(Security code: 9205)
June 6, 2008

Japan Airlines Corporation

4-11, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo, Japan

Notice of the Sixth Annual General Meeting of Shareholders

Dear Shareholder:

This is to inform you that the sixth annual general meeting of shareholders of Japan Airlines Corporation (the Company) will be held in accordance with the schedule indicated below. You are cordially invited to attend.
If you are unable to attend the meeting, you may exercise your voting rights by a written document or via the Internet. In that event, please refer to the Reference Document for Exercising Voting Rights that appears later in this document, and either return the enclosed form for the exercise of voting rights after indicating your approval or disapproval of the proposed resolutions, timed to arrive by 5:55 pm on Tuesday, June 24, 2008, or exercise your voting rights via the Internet by 5:55 pm on Tuesday, June 24, 2008, after referring to the Procedure for the Exercise of Voting Rights via the Internet set out at the end of this document.

1. Date and Time: June 25, 2008 (Wednesday), 10:00 am (Open from 8:30 am)
2. Place: Nippon Budokan, 2-3 Kitanomaru Park, Chiyoda-ku, Tokyo
   Please note that the venue this time is different from last year's venue. A map has been attached to the end of this document for your convenience. Please be sure to come to the Nippon Budokan in Kitanomaru Park on June 25.
3. Objectives of the Meeting
   Reports
   Item 1: Reporting on the business report and consolidated financial statements, and reports on the consolidated financial statements by the independent auditors and the board of corporate auditors for the sixth term (from April 1, 2007, to March 31, 2008)
   Item 2: Reporting on the financial statements for the sixth term (from April 1, 2007, to March 31, 2008)
   Proposed Resolutions
   Item: Election of 15 directors
4. Matters determined upon this convocation
- In the event that voting rights are exercised more than once via the Internet or are exercised more than once by means of a form for the exercise of voting rights, the final exercise of voting rights shall be deemed valid.
- In the event that voting rights are exercised by means of a form for the exercise of voting rights and also via the Internet, the exercise of voting rights via the Internet shall be considered the valid vote, irrespective of the date or time of its arrival.

Sincerely yours,

Haruka Nishimatsu
President

Notes

Please note that the English translation of this Notice of the Sixth Annual General Meeting of Shareholders and all of the attached documents is provided for reference only; Business Report, Balance Sheet (Consolidated and Non-Consolidated), Statement of Operations (Consolidated and Non-Consolidated), Statement of Changes in Net Assets (Consolidated and Non-Consolidated), copy of Report of Independent Auditors (Consolidated and Non-Consolidated), copy of Report of the Board of Corporate Auditors, and Proposed Resolutions and Reference Matter. The official documents are written in Japanese, and in the event of a discrepancy, the Japanese documents shall prevail.
Any amendments to the reference documents for the general meeting of shareholders or to the Company's business report, accounts documents, or consolidated accounts documents will be posted on the Company's website (Address: http://www.jal.com/ja/ir/shareholder/sokai.html).

Business Report (Period from April 1, 2007, to March 31, 2008)

1. Business Overview

(1) Business Performance of the JAL Group

The outlook for the world economy is currently the focus of mounting uncertainty, and concerns of a slowdown have arisen as a result of developments such as the unrest in financial markets sparked by the subprime mortgage loan problem and soaring crude-oil prices. In spite of this, the global economy, particularly in East Asia and Europe, performed steadily overall during the year.

The Japanese economy, meanwhile, sustained a modest recovery overall, in spite of signs of weakness in some indicators such as housing starts. These were offset by factors such as robust exports buoyed by economic expansion overseas, and growth in capital investment.

Amid these circumstances the JAL Group has been implementing its FY2007-2010 Medium-Term Revival Plan (hereinafter referred to as the “Medium-Term Revival Plan”) formulated in February 2007, which is aimed at rebuilding the foundation of Group business and maintaining a stable level of profit in anticipation of the large-scale expansion of Narita International Airport and Tokyo International Airport (Haneda), scheduled for 2010. In line with the plan it is reducing costs across the board, including personnel expenses, and making painstaking efforts to enhance profitability, while always giving utmost priority to ensuring aviation safety. These efforts have been bearing fruit steadily.

With regard to cost, fuel prices (Singapore Kerosene) have remained at all-time highs and even exceeded US$130/barrel temporarily. Nevertheless, steady progress has been made with the implementation of the Medium-Term Revival Plan, including the restructuring of routes and the renewal of the fleet through the introduction of fuel-efficient small and medium-sized aircraft.

In addition, the rise in fuel costs has been curbed substantially by means of exhaustive internal efforts, including reducing the volume of fuel consumption by such means as increasing the frequency of engine cleaning, and by effective fuel-hedging programs. Steps were also taken to reduce personnel costs by continuing a 10% cut in basic wages and by implementing measures that included imposing substantial curbs on employee bonuses, applying a special early-retirement scheme for groundside managerial staff and cabin crew, and reforming retirement benefit schemes.

