the dividends per share concerning class shares which have different rights than those of the common stock are as follows:

	Dividend per share				
(Record date)	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full year
Class A Shares	yen	yen	yen	yen	yen
Fiscal year ending in March 2009	—	—	—	10.27	10.27
Fiscal year ending in March 2010	—				—
Fiscal year ending in March 2010(forecast)		—	—	—	

(Note) Though we establish March 31 of each year as the record date for dividends in the articles of incorporation, currently, the amount of the dividend forecast concerning class shares as of such record date (March 31, 2010) is not determined yet. (See item 3. of "*Explanation concerning appropriate use of performance forecast, Other mattes to be noted.")

*Explanation concerning appropriate use of performance forecast, other matters to be noted

3. Currently, it is not decided whether the year-end dividends for class shares will be paid. For details, please see the "Announcement of Amendment to the Performance Forecast and the Dividend Forecast" dated today (November 13, 2009).

Qualitative Information and Financial Statements

1. Qualitative Information concerning the Consolidated Financial Results

(1) Overview of Business Performance

In the world economy to the end of the second quarter (the six months from April 1 to September 30, 2009) of the current fiscal year, Asia experienced an economic recovery under the impact of economic stimulus measures, particularly China. Meanwhile in the U.S. and Europe, the pace of economic contraction eased gradually, though the economies remained in retreat.

In the Japanese economy, there were signs of a modest recovery buoyed by economic measures, the end of the inventory-adjustment cycle, and the bottoming-out of exports, amongst others. Nevertheless, sluggish corporate earnings caused capital investment to remain weak, and the employment situation deteriorated rapidly. Overall, the domestic economic situation remained difficult throughout the reporting period.

The operating environment of the JAL Group remained extremely harsh. Primarily as a result of the persistent economic sluggishness both domestically and internationally, demand for both business travel and air cargo transportation decreased substantially year-on-year throughout the first half. Tourist demand was also severely impacted, despite the impetus from spot demand during the Silver Week holiday period in September, suffering both from the economic downturn and the global spread of the H1N1 influenza, etc.

Under such circumstances, on October 29, the JAL Group requested the Enterprise Turnaround Initiative Corporation of Japan ("ETIC") that it initiates preliminary consultation to decide whether ETIC would support the restructuring of JAL Group or not. Today (November 13, 2009), the JAL Group also applied for the "certified alternative dispute resolution procedure as prescribed in the Act on Special Measures for Revitalization of Industrial Vitality and Innovation of Industrial Activities" (the "Turnaround ADR Procedure"). The JAL Group will finalize, at the earliest time possible, the proposed business revitalization plan which will be accepted by the parties concerned, and shall put forth its best efforts for reconstructing the businesses of the JAL Group.

With regard to safety, which is the very bedrock of the JAL Group's existence, the FY2009 Corporate Business Plan defines the pillars of the safety measures as the promotion of a safety management system and the establishment of a safety culture. We will ensure that individual safety measures permeate the organization extensively, the JAL Group's desired form of safety management is embedded, the Group's crisis-management capabilities continually improve, and aviation safety is firmly maintained.

The JAL Group also regards environment-conscious behavior as an important management issue, and has been proactively addressing this issue, such as reducing the amount of CO2 emitted from its aircraft. Recent examples are the introduction of new aircraft operating methods; in May 2009 JAL became the first airline to adopt CDA (Continuous Descent Arrival), a landing technique that reduces fuel consumption, at Kansai International Airport, and in June it started UPR (User Preferred Routes), which shortens flying time and cuts CO2 emissions, on Australian routes as well as routes to Hawaii. In July we conducted a "window shade closing" exercise to stop cabin temperatures from rising when aircraft are parked on the ground. This contributed to reducing the operating time of air conditioning systems. This was seen to have a major impact, and hence the practice will be made more widespread. Then August 2009 saw the introduction of our second Eco

Jet, this time on international routes following the first Eco Jet operated on domestic routes last summer. Our airline group also became the first in Asia to provide wine in lightweight, recyclable PET bottles. Another example in July was the selection of JAL travel coupons, which customers can receive in exchange for Eco-Points acquired when buying energy-saving electrical appliances. Some of the exchanged points will be donated to environment-preservation activities. The JAL Group will continue to implement various environmental projects to promote symbiosis with nature and pass on a rich environment to future generations.

The JAL Group has been doing its utmost to improve profitability through ongoing route restructuring, including flight suspensions and reductions, cost-cutting in every possible area, and enhancement of product competitiveness, etc. Nevertheless, the unprecedented global economic downturn and the H1N1 influenza, amongst others, caused earnings to falter, with the result that performance in the first half was considerably below its year-earlier level and our initial forecast.

Consolidated operating revenues in the six-month period fell by ¥309.6 billion year-on-year to ¥763.9 billion. On the other hand, operating expenses fell in almost all categories year-on-year by ¥183.6 billion in total to ¥859.7 billion, owing to the ongoing intensified implementation of no-holds-barred cost-cutting measures and cost structure reforms. Consequently, we recorded an operating loss of ¥95.7 billion compared with an operating income of ¥30.2 billion in the previous first half, an ordinary loss of ¥114.4 billion compared with an ordinary income of ¥18.0 billion, and a net loss of ¥131.2 billion compared with a net income of ¥36.6 billion.