In April we formally joined the **one**world global alliance of the world's leading quality airlines, and as one of our measures to increase revenues we are deploying a ‘premium strategy’ under the umbrella of the theme "Business & Happiness", mainly targeting business and top-tier passengers. We also established “Corporate Sales Center” that combines domestic and international sales, enhancing convenience for business passengers and strengthening the sales support structure. In parallel with this, we took vigorous steps to cater to tourism demand, including by identifying customer needs accurately and by inaugurating charter flights in and out of Haneda Airport.

We have also been rebuilding non-air transport related business and selling assets, concentrating management resources on the air transportation business with the aim of enhancing the profitability of the Group as a whole.

In addition, to improve our financial position and enhance corporate value, we increased our capital by ¥153.5 billion through the issuance of preferred stock by means of a third party allocation.

To ensure the maintenance of safe aviation we have been conducting study and analysis through the Line Operations Safety Audit (LOSA), a program to monitor daily flight operations, and our flight data analysis program. If any incidents occur that are believed to have resulted from human error, we are making every effort to identify the causes.

We are continuing to use the Safety Promotion Center, which was established in April 2006 as a place to learn from past experience the importance of safety. More than 40,000 people, both staff and the general public, have already visited the center, indicating its ever-increasing importance.

On a consolidated basis (133 consolidated subsidiaries;20 affiliates accounted for by the equity method), the Group's operating revenues declined by 3.1% from the previous year, to ¥2,230.4 billion. This was because the robust performance of the air transportation business was offset by such factors such as last year's partial sale of shares in our former consolidated subsidiary JALUX Inc., which became an affiliate accounted for by the equity method. Operating expenses declined by 6.1% to ¥2,140.4 billion, as soaring aviation-fuel prices were countered by the fact that JALUX became an equity-method affiliate and by vigorous measures to cut costs. Operating income totaled ¥90 billion, and ordinary income came to ¥69.8 billion. Net income totaled ¥16.9 billion as a result of the posting of extraordinary losses in the form of lump-sum retirement payments under the early retirement scheme, reserves set aside for antitrust law investigations conducted by the U.S. and European Union authorities, and impairment losses.

(2) Performance of the JAL Group by Business Segment

International Passenger Operations

In route operations, active steps were taken to revise the numbers of routes and flights with the aim of concentrating resources on high profit and fast-growing routes. Specifically, we increased flights on the New York and Paris routes (summer season), on which there is strong business demand, and also on the Narita-Delhi route, which is showing remarkable growth. We inaugurated a Haneda-Shanghai (Hongqiao) route, and also increased flights on other China routes as well as Vietnam and Russia (summer season) routes. In addition, the Narita arrival and departure timetables were revised to strengthen connection services between East Asia and Europe/North America, thereby enhancing customer convenience. In December we switched the airport we use in Moscow to Domodedovo International Airport, which has modern facilities and an excellent domestic and international hub in Russia.

With regard to the fleet, to counter record-high aviation fuel prices we progressed with downsizing to small and medium-sized aircraft. Of particular note was the boosting of operating efficiency by the introduction in May 2007 of Boeing 737-800s on international routes out of Osaka and Fukuoka. We also bolstered our cost-competitiveness still further by increasing the number of routes operated by JALways, a lower overheads Group airline subsidiary, to the Narita-Ho Chi Minh City route.

In April we formally joined the **one**world global alliance, and through cooperation with other member airlines have been offering an enhanced network and high-quality services.

With regard to service strategy, as part of our Premium strategies we refurbished and reopened our First Class Lounge and Sakura Lounge at Narita Airport in July, and remodeled the First Class and Executive Class check-in counters in December. Customer convenience was further improved by the inauguration of Support Counters, check-in counters dedicated to servicing the needs of priority guests, based on the principle of Universal Design.

On board our flights the JAL Premium Economy service, which provides extra space and comfort compared to our existing economy class, was first introduced on the Tokyo-London route in December 2007 and since then has been extended onto the Frankfurt and Paris routes. This new comfortable private space fitted with the innovatively-design JAL Sky Shell Seat, has received a warm reception from customers.

In the sphere of marketing, we have been vigorously catering to the needs of our corporate clients based in Japan by further enhancing the “JAL Corporate Flight Merit" program, which provides privileges to companies for their overseas business trips. The number of companies enrolled in the program has now doubled to around 1,200.

As a means of stimulating tourist demand, we conducted an autumn Europe promotional campaign, and also expanded the number of routes on which discounted JAL Goku fares can be purchased. Also, in addition to the destinations we normally operate charter flights, such as Hawaii and Palau, we inaugurated charter flights to new destinations such as China, Cambodia, and Croatia, operating a larger number of flights than in the previous year.

Passenger capacity fell by 4.4% as measured by available seat-kilometers, owing to the enhanced efficiency of route operations, but the number of passengers on JAL Group international routes fell by only 0.7%, to 13.36 million passengers. However, revenues increased by 4.1% year-on-year, to ¥754.3 billion, owing to factors such as the growth in business demand and the revision of fares and fuel surcharges.

Domestic Passenger Operations

In domestic passenger operations, we carried out our biggest review of our domestic network since 2002, which included the suspension of 9 under-performing routes. Other steps were taken to enhance profitability in the face of soaring fuel costs included expanding the role of our lower-overheads Group airlines, JAL Express and J-AIR.

Measures such as the introduction of the Boeing 737-800 and decommissioning of MD87s formed part of our renewal of the fleet by shifting to primarily small and medium-size, more fuel-efficient aircraft. These efforts were designed both to enhance passenger comfort and improve profitability.

With regard to product strategy, in December we introduced a first class service on domestic routes for the first time ever. JAL First Class, designed on the concept of "Respecting the passenger's private space and time, with the highest level of service," was inaugurated on the Haneda-Itami (Osaka) route in December 2007. It offers both spacious, comfortable seating and delicious in-flight meals in which only the finest ingredients are used, prepared by high-end restaurants. The service will be extended to the Haneda-Fukuoka in April 2008 and to Haneda-Sapporo routes in June 2008.

In addition, to ensure that customers find service on domestic routes simple, agreeable, and convenient to use, as part of our “time wastage avoidance strategy” we enhanced our JAL Touch & Go service making it possible for passengers to quickly and smoothly board their flight by using two-dimensional barcode technology. This service has been expanded to make it also available to customers other than JAL Mileage Bank (JMB) members.

A number of marketing measures were implemented to counteract the persistent steep rise in fuel costs, including fare increases and increases in the availability periods of “Tokubin (specific flights) discount” fares on some flights. Also, as part of a campaign to increase the number of JAL Mileage Bank members to 20 million, during the summer vacation period we established a new fare system with a provision of additional mileage points in order to stimulate demand.

In addition, as a common mileage partnership strategy with that used for international routes, to increase customer numbers we began issuing partnership cards under a business tie-up with ÆON Co., Ltd.

Despite the implementation of various measures, due to modest increase in overall demand, fare increase ,and reduction in supply capacity, the JAL Group’s total number of domestic passengers fell 4.7% to 41.9 million, while revenue increased 0.3% year-on-year, to ¥677.4 billion.

Cargo and Mail

On international routes there was a year-on-year decline in cargo exports to North America, to which the provision of cargo flights had been reduced, but to China we were successful in obtaining business for exports of semiconductor-manufacturing equipment and other merchandise requiring special handling. To Europe, factors such as the effective use of cargo capacity on passenger flights and improvements in load factors enabled us to achieve a robust performance all year, for example for exports of manufacturing parts to Eastern Europe.

On the import side, cargo originating in China was up year-on-year, but the reverse was true of cargo from the Americas, Europe, and Southeast Asia, the reasons for which included a reduction of supply capacity and the strength of the Euro. Given this slowing of demand for the shipments of cargoes to Japan, we took steps to enhance profitability. These included improving our transportation service by such means as introducing cargo flights with early-morning arrival times, so as to ensure a stable volume of cargo, and through a sales policy of actively meeting demand for cargo shipments to and from other parts of Asia, thereby moving a step forward from our traditional focus on cargoes to and from Japan.

In the sphere of the fleet and route management we used newly introduced Boeing 767 freighters to start on Tianjin and Qingdao routes in July and from the second half of the financial year, we have been giving priority to inaugurating flights to promising growth markets such as Jakarta and Ho Chi Minh City.

However, in response to record-high fuel prices, we are retiring our current fleet of cargo Boeing 747s ahead of schedule. In fiscal 2007, we retired five freighters, and in fiscal 2008 we plan to retire the remaining four.

As a result, the JAL Group’s total cargo transportation volume fell by 3.1% from the previous fiscal year to 4,377.14 million ton-kilometers. Intensified competition and the rapid appreciation of the yen at the start of 2008 onward led operating revenue to decline 1.2% year-on-year, to ¥188.2 billion despite phased upward revisions in our fuel surcharges.

In international mail services, the volume of business originating in Japan, and also primarily in the U.S., remained robust throughout the year.

In domestic cargo operations, demand was below its level in the previous year. The major factors behind this were that capacity was reduced by the reduction of passenger flights and by aircraft downsizing, particularly on trunk routes, and in spite of vigorous use of daytime flights there was a fall in demand for perishable cargo.

Consequently, the total volume of domestic air cargo transportation decreased 1.1% year-on-year, to 396.05 ton-kilometers, while operating revenue slipped 3.7% from the previous year, to ¥2.78 billion.

As in the case of domestic cargo, domestic mail was subject to a decline in capacity as a result of the reduction in the number of passenger flights, and demand for home delivery also fell from the second half, causing business to register a year-on-year decline.

Related Operations

The air transportation-related business achieved revenue growth, due to an increase in new orders for in-flight catering. Meanwhile, sales for our overseas aircraft fuel business reported a decline in revenue, attributable to a decrease in total sales volume and the impact of the yen’s appreciation, which affects yen-denominated accounts.