(2) Results by Business Segment (prior to adjustments for transactions)

a. Air Transportation Business

International Passenger Operations

In route operations, we further revised routes, frequency and timetables to improve profitability. Specifically, we suspended services on the Kansai–London route and reduced frequency between Narita and New York, Bangkok, Seoul, Beijing, Shanghai, Taipei, and Delhi respectively, and between Kansai and Shanghai and Seoul respectively. To ensure an efficient operating structure for Group operating companies, JAL Express launched operation of small-sized aircraft on some China routes in May.

With regard to the Group's fleet, we switched aircraft from the Boeing 747-400 to 777-200 on the Narita–Sydney route, the Boeing 747-400 to 767-300 on the Narita–Brisbane and Narita–Manila routes, and the 767-300 to 737-800 on the Kansai–Shanghai and Nagoya-Guangzhou routes. These changes marked further progress in aircraft downsizing, designed to enhance operating efficiency by ensuring good matches between capacity and demand.

We also increased code-share flights with partner airlines, expanding code-sharing with Qantas between Singapore and Melbourne, Adelaide, and Perth respectively, with Korean Air on the Shizuoka-Seoul route, and with Air France on the Paris-Istanbul route.

With regard to product strategy, through joint planning with travel agencies we inaugurated 21 charter flights to Europe bound for Scandinavia (Sweden and Norway), central Europe (Croatia, Slovenia, the Czech Republic, etc.), and new destinations, Latvia and Greece.

In the realm of marketing, JAL continued its tradition of offering fares more closely tailored to customer needs in line with deregulation in various countries, including Japan. For example, we introduced business class discount fares available only online (for specific North American, European, and Southeast-Asian routes), business class discount fares to China, and advance-purchase economy class discount fares. In addition, we offered the *Rakuen* Kids Program tailored for family summer holidays in Hawaii and Guam. In July, the Japanese Government began issuing tourist visas to Chinese individuals, which enabled us to take steps to stimulate tourism demand in Japan and overseas by, for example, hosting a welcome ceremony jointly with the Chinese and Japanese tourism authorities. In July we sought to boost foreign tourists to Japan and promote inbound tourism by launching a joint promotional campaign with Central Japan Railway Company, optimizing JAL's international route network and the Tokaido Shinkansen.

Passenger capacity on international routes during the half declined by 11.9% year-on-year when measured by available seat-kilometers, owing to further route restructuring and aircraft downsizing aimed at improving profitability. On the demand side, leisure passenger demand originating in Japan was negatively impacted by the spread of H1N1 influenza, primarily in the first quarter, etc., but the substantial lowering of the fuel surcharge (removed for three months from July to September) and the yen's appreciation, etc. generated an overall year-on-year increase. On the other hand, business demand originating in Japan once again registered a substantial year-on-year decline, hit by the curbing of business trips by companies owing to the economic downturn, etc., while demand originating outside Japan faltered, mainly as a result of worsening economic conditions and the persistent strength of the yen. The net result was that overall demand fell by 11.3% in terms of revenue passenger kilometers, and the passenger load factor was up by 0.4 percentage points year-on-year, to 67.8%.

Revenues were hit by substantial cuts in the fuel surcharge, changes in class-mix caused by stagnant business demand and increased trends to downgrade, and the strong yen, etc. Consequently, there was a 35.5% decline in passenger yield year-on-year and a 42.8% decline in revenue, which fell to ¥225.4 billion.

Domestic Passenger Operations

In domestic passenger operations, we made continuous efforts to improve profitability by reconfiguring routes and pursuing aircraft downsizing. In concrete terms, flights were suspended on the Kansai–Memanbetsu route, operating periods were reduced on the Kansai–Obihiro and Kansai–Kushiro routes, and flights were reduced on the Haneda–Kansai route, while flights were increased on the Haneda-Fukuoka, Narita–Sapporo, and Fukuoka-Sendai routes. We also launched Embraer 170 (E170) on the Fukuoka–Matsuyama route, etc through additional introduction of the strategic regional jets.

With regard to product strategy, April and June marked the first anniversary of highly acclaimed JAL First Class service on the Haneda-Fukuoka and Haneda-Sapporo routes respectively. To mark this milestone, a variety of sales-promotion measures were implemented, including special menus and original goods for the customers.

Marketing measures included the offering of Commemorative Bargain Fares on all domestic routes to coincide with the Japanese Government's payment of fixed-amount cash handouts, and markdowns in Skymate fares. Other steps to stimulate demand included large price-cuts on Senior Citizen Fares for customers aged 65 or more, and the introduction of the new Senior Citizen Stand-

By Fare. To stimulate summer leisure travel demand, JAL conducted a dream-themed summer promotional campaign.

Capacity on JAL Group domestic routes fell by 3.1% year-on-year during the first half in terms of available seat-kilometers, primarily as a result of further route restructuring and aircraft downsizing. Demand was down by 10.1% in terms of revenue passenger kilometers, as both business and leisure passenger demand declined as a result of the adverse economic conditions, compounded by H1N1 influenza outbreaks, etc., causing demand for both individual and group travel to falter. Consequently, the passenger load factor declined by 4.7 percentage points year-on-year to 59.9%.

Revenues suffered a 11.9% decline year-on-year to ¥310.7 billion, as the shift to lower fares, etc. caused passenger yield to decline by 1.9% year-on-year.

Cargo and Mail

In international cargo operations, the pace of the continuing decline of both import and export demand tended to slow down, principally to and from China, but they both remained sluggish against the backdrop of the global economic downturn and the persistent strength of the yen, combined with the Group's capacity cuts. Consequently, performance remained below year-earlier levels on all routes.

In the sphere of route and cargo fleet management, we flexibly used large and medium-sized freighters and cargo space on passenger aircraft, ensuring that we matched the scale of demand through efficient ship scheduling and review of frequency and flight sector. Specifically, from the outset of the period cargo flights were suspended to Manila and reduced to Los Angeles, and freighters were changed on the Narita–Singapore–Bangkok, Narita–Hong Kong, and Narita–Shanghai routes, downsizing from the wide-body 747-400F to the medium-sized 767-300F on all or some flights.

Throughout the first half, we took various steps to improve profitability. For example, in July we extended cargo flights to Los Angeles as far as Chicago, and reduced cargo flights that did not meet certain demand criteria.

In May, JAL announced a business alliance with Mitsui & Co., Ltd. aimed at maximizing the combined functions and capabilities of a trading company and an airline, and providing comprehensive freight transportation and logistics services to a broad spectrum of customers.

We have also been building a good relationship with Nippon Cargo Airlines Co., Ltd. (NCA), including the start of mutual code-sharing of cargo flights in March 2009. In August, we reached an agreement with Nippon Yusen Kaisha (NYK), NCA's parent, to start negotiations on restructuring and integrating cargo operations. This move has the potential to improve both cost-efficiency and convenience, and discussions are continuing with a view to building an internationally competitive structure.

The total capacity for international air cargo transportation fell by 23.8% year-on-year in terms of available cargo ton-kilometers. In terms of demand, there was a 29.1% decline when measured in revenue cargo ton-kilometers as a result of capacity cuts and deteriorating business conditions. International cargo revenue fell by 54.9% to ¥43.0 billion. Despite factors to increase yield (e.g. sales promotion of J PRODUCTS and an increase in the ratio of short-haul routes), the decrease in the fuel surcharge, intensifying competition, the strong yen, and other negative factors caused cargo yield to decline by 36.4% year-on-year. Revenue of international mail services declined by 21.5% from the previous first half to ¥3.5 billion.

Domestic cargo operations underwent capacity cuts in conjunction with route restructuring of passenger flights under worsening economic conditions and a decrease in shipments of perishables and unseasonable weather. These factors, amongst others, caused the total volume of domestic air cargo transportation during the six-month period to fall by 11.2% year-on-year in terms of revenue cargo ton-kilometers, accompanied by a 8.8% decline in revenue to ¥15.9 billion. Revenue from domestic mail operations fell by 26.6%, to ¥1.7 billion.

Fuel costs, which occupy the largest proportion of costs in the air transportation segment, totaled ¥188.2 billion, after taking exchange-rate factors into account, a year-on-year decline of ¥62.7 billion, as a result of various independent fuel-saving measures, as well as the capacity cuts outlined above. With regard to other costs, year-on-year reductions were achieved in almost all categories, including personnel costs and general expenses. This was primarily due to the rigid implementation of ongoing cost-cutting measures in which nothing is treated as off-limits, extensive implementation of cost structure reforms, etc.

As a net result, total operating revenues in the air transportation segment fell by ¥274.8 billion year-on-year to ¥666.9 billion, and operating income declined by ¥122.2 billion to register an operating loss of ¥97.2 billion. (These figures for operating revenues and operating income are after intra-segment eliminations and before intersegment adjustments. A breakdown of operating revenues and transportation results in this segment can be found on pages 20 and 21.)

b. Airline-Related Business

TFK Corporation, an in-flight catering company, suffered declines in both revenue and profit. There was a positive impact from factors such as the operation of newly inaugurated charter flights from Haneda and the increase in the number of domestic routes offering First Class services, but these were outweighed by the impact of the sluggishness of airline demand globally, which depressed passenger numbers and caused airline operators--both the JAL Group and others--to reduce flights and withdraw from routes.

The revenues of the airline-related business segment fell by ¥10.2 billion year-on-year, to ¥98.1 billion, and operating income was down by ¥2.0 million, to ¥ -0.4 billion.

c. Travel Services Business

JALPAK was buoyed by the discontinuation of fuel surcharges in the second quarter and the strength of the yen, but nevertheless it suffered declines in both revenue and profit under the impact of the economic downturn and the global spread of H1N1 influenza.

JAL Tours was hit by persistently sluggish demand under the combined impact of the adverse economic conditions and H1N1 influenza, with the result that passenger numbers for all destinations underwent year-on-year declines, and both revenues and profit fell.

Revenues in this travel services business segment fell by ¥44.0 billion year-on-year, to ¥136.2 billion, and the operating income decreased by ¥0.6 million, to ¥0.3 billion.

d. Credit Card and Leasing Services Business

At JALCard, vigorous market efforts aimed at attracting members were successful in increasing the number of cardholders by some 120,000 from the total at the previous year-end, to 2,375,000.