In the travel services business, the number of passengers traveling overseas showed a declining trend. Although the number of passengers on Southeast Asian and European routes remained steady, passenger traffic to Micronesia and China fell below previous-year levels. As for domestic travel, the number of passengers on flight to Okinawa, and to destinations in Chubu and Kanto regions held firm, but flights to Hokkaido and Kyusyu saw a year-on-year decline in the number of passengers. As a result, the overall number of passengers of domestic travel fell.

Regarding credit card and leasing services business, in the card business the number of cardholders rose thanks to the introduction of the family program and an aggressive campaign to attract new members. Accordingly, revenue from the credit card business increased substantially over the previous term.

In other businesses, we sold off all the hotel assets under our management, and moved to a new business model for hotel management on a commission basis. In addition, we have sold off a portion of our power supply business and airplane fueling operations, and are concentrating our management resources in the air transportation business.

As a result of these developments, revenue from related operations (after consolidation adjustments) fell by 13.7% to ¥604.4 million, which is partially attributable to the change of status of JALUX and AGP Corporation from consolidated subsidiaries to equity-method affiliates through the sale of part of our investments in these companies.

(3) Issues to Be Addressed by the JAL Group

Since FY2001 the JAL Group has been unable to secure profits consistently as a result of a succession of external factors, including the 9/11 terrorist attacks, the SARS (severe acute respiratory syndrome) outbreaks, and steep increases in fuel prices, and also internal factors such as safety-related problems.

Given these difficult circumstances, in February 2008 the JAL Group unveiled its New Medium-Term Revival Plan, which is designed to improve the Group's financial position and put it on a stable growth track, positioning it to grasp the massive business opportunities for the airline industry presented by the expansion of Haneda and Narita Airports and the increase in numbers of available slots from 2010.

The New Medium-Term Revival Plan assumes the same scenario as laid out in the previous Medium-Term Revival Plan. To address the steep rises in fuel prices and other changes in the operating environment, such as the increasing intensity of competition in all business fields, from FY2008 the plan deepens and broadens the fleet strategy, the strategy of using Group airlines, and the measures to reduce personnel costs by such means as raising productivity and reforming the wage system relating to official wages and sundry allowances.

To ensure the maintenance of safety in flight operations, which constitutes the very foundation of the JAL Group, we will continue to put into action the recommendations of the Safety Advisory Group. To that end there will be two constant core safety measures, namely the building and maintenance of a safety management system, and activities to prevent accidents arising as a result of human error. Based on these we will continue to listen to the views of staff in the workplace in every division and further enhance our ability to gather and analyze information, devise countermeasures, and monitor measures already implemented, and make every effort to address cross-sectional issues vigorously and establish a safety culture.

The priorities under the New Medium-Term Revival Plan are to raise profitability by continuing actively to introduce more fuel-efficient small and medium-sized aircraft, reducing fuel costs, and boosting passenger-load factors through aircraft downsizing, at the same time concentrating our resources on high-profit, high-growth routes. In addition, we will build a more efficient Group operating structure by increasing the proportion of flights on both international and domestic routes operated by Group airlines such as JALways and JAL Express.

In addition, we will spotlight high-quality services by such means as the introduction of new First Class seats and new Executive Class seats on international routes, and the expansion of First Class services on domestic routes, so as to enhance the competitiveness of our products and service targeting business and top-tier passengers.

We will also take steps to raise personnel productivity by means of a radical overhaul of business content, processes, business formats, and staff placement. By implementing productivity improvement measures one year ahead of schedule under the previous Medium-Term Revival Plan, we aim by the end of FY2008 to have reduced staff numbers on a consolidated basis by 4,300 compared with March 2007, to a total of 48,800, thereby reducing personnel costs.

We will also continue to concentrate management resources on air transportation business, the JAL Group's core business, and ensure more efficient management of related business within the air transportation business.

In March 2008 JAL issued preferred stock by means of a third party allocation to financial institutions and other companies with which it has long business relationships, and with their cooperation increased its capital by ¥153.5 billion. The proceeds of this placement will strengthen our financial position and be used for capital expenditure and IT investment that will provide customers with greater comfort, convenience, and safety, including investment for enhancing our fleet renewal and domestic IT systems and for introducing next-generation maintenance systems. The New Medium-Term Revival Plan will be put into effect more assuredly and quickly.

To remain the airline of choice for customers, we will further improve our domestic and international networks in line with the vision that "The JAL Group is a global player bridging the world with safety, security and quality as our top priorities," and we will do our utmost to enhance and raise the quality of our products and services from the customer's perspective.

With regard to the international cargo cartel case, Japan Airlines International entered into a plea agreement concerning certain alleged violations of the antitrust laws with the U.S. Department of Justice in April 2008, and agreed on matters such as the payment of a fine. The JAL Group considers this matter with the greatest of seriousness, and will determinedly continue to expand and reinforce its compliance program to ensure that no violations occur in the future.

As a corporate citizen, we endeavor to fulfill our social responsibilities by engaging in economic, environmental, philanthropic, and other activities, in which we attach great importance to our relationships with all stakeholders and hope to repay the community's confidence in us and to meet its expectations of us.