The capital alliance with Bank of Tokyo-Mitsubishi UFJ in July 2008 led to the spin-off of non-card operations (with JAL Mileage Bank being transferred to the Airline-Related Business segment), which put downward pressure on revenue. The decline in revenue, however, was offset by an increase in revenue resulting from growth in the number of cardholders, which enabled overall revenue to remain at the year-earlier level. In addition, profit increased as a result of cost-cutting efforts.

Revenues in this segment declined by ¥0.4 million year-on-year, to ¥32.7 billion, and operating income increased by ¥0.3 billion, to ¥3.2 billion.

e. Other Businesses

AXESS International Network, which operates reservation systems, suffered declines in income from airline reservation charges and from usage of reservation terminals as a result of factors such as the global weakening in aviation demand and the strength of the yen. In consequence, both revenue and profit decreased.

Hotel operator JAL Hotels was impacted by factors such as lackluster demand for accommodation and entertainment resulting from the sluggish economic conditions globally and the impact of the spread of H1N1 influenza. As a result, the company suffered revenue and profit declines.

As a result, revenues in this segment decreased by ¥6.5 billion year-on-year, to ¥36 billion, and operating income fell by ¥0.9 billion, to ¥ -0.7 million.

2. Qualitative information relating to consolidated financial condition

(1) Assets, liabilities and net assets

Total assets as of the end of the reporting second quarter declined by ¥67.9 billion to ¥1,682.7 billion due to declines of ¥47.6 billion in current assets and ¥19.9 billion in non-current assets from the end of the previous fiscal year.

Total liabilities posted a decrease of ¥30.4 billion from the previous term-end, to ¥1,523.4 billion, mainly owing to a decline in derivatives liabilities.

Net assets posted a decline of ¥37.5 billion from the previous term-end, to ¥159.2 billion. This was due to a decrease in retained earnings accompanying the posting of a net loss for the quarter, which more than offset a major improvement by ¥99.8 billion in the amount of losses on deferred hedge transactions.

(2) Cash flows

Cash flow from operating activities

Net cash used in operating activities came to ¥39.8 billion. This is attributable to a loss before income taxes of ¥125.5 billion adjusted for depreciation and trade payables/receivables.

Cash flow from investing activities

Net cash used in investing activities came to ¥61.9 billion as a result of expenditure on advance payments for new aircraft, and payments for aircraft and aircraft parts.

Cash flow from financing activities

Net cash provided by financing activities amounted to ¥35.1 billion as a cash outflow involving the repayment of long-term loans and the redemption of bonds was more than offset by a cash inflow from new long-term loans.

As a result of the above, cash and cash equivalents as of the end of the reporting quarter stood at ¥94.6 billion.

3. Qualitative information concerning consolidated performance forecasts

The JAL Group is currently formulating the proposed business revitalization plan with the intention of reconstructing the businesses of the JAL Group. However, as agreement regarding the proposed business revitalization plan has not yet been reached between the parties concerned, the proposed business revitalization plan, which will be the basis of the performance forecast, has not been finalized, and it is thus difficult to predict future performance.

Therefore, we withdraw the full-year consolidated performance forecast for the fiscal year ending in March 2010 (from April 1, 2009 through March 31, 2010) which was announced at the announcement of the financial results for the first quarter of the fiscal year ending in March 2010 (August 7, 2009) as stated in the "Announcement of Amendment to the Performance Forecast and the Dividend Forecast" dated today (November 13, 2009). Prompt disclosure is planned as soon as it becomes possible to forecast the future performance.

4. Others

(1) Changes in scope of consolidation

Not applicable.

(2) Employment of simplified accounting method and special accounting method for the preparation of quarterly financial statements

Not applicable.

(3) Changes to accounting standards and special methods for the preparation of quarterly financial statements

Not applicable.

(4) Material facts, etc. concerning the going concern basis

The JAL Group posted an operating loss of 50,884 million yen for the previous consolidated fiscal year and also posted an operating loss of 95,793 million yen for the successive first and second quarters due to decrease in sales, and thus there exists challenges in repayment of the loans pursuant to applicable terms and conditions. In the circumstances above, there exists a situation for generating substantial doubt about the going concern assumption.

In order to eliminate or improve the situation, Japan Airlines Corporation, a company required to file consolidated quarterly financial statements, formally submitted an application for the certified alternative dispute resolution procedure as prescribed in the Act on Special Measures for Revitalization of Industrial Vitality and Innovation of Industrial Activities ("Turnaround ADR Procedure"). Also, the JAL Group requested relevant creditor financial institutions to support our revitalization and submitted a proposed business revitalization plan to them. In order to achieve business reconstructing of the JAL Group, we will with the understanding of the parties concerned improve and enhance our profitability.

While the JAL Group requested the Enterprise Turnaround Initiative Corporation of Japan ("ETIC") that it initiates preliminary consultation to decide whether ETIC would support the restructuring of our group or not. The proposed business revitalization plan is not prepared based on considerations made by ETIC and thus it may be amended depending on the forthcoming discussions with ETIC. Though we will implement the proposed business revitalization plan based on the understanding of the parties concerned, the proposed business revitalization plan is not yet approved by and among the parties concerned, and thus there are still substantial uncertainties concerning the going concern assumption.