The JAL Group will continue to act in a flexible manner in supplementing and modifying its strategies in light of changes in the domestic and international environment, for example possible further increases in fuel costs, the slowing of the global economy, or the growing severity of the competitive environment. Steps taken could include the revision of business plans or the reform of the cost structure. In this way, we will build a strong corporate fabric that will enable us to generate stable profits in any business environment.

In these endeavors we ask for your continuing understanding and support.

(4) JAL Group Capital Investment

The aggregate amount of capital investment by the JAL Group during the term was ¥202.0 billion, up by 26.2% year-on-year. This comprised ¥160.6 billion of investments in aircraft, up by 41.3%; ¥15.5 billion in ground equipment, down by 28.4%; and ¥25.8 billion in intangible fixed assets, up by 4.6%.

A total of 18 new aircraft were introduced during the term, of which 4 was purchased and 14 were leased. In addition, 1 aircraft was purchased upon the expiry of its lease, 2 were converted from passenger to cargo use, and 17 were decommissioned.

Among aircraft currently on order, 52 were included in the figure for capital investment made during the term, in such forms as prepaid expenses.

(5) JAL Group Fund Procurement

To procure the funds required for the capital investment described above, the Group raised a total of ¥236.2 billion, comprising ¥153.5 billion from a capital increase, and ¥82.7 billion in the form of long-term borrowings.

(6) Sale of JAL Group Companies

1. On November 5, 2007 the Company sold to Mitsubishi Corporation a portion of its investment (3,740,000 shares, accounting for 26.8% of all shares issued and outstanding) in AGP Corporation, thereby making the consolidated subsidiary into an affiliate accounted for by the equity method.
2. On January 31, 2008 the Company sold to Vitol Inc. its entire investment (1,000 shares, accounting for 100% of all shares issued and outstanding) in its consolidated subsidiary Pacific Fuel Trading Corporation.
3. On March 19, 2008 the Company sold to Sanit Co., Ltd. its entire investment (1,000 shares, accounting for 100% of shares issued and outstanding) in its consolidated subsidiary Tomakomai Ryokka Kaihatsu Co., Ltd.
4. On March 19, 2008 the Company sold to Asahi Corporation its entire investment (13,000 shares, accounting for 100% of shares issued and outstanding) in its consolidated subsidiary Asahikawa Resort Development Co., Ltd.

(7) JAL Group Assets and Business Results

Item	3rd term (FY2004)	4th term (FY2005)	5th term (FY2006)	6th term (FY2007)
Operating revenue (¥ million)	2,129,876	2,199,385	2,301,915	2,230,416
Ordinary income (¥ million)	69,805	(41,608)	20,576	69,817
Net income (¥ million)	30,096	(47,243)	(16,267)	(16,921)
Net income per share (¥)	15.24	(23.88)	(6.52)	6.20
Total assets (¥ million)	2,162,654	2,161,240	2,091,233	2,122,784
Net assets (¥ million)	194,746	148,066	331,873	471,070
Net assets per share (¥)	98.34	74.78	113.97	110.08

Notes
1. Parentheses indicate losses.
2. Net income per share is calculated based on the average number of issued shares for the entire term, and net assets per share is calculated based on the number of issued shares at the end of the term. In each case, the number of shares of treasury stock is deducted from the number of issued shares.
3. As of the fifth term the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, Accounting Standards Board, December 9, 2005) and the related Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005) are being applied.

In the third term, the fiscal year to March 2005, amidst a severe business environment caused by a surge in aviation fuel prices we recorded increased revenue owing to factors such as a revision in planned numbers of flights and routes and also in fares. Combined with various successful cost-reduction measures, this brought about an improvement in the balance of income and expenditure, and the Group recorded net income of ¥30 billion.
In the fourth term, the fiscal year to march 2006, we revised our management of international route operations and reformed the cost structure, but were hit by soaring prices of aviation fuel and by a series of safety-related problems that led to the faltering of demand among individual travelers. In consequence, a net loss of ¥47.2 billion was incurred.
In the fifth term, the fiscal year to March 2007, we recovered competitiveness in our air transportation business, thereby realizing ordinary income of ¥20.5 billion. However, a partial reversal of deferred tax assets resulted in the posting of a net loss of ¥16.2 billion for the reporting period.

The situation in the sixth term is described in the preceding section “1. Business Overview (1) Business Performance of the JAL Group."

(8) Status of Major JAL Group Subsidiaries (At March 31, 2008)

Company name	Capital (¥ million)	Ratio of voting rights (%)	Main line of business
Japan Airlines International Co., Ltd.	100,000	100.0	Air transportation
Japan Asia Airways Co., Ltd.	4,310	100.0	Air transportation
JALways Co., Ltd.	3,000	*100.0	Air transportation
Japan Trans Ocean Air Co., Ltd.	4,537	*70.1	Air transportation
JAL EXPRESS Co., Ltd.	2,500	*100.0	Air transportation
Japan Air Commuter Co., Ltd.	300	*60.0	Air transportation
JALPAK Co., Ltd.	900	*78.7	Travel product planning and sales
JAL Tours Co., Ltd.	80	*81.4	Travel product planning and sales
JAL Hotels Co., Ltd.	4,272	*90.7	Hotel management, hotel operation subcontractor

Notes

1. An asterisk (*) indicates the ratio of voting rights, including those held via subsidiaries.
2. On April 1, 2008, Japan Airlines International Co., Ltd. merged with Japan Asia Airways Co., Ltd.; Japan Airlines International Co., Ltd. is the surviving company.
3. As a result of the sale by the Company of its holding of shares, AGP Corporation ceased to be a subsidiary of the Company.

(9) The JAL Group's Principal Activities (At March 31, 2008)

The operation of scheduled and non-scheduled air transportation businesses, aircraft maintenance business, and additional and related business activities

(10) Principal Branch Offices and Service Centers of the JAL Group (At March 31, 2008)

JAL Head office: 4-11, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo

In Japan: Sapporo, Hakodate, Asahikawa, Obihiro, Kushiro, Kitami, Aomori, Akita, Morioka, Yamagata, Sendai, Fukushima, Tokyo, Niigata, Nagoya, Kanazawa, Nagano, Osaka, Wakayama, Kobe, Okayama, Hiroshima, Sanin, Matsuyama, Kochi, Takamatsu, Tokushima, Fukuoka, Yamaguchi-Kitakyushu, Nagasaki, Oita, Kumamoto, Miyazaki, Kagoshima, and Okinawa

Overseas: Seoul, Busan, Beijing, Tianjin, Qingdao, Shanghai, Dalian, Xiamen, Guangzhou, Xian, Hangzhou, Hong Kong, Manila, Bangkok, Hanoi, Ho Chi Minh City, Singapore, Kuala Lumpur, Jakarta, Denpasar, Sydney, Brisbane, Auckland, New Delhi, Moscow, Frankfurt, Amsterdam, London, Paris, Madrid, Milan, Rome, Vienna, Guam, Vancouver, New York, Chicago, Los Angeles, San Francisco, Anchorage, Honolulu, Kona, Mexico City, Sao Paulo, Taipei, and Kaohsiung

Service Centers: Haneda Maintenance Center, Narita Maintenance Center

(11) JAL Group Employees (At March 31, 2008)

Field of operations	Employees
Air transportation	21,343
Airline-related	21,213
Travel services	3,069
Credit card and leasing services	283
Other business	3,292
Total	49,200

Note: Number of employees excludes those seconded to other organizations.

(12) JAL Group Fleet (At March 31, 2008)

Type of aircraft	Number of aircraft	Number of seats or maximum weight loading	Comments
747-400	29	303 to 449 seats	1 is on lease
747LR-SUD	9	437 to 483 seats	
747-400D	8	546 seats	
747-400F	7	110 tons	2 are on lease
747F	4	110 tons	1 is on lease
(Subtotal)	(57)		
777-200	15	375 to 397 seats	2 are on lease
777-300	7	500 seats	All are on lease
777-200ER	11	268, 302 seats	All are on lease
777-300ER	7	272, 292 seats	5 are on lease
(Subtotal)	(40)		
A300-600R	22	290 seats	4 are on lease
767-200	3	207 seats	
767-300	22	232 to 270 seats	6 are on lease
767-300ER	18	234, 237 seats	All are on lease
767-300F	3	52 tons	All are on lease
(Subtotal)	(46)		
MD-90	16	150 seats	
MD-87	2	134 seats	
MD-81	18	163 seats	6 are on lease
(Subtotal)	(36)		
737-400	23	145 to 167 seats	14 are on lease
737-800	10	144, 165 seats	8 are on lease
(Subtotal)	(33)		
DHC 8-400	11	74 seats	8 are on lease
DHC 8-300	1	50 seats	
DHC 8-100	4	39 seats	
(Subtotal)	(16)		
CRJ200	9	50 seats	All are on lease
SAAB 340B	14	36 seats	4 are on lease
BN-2B	2	9 seats	
Total	275		

(13) Principal Creditors of the JAL Group (At March 31, 2008)

Creditor	Loan balance at the end of term (¥ million)
Development Bank of Japan	283,932
Mizuho Corporate Bank, Ltd.	91,821
The Bank of Tokyo-Mitsubishi UFJ, Ltd	90,837
Sumitomo Mitsui Banking Corporation	39,163
Japan Bank for International Cooperation	32,962

(14) Other Matters of Significance with Respect to the Business Performance of the JAL Group

JALI is alleged to have been involved in anti-competitive practices such as price-fixing with many international cargo operators. Its cargo operation office in Frankfurt was inspected by the European Union antitrust authorities on February 14, 2006. On the same date, the U.S. Department of Justice inspected JALI's cargo operation office in New York JALI is also being investigated by competition authorities in other jurisdications including Canada, Switzerland, and Australia. In addition, numerous and varied class action lawsuits have been initiated in the United States against many international airlines including JALI, claiming that certain price-fixing practices alleged in said lawsuits have damaged their interests. No specific amounts of damages or compensation have been claimed in these class action proceedings. Class action lawsuits have also been filed in Canada and Australia. With regard to an investigation by U.S. Department of Justice, JALI agreed in April 2008 to pay a fine of US$ 110 million and an allowance has been made to cover that liability With regard to an investigation by the European Union antitrust authority, the allowance for the Company's exposure is provided at the amount that the company can reasonably estimate in the current circumstances. However, in respect of the aforementioned lawsuits and the investigations by the authorities of other jurisdictions, it is not possible to estimate the amounts of the Company's liabilities reasonably or to predict with assurance that certain liabilities will actually be incurred.