The consolidated quarterly financial statements were prepared on the going concern assumption, and the impact of the substantial uncertainties concerning the going concern assumption were not reflected in the consolidated quarterly financial statements.

5. Consolidated Financial Statements

(1)Consolidated Balance Sheet as of September 30, 2009 and at March 31, 2009

(Millions of yen)

Account	FY2009 As of September 30, 2009	FY2008 As of March 31, 2009
(Assets)		
Current assets	439,419	487,029
Cash and time deposits	97,588	163,696
Notes and accounts receivable-trade	203,704	170,912
Short-term investments in securities	8,788	9,391
Flight equipment spare parts and supplies, at cost	73,268	81,857
Other	58,881	63,862
Less: Allowance for doubtful accounts	-2,813	-2,690
Fixed assets	1,242,589	1,262,580
Tangible fixed assets	1,026,833	1,031,021
Flight equipment	749,312	723,590
Other tangible fixed assets	277,520	307,431
Intangible assets	74,664	79,548
Investments	141,092	152,010
Deferred charges	709	1,068
Total assets	1,682,719	1,750,679

(Millions of yen)

Account	FY2009 As of September 30, 2009	FY2008 As of March 31, 2009
(Liabilities)		
Current liabilities	667,168	649,897
Accounts payable-trade	202,589	190,045
Short-term borrowings	21,785	2,911
Current portion of bonds	17,000	52,000
Current portion of long-term debts	181,410	128,426
Accrued income taxes	3,018	1,521
Allowance	2,706	1,964
Other current liabilities	238,658	273,027
Non-current liabilities	856,281	904,010
Bonds	50,229	50,229
Long-term debts	572,434	567,963
Accrued pension and severance costs	95,488	94,911
Reserve for loss on antitrust litigation	5,157	5,083
Other non-current liabilities	132,973	185,822
Total liabilities	1,523,450	1,553,907
(Net assets)		
Stockholders' equity	246,457	384,014
Common stock and preferred stock	251,000	251,000
Capital surplus	155,800	155,806
Retained earnings	-159,397	-21,874
Common stock in treasury, at cost	-945	-917
Valuation, translation adjustments and other	-108,926	-209,358
Net unrealized gain on other securities, net of taxes	-355	-1,440
Net unrealized gain on hedging instruments, net of taxes	-101,962	-201,816
Translation adjustments	-6,608	-6,101
Minority interests	21,737	22,115
Total net assets	159,268	196,771
Total liabilities and net assets	1,682,719	1,750,679

(2)Consolidated Statements of Operations

(Millions of yen)

Account	FY2008 Six months (April 1, 2008 to September 30, 2008)	FY2009 Six months (April 1, 2009 to September 30, 2009)
Operating revenue	1,073,597	736,953
Cost of operating revenues	875,395	729,060
Gross Profit	198,201	34,892
Selling, general and administrative expenses	167,971	130,686
Operating income	30,229	-95,793
Non-operating income	7,682	4,458
Interest income and dividend income	2,617	1,046
Equity in earnings of affiliates	1,042	532
Other non-operating income	4,023	2,878
Non-operating expenses	19,888	23,113
Interest expense	9,030	8,777
Loss on sales and disposal of flight equipment	4,828	–
Other non-operating expenses	6,029	14,336
Ordinary income	18,023	-114,449
Extraordinary gain	42,888	1,403
Compensation	–	792
Gain on sales of investments in securities	17,906	317
Gain from licensing card-related usage rights	23,426	–
Other extraordinary gain	1,554	293
Extraordinary loss	14,229	12,533
Loss on impairment of fixed assets	–	5,296
Loss recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan, net	8,798	–
Other extraordinary loss	5,431	7,237
Income before income taxes and minority interests	46,682	-125,579
Income taxes	9,276	5,180
Minority interests	731	457
Net income	36,674	-131,217

(2)Consolidated Statements of Operations

(Millions of yen)

Account	FY2008 second quarter (July 1, 2008 to September 30, 2008)	FY2009 second quarter (July 1, 2009 to September 30, 2009)
Operating revenue	583,260	429,058
Cost of operating revenues	471,075	371,661
Gross Profit	112,184	57,397
Selling, general and administrative expenses	85,869	67,085
Operating income	26,314	-9,688
Non-operating income	4,007	2,462
Interest income and dividend income	1,241	422
Equity in earnings of affiliates	391	259
Other non-operating income	2,375	1,780
Non-operating expenses	13,050	13,255
Interest expense	4,454	4,845
Loss on revaluation of flight equipment spare parts and supplies	-	4,567
Loss on sales and disposal of flight equipment	3,629	-
Other non-operating expenses	4,967	3,842
Ordinary income	17,271	-20,481
Extraordinary gain	42,592	548
Compensation	-	259
Gain recognized upon termination of benefit obligation of welfare pension fund plan	-	169
Gain from licensing card-related usage rights	23,426	-
Gain on sales of investments in securities	17,906	-
Other extraordinary gain	1,258	118
Extraordinary loss	11,062	6,918
Loss on impairment of fixed assets	-	3,935
Special termination benefits	-	1,634
Loss recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan, net	8,798	-
Other extraordinary loss	2,264	1,348
Income before income taxes and minority interests	48,801	-26,851
Income taxes	7,526	4,217
Minority interests	1,185	1,112
Net income	40,089	-32,181