2. Shares

(1) Number of shares issued and shareholders

Title	Number of shares issued	Number of shareholders
Ordinary shares	2,732,383,250	424,698 (372 year-on-year decrease)
Type A Stock*	614,000,000	15

*The term "Type A Stock" refers to preferred shares without voting rights, issued by way of third-party allocation in March 2008, on the condition of acquisition of ordinary shares at the request of the holders of said preferred shares.

(2) Major Shareholders

a. Shareholders holding 10% or more of the total number of share issued (excluding treasury stock)

None

b. Principal shareholders

Ordinary shares

Name	Shares (1,000)	Ratio of Voting Rights
State Street Bank and Trust Company	102,431	3.79%
Tokyu Corporation	80,428	2.97
The Tokio Marine & Nichido Fire Insurance Co., Ltd.	75,471	2.79
Eitaro Itoyama	50,000	1.85
UBS AG London A/C IPB Segregated Client Account	46,338	1.71
Nissay Dowa General Insurance Co., Ltd	43,076	1.59
The Master Trust Bank of Japan, Ltd. (trust account)	40,682	1.50
JAL Group Employees' Stockholding	38,326	1.42
Japan Trustee Services Bank, Ltd. (trust account)	35,547	1.31
Mizuho Corporate Bank, Ltd.	35,303	1.30

Note: Ratios of voting rights are calculated after subtracting treasury stock (2,593,442 shares).

Type A Stock

Name	Shares (1,000)	Equity stake
Mizuho Corporate Bank, Ltd.	80,000	13.03%
DBJ Corporate Investment Fund	80,000	13.03
Mitsui & Co., Ltd.	80,000	13.03
The Bank of Tokyo-Mitsubishi UFJ, Ltd	68,000	11.07
Sojitsu Corporation	60,000	9.77
Mitsubishi Corporation	60,000	9.77
UBS Securities Japan Ltd.	40,000	6.51
Sumitomo Mitsui Banking Corporation	22,000	3.58
Idemitsu Kosan Co., Ltd.	20,000	3.26
ITOCHU Corporation	20,000	3.26
Japan Energy Corporation	20,000	3.26
Nippon Oil Corporation	20,000	3.26
Sumitomo Corporation	20,000	3.26
Marubeni Corporation	20,000	3.26
COSMO OIL Co., Ltd.	4,000	0.65

3. Subscription Rights

(1) Subscription Rights Currently Issued (At March 31, 2008)

Subscription rights pertaining to currently issued bonds with subscription rights

	Guaranteed Euroyen convertible bonds with subscription rights, maturing in 2011
Date of issuance decision	March 17, 2004
Number of subscription rights*1	20,229
Class & number of issued shares*1	50,737,396 ordinary shares
Issue price	Gratis
Conversion price*2	¥398.7
Period for exercise of conversion rights	April 19, 2004, to March 11, 2011

Notes:

1. On March 25, 2007, bearers of the above bonds with subscription rights requested the redemption of their holdings of Company bonds at 100% of face value, with the result that a portion of the said bonds (redemption amount: ¥79,771 million) were redeemed, and the 79,771 subscription rights attached to the said bonds were cancelled.
2. A total of 750 million new shares were issued at an issue price of ¥198 on July 27, 2006, and August 28, 2006, and in consequence the initial issue price of ¥440 was adjusted.

4. Company Officers

(1) Directors and Auditors

Title	Name	Area of responsibility and representative status at other companies
Chairman	Toshiyuki Shinmachi	Chairman, Executive Management Board
President	Haruka Nishimastu	JAL Group CEO Representative Director & President, Japan Airlines International Co., Ltd. (JALI) Chairman, All Japan Air Transport and Service Association
Executive Vice President	Katsuhiko Nawano	Assistant to President, Airport Projects Executive Vice President, JALI
Senior Managing Director	Kiyoshi Kishida	Corporate Safety Division Senior Managing Director, JALI
Managing Director	Tetsuya Takenaka	General Manager, Corporate Planning Finance
Senior Vice President	Kimio Hiroike	Airport Operations Division
Senior Vice President	Toshio Annaka	Human Resources Management
Senior Vice President	Masato Uehara	Customer Satisfaction Improvement
Senior Vice President	Teruo Harafuji	Flight Operations
Senior Vice President	Shunichi Saito *	Passenger Sales & Marketing
Senior Vice President	Masaaki Haga *	Aircraft Maintenance
Senior Vice President	Takao Fukuchi *	Cargo & Mail
Senior Vice President	Shigemi Kurusu *	Cabin Services

Title	Name	Area of responsibility and representative status at other companies
Senior Vice President	Shunji Kono	Advisor, The Tokio Marine & Nichido Fire Insurance Co., Ltd.
Senior Vice President	Kiyofumi Kamijo *	Chairman and Representative Director, Tokyu Corporation Chairman and Representative Director, Tokyu Bunkamura, Inc. Representative Director and President, Three Hundred Club Co., Ltd.
Senior Corporate Auditor (standing)	Teruhisa Ishizawa	
Senior Corporate Auditor (standing)	Hideo Hiramoto *	
Senior Corporate Auditor (standing)	Hirokazu Horinouchi *	
Corporate Auditor	Masatake Matsuda	Advisor, East Japan Railway Company
Corporate Auditor	Hiroshi Suzuki *	Advisor, Fuji Heavy Industries Ltd. (FHI)
Corporate Auditor	Hideyuki Sakai *	Partner at Sakai, Mimura, & Aizawa Law Office

Notes:

1. Our directors and corporate auditors serve simultaneously as directors and corporate auditors of Japan Airlines International Co., Ltd.
2. Shunji Kono, and Kiyofumi Kamijo are outside directors.
3. Hirokazu Horinouchi, Masatake Matsuda, Hiroshi Suzuki, and Hideyuki Sakai are outside auditors.
4. The directors and auditors marked with * were elected at the fifth annual general meeting of shareholders, convened on June 26, 2007, and duly assumed office.
5. Mr. Teruhisa Ishizawa, who serves as a corporate auditor, has many years of experience in the accounting units of Japan Airlines Corporation, and possesses considerable knowledge in the field of finance and accounting.
6. Mr. Hirokazu Horinouchi, who serves as a corporate auditor, and Mr. Hiroshi Suzuki, who serves as a corporate auditor on a part-time basis, both have many years of experience working at financial institutions, and possess considerable knowledge in the field of financial accounting.
7. By resolution of the extraordinary meeting of the board of directors convened on February 29, 2008, the following changes were made to the representative directors and executive directors, and these directors assumed office on April 1, 2008.
   Tetsuya Takenaka, Managing Director, became Executive Vice President, and Toshio Annaka, Shunichi Saito, and Masaaki Haga, Senior Vice President, became Managing Director.

The names and areas of responsibilities of the executive officers are as follows.

Title	Name	Area of responsibility
Senior Executive Officer	Susumu Miyoshi *	Legal, Operation Administrative, Environmental Affairs
Executive Officer	Kunio Hirata	Deputy General Manager, Corporate Planning (Business Planning)
Executive Officer	Atsuro Nishi	Related Operations
Executive Officer	Toshinari Ohshima	Public Relations, Executive Secretariat Office, Planning Operations
Executive Officer	Yoshimasa Kanayama	Finance, Accounting, Purchasing
Executive Officer	Muneyuki Mitsui *	IT Service Planning
Executive Officer	Tadao Sakai *	Corporate Safety Division (Assistant to Mr. Kishida)
Executive Officer	Ichiro Morii *	Deputy General Manager, Corporate Planning (Medium- and Long-Term Strategy), Investor Relations

Notes:

1. The executive officers marked with * assumed office on April 1, 2007.
2. By resolution of the extraordinary meeting of the board of directors convened on February 29, 2008, the following Managing Executive Officer and Executive Officers were appointed, and assumed office on April 1, 2008. Through a resolution of the regular meeting of the board of directors held on February 20, 2008, the title of Senior Executive Officer was changed to Managing Executive Officer.

Managing Executive Officer: Susumu Miyoshi

Executive Officers: Kunio Hirata, Yoshimasa Kanayama, Atsuro Nishi, Toshinari Ohshima, Muneyuki Mitsui, Tadao Sakai, Ichiro Morii and Manabu Sato

(2) Directors and Auditors Retired during the Year

Among the directors and auditors in office as of the day immediately following the fifth annual general meeting of shareholders, convened on June 26, 2007, the following officers retired during the year under review.

Title at retirement	Name	Date of retirement
Chairman	Toshiyuki Shinmachi	March 31, 2008
Senior Vice President	Takao Fukuchi	March 31, 2008

Notes:

1. The abovementioned two individuals have resigned from office and left the Company.
2. In addition to the above, Director Shinobu Shimizu, Senior Corporate Auditor (serving on a full-time basis), Yasunaka Furukawa, and Corporate Auditor Yoshihisa Akiyama, resigned from office upon the termination of the fifth annual general meeting of shareholders convened on June 26, 2007.

(3) Amounts of Compensation Paid to Directors and Corporate Auditors

Title	Number of directors and auditors	Amount
Directors (o/w outside statutory directors)	15 (2)	¥68 million (¥4 million)
Corporate auditors (o/w outside statutory auditors)	6 (4)	¥28 million (¥13 million)

Notes:

1. In addition to the above amounts, in accordance with a resolution passed at the annual general meeting of shareholders convened on June 28, 