(3)Consolidated Statements of Cash Flows

(Millions of yen)

Account	FY2008 second quarter (April 1, 2008 to September 30, 2008)	FY2009 second quarter (April 1, 2009 to September 30, 2009)
(Operating activities)		
Income (loss) before income taxes and minority interests	46,682	-125,579
Depreciation and amortization	57,724	57,670
Gain and loss on sales of short-term investments in securities and investments in securities, net	-	1,077
Gain and loss on revaluation of short-term investments in securities and investments in securities, net	-	32
Gain and loss on sales and revaluation of short-term investments in securities and investments in securities, net	-17,876	-
Gain and loss on sales and disposal of fixed assets and loss on impairment of fixed assets, net	6,188	8,666
Net reversal for accrued pension and severance costs	-1,157	574
Interest and dividend income	-2,617	-1,046
Interest expense	9,030	8,777
Exchange loss, net(gain)	2,845	-1,894
Equity in earnings of affiliates	-1,042	-532
Gain from licensing card-related usage rights	-23,426	-
Decrease (increase) in notes and accounts receivable-trade	-30,606	-32,743
Decrease (increase) in supplies	-2,055	8,001
Increase (decrease) in accounts payable-trade	17,453	12,807
Other	15,962	31,468
Sub-total	77,105	-32,719
Interest and dividends received	2,647	1,335
Interest paid	-9,385	-8,890
Proceeds from gain from licensing card-related usage rights	23,426	-
Income taxes paid	-3,231	442
Net cash provided by operating activities	90,563	-39,832
(Investing activities)		
Purchases of time deposit	-116,166	-3,109
Proceeds from maturity of time deposit	811	2,813
Purchases of fixed assets	-110,808	-74,006
Proceeds from sales of fixed assets	19,309	9,129
Purchases of short-term investments in securities	-31,977	-5
Purchases of investments in securities	-4,375	-856
Proceeds from sales and maturity of investments in securities	22,330	4,732
Payments for sales of consolidated subsidiaries resulting in change in scope of consolidation	-295	-
Loans receivable made	-1,280	-1,887
Collection of loans receivable	833	921
Other	616	309
Net cash used in investing activities	-221,003	-61,959
(Financing activities)		
Increase(decrease) in short-term borrowings, net	440	18,321
Proceeds from long-term loans	44,719	117,690
Repayment of long-term loans	-70,730	-58,247
Redemption of bonds	-18,000	-35,000
Dividends	-	-6,306
Dividends paid to minority interests	-206	-108
Other	-1,322	-1,193
Net cash (used in) provided by financing activities	-45,099	35,156
Effect of exchange rate changes on cash and cash equivalents	-3,333	-687
Net decrease in cash and cash equivalents	-178,873	-67,323
Cash and cash equivalents at beginning of year	354,037	161,751
Increase in cash and cash equivalents resulting from inclusion of subsidiaries	-	251
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-235	-1
Cash and cash equivalents at end of year	174,928	94,679

(4) Notes Concerning the Going Concern Assumption

The JAL Group posted an operating loss of 50,884 million yen for the previous consolidated fiscal year and also posted an operating loss of 95,793 million yen for the successive first and second quarters due to decrease in sales, and thus there exists challenges in repayment of the loans pursuant to applicable terms and conditions. In the circumstances above, there exists a situation for generating substantial doubt about the going concern assumption.

In order to eliminate or improve the situation, Japan Airlines Corporation, a company required to file consolidated quarterly financial statements, formally submitted an application for the certified alternative dispute resolution procedure as prescribed in the Act on Special Measures for Revitalization of Industrial Vitality and Innovation of Industrial Activities ("Turnaround ADR Procedure"). Also, the JAL Group requested relevant creditor financial institutions to support our revitalization and submitted a proposed business revitalization plan to them. In order to achieve business reconstructing of the JAL Group, we will with the understanding of the parties concerned improve and enhance our profitability.

While the JAL Group requested the Enterprise Turnaround Initiative Corporation of Japan ("ETIC") that it initiates preliminary consultation to decide whether ETIC would support the restructuring of our group or not. The proposed business revitalization plan is not prepared based on considerations made by ETIC and thus it may be amended depending on the forthcoming discussions with ETIC. Though we will implement the proposed business revitalization plan based on the understanding of the parties concerned, the proposed business revitalization plan is not yet approved by and among the parties concerned, and thus there are still substantial uncertainties concerning the going concern assumption.

The consolidated quarterly financial statements were prepared on the going concern assumption, and the impact of the substantial uncertainties concerning the going concern assumption were not reflected in the consolidated quarterly financial statements.

(5) Segment Information

1) Business segment information

FY2008 second quarter (July 1, 2008 to September 30, 2008) (Unit: million yen)

	Air Transportation	Airline-related	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consolidated
Operating revenues								
(1)Sales to third parties	455,652	9,650	99,361	4,711	13,883	583,260	―	583,260
(2)Inter-group sales and transfers	57,964	45,973	1,086	10,926	8,131	124,083	-124,083	―
Total	513,617	55,623	100,448	15,638	22,015	707,343	-124,083	583,260
Operating income	21,590	1,218	2,299	1,360	93	26,563	-249	26,314

FY2009 second quarter (July 1, 2009 to September 30, 2009) (Unit: million yen)

	Air Transportation	Airline-related	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consolidated
Operating revenues								
(1)Sales to third parties	326,259	7,835	79,357	4,900	10,705	429,058	―	429,058
(2)Inter-group sales and transfers	49,717	42,165	1,023	11,963	6,583	111,452	-111,452	―
Total	375,976	50,000	80,381	16,864	17,288	540,510	-111,452	429,058
Operating income	-13,020	381	2,279	1,915	-637	-9,081	-607	-9,688

FY2008 Six months (April 1, 2008 to September 30, 2008) (Unit: million yen)

	Air Transportation	Airline-related	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consolidated
Operating revenues								
(1)Sales to third parties	841,220	18,121	178,303	9,504	26,446	1,073,597	―	1,073,597
(2)Inter-group sales and transfers	100,583	90,218	1,918	23,690	16,079	232,490	-232,490	―
Total	941,804	108,340	180,222	33,195	42,525	1,306,087	-232,490	1,073,597
Operating income	24,969	1,607	930	2,918	211	30,637	-407	30,229

FY2009 Six months (April 1, 2009 to September 30, 2009) (Unit: million yen)

	Air Transportation	Airline-related	Travel services	Card and lease operations	Other	Total	General corporate assets and intercompany eliminations	Consolidated
Operating revenues								
(1)Sales to third parties	582,528	14,579	134,626	9,913	22,304	763,953	―	763,953
(2)Inter-group sales and transfers	84,431	83,555	1,583	22,862	13,702	206,135	-206,135	―
Total	666,959	98,135	136,210	32,776	36,006	970,089	-206,135	763,953
Operating income	-97,264	-465	314	3,237	-720	-94,899	-894	-95,793

Notes

1. Business segmentation has been determined for internal management purposes.
2. Trading business and hotel and resort operations have been included in “Other”.

2) Geographic segment information

Geographic segment information is not required to be disclosed in accordance with accounting principle generally accepted in Japan because total operating revenues from operations in Japan represented more than 90% of consolidated operating revenue for the six months ended September 30, 2009 and 2008 and for the three months ended September 30, 2009 and 2008 respectively.

3) Operating revenues from overseas operations

FY2008 second quarter (July 1, 2008 to September 30, 2008)

	Asia and Oceania	North and South America	Europe	Total
Operating revenues from overseas operations	million yen 130,048	million yen 84,062	million yen 62,190	million yen 276,301
Consolidated operating revenues				million yen 583,260
Operating revenues from overseas operations as a percentage of consolidated operating revenues	% 22.3	% 14.4	% 10.7	% 47.4

Notes

1. Operating revenues from overseas operations, which include Japan Airlines International Co., Ltd. and JALways Co., Ltd, export sales of domestic subsidiaries and sales of subsidiaries outside Japan are summarized.
2. Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania: China, South Korea, Singapore, India, Australia, Guam

North and South America: U.S.A. (excluding Guam), Canada, Mexico, Brazil

Europe: U.K., France, Germany, Italy

FY2009 second quarter (July 1, 2009 to September 30, 2009)

	Asia and Oceania	North and South America	Europe	Total
Operating revenues from overseas operations	million yen 75,101	million yen 46,906	million yen 35,513	million yen 157,521
Consolidated operating revenues				million yen 429,058
Operating revenues from overseas operations as a percentage of consolidated operating revenues	% 17.5	% 10.9	% 8.3	% 36.7

Notes

1. Operating revenues from overseas operations, which include Japan Airlines International Co., Ltd. and JALways Co., Ltd, export sales of domestic subsidiaries and sales of subsidiaries outside Japan are summarized.
2. Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania: China, South Korea, Singapore, India, Australia, Guam

North and South America: U.S.A. (excluding Guam), Canada, Mexico, Brazil

Europe: U.K., France, Germany, Italy

FY2008 Six months (April 1, 2008 to September 30, 2008)

	Asia and Oceania	North and South America	Europe	Total
Operating revenues from overseas operations	million yen 246,501	million yen 154,777	million yen 117,808	million yen 519,087
Consolidated operating revenues				million yen 1,073,597
Operating revenues from overseas operations as a percentage of consolidated operating revenues	% 23.0	% 14.4	% 11.0	% 48.4

Notes

1. Operating revenues from overseas operations, which include Japan Airlines International Co., Ltd. and JALways Co., Ltd, export sales of domestic subsidiaries and sales of subsidiaries outside Japan are summarized.
2. Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania: China, South Korea, Singapore, India, Australia, Guam

North and South America: U.S.A. (excluding Guam), Canada, Mexico, Brazil

Europe: U.K., France, Germany, Italy

FY2009 Six months (April 1, 2009 to September 30, 2009)

	Asia and Oceania	North and South America	Europe	Total
Operating revenues from overseas operations	million yen 136,093	million yen 82,354	million yen 63,046	million yen 281,494
Consolidated operating revenues				million yen 763,953
Operating revenues from overseas operations as a percentage of consolidated operating revenues	% 17.8	% 10.8	% 8.3	% 36.9

Notes

1. Operating revenues from overseas operations, which include Japan Airlines International Co., Ltd. and JALways Co., Ltd, JAL Express Co., Ltd, export sales of domestic subsidiaries and sales of subsidiaries outside Japan are summarized.
2. Geographical segmentation in based on geographical proximity of the countries and areas.

Asia and Oceania: China, South Korea, Singapore, India, Australia, Guam

North and South America: U.S.A. (excluding Guam), Canada, Mexico, Brazil

Europe: U.K., France, Germany, Italy

Components of Revenues from the Air Transportation Segment

	FY2008 Six months (April 1, 2008 to September 30, 2008)		FY2009 Six months (April 1, 2009 to September 30, 2009)		Change
	Amount (million yen)	Percentage (%)	Amount (million yen)	Percentage (%)	Percentage (%)
International:					
Passenger operations	393,810	41.8	225,435	33.8	57.2
Cargo operations	95,408	10.1	43,052	6.5	45.1
Mail-service operations	4,509	0.5	3,538	0.5	78.5
Luggage operations	843	0.1	815	0.1	96.6
Subtotal	494,572	52.5	272,841	40.9	55.2
Domestic:					
Passenger operations	352,576	37.4	310,726	46.6	88.1
Cargo operations	17,488	1.9	15,953	2.4	91.2
Mail-service operations	2,440	0.3	1,790	0.3	73.4
Luggage operations	154	0.0	168	0.0	109.2
Subtotal	372,659	39.6	328,638	49.3	88.2
Total revenues of international and domestic	867,232	92.1	601,480	90.2	69.4
Other revenues	33,532	3.6	29,939	4.5	89.3
Incidental business revenues	41,039	4.3	35,539	5.3	86.6
Total revenues	941,804	100.0	666,959	100.0	70.8

Note: Amounts rounded down to the nearest million yen, percentages rounded up

(6) Notes regarding significant changes in the amount of stockholders' equity

Not applicable.

Consolidated Traffic Results

	FY2008 Six months	FY2009 Six months	Change
	April 1, 2008 to September 30, 2008	April 1, 2009 to September 30, 2009	Yr/Yr % (load factor:Yr-Yr Pt)
International:			
Number of passengers	6,075,858	5,470,825	90.0
Revenue Passenger-Km(thousand km)	27,493,085	24,382,784	88.7
Available Seat-Km(thousand km)	40,815,887	35,978,799	88.1
Passenger load factor	67.4	67.8	0.4
Revenue Cargo Tons-Km(thousand km)	2,030,594	1,440,448	70.9
Mail Tons-Km(thousand km)	95,259	85,162	89.4
Revenue(total) Tons-Km(thousand km)	4,673,386	3,787,384	81.0
Available Tons-Km(thousand km)	7,289,231	5,903,928	81.0
Weight load factor(*)	64.1	64.2	0.1
Domestic:			
Number of passengers	21,402,602	19,151,154	89.5
Revenue Passenger-Km(thousand km)	16,283,460	14,631,754	89.9
Available Seat-Km(thousand km)	25,215,238	24,443,680	96.9
Passenger load factor	64.6	59.9	-4.7
Revenue Cargo Tons-Km(thousand km)	234,540	208,266	88.8
Mail Tons-Km(thousand km)	15,384	11,356	73.8
Revenue(total) Tons-Km(thousand km)	1,470,212	1,316,080	89.5
Available Tons-Km(thousand km)	3,004,082	2,910,265	96.9
Weight load factor(*)	48.9	45.2	-3.7
Total:			
Number of passengers	27,478,460	24,621,979	89.6
Revenue Passenger-Km(thousand km)	43,776,545	39,014,538	89.1
Available Seat-Km(thousand km)	66,031,125	60,422,479	91.5
Passenger load factor	66.3	64.6	-1.7
Revenue Cargo Tons-Km(thousand km)	2,265,134	1,648,714	72.8
Mail Tons-Km(thousand km)	110,643	96,518	87.2
Revenue(total) Tons-Km(thousand km)	6,143,598	5,103,464	83.1
Available Tons-Km(thousand km)	10,293,313	8,814,193	85.6
Weight load factor(*)	59.7	57.9	-1.8

Notes:

1. International: Japan Airlines International Co., Ltd. + Jalways Co., Ltd. + JAL Express Co., Ltd.
   Domestic: Japan Airlines International Co., Ltd. + Japan Trans Ocean Air Co., Ltd. + Jal Express Co., Ltd. + Japan Air Commuter Co., Ltd. + Hokkaido Air System Co., Ltd. + J Air Co., Ltd. + Ryukyu Air Commuter Co., Ltd.

   With regard to the six months of FY2008 ,
   International: Japan Airlines International Co., Ltd. + Jalways Co., Ltd.
   Domestic: Japan Airlines International Co., Ltd. + Japan Trans Ocean Air Co., Ltd. + Jal Express Co., Ltd. + Japan Air Commuter Co., Ltd. + Hokkaido Air System Co., Ltd. + J Air Co., Ltd. + Ryukyu Air Commuter Co., Ltd.

   (*)Weight load factor: Revenue(total) Tons-Km(thousand km)／Available Tons-Km(thousand km)

2. Amounts rounded down to the nearest million yen, percentages rounded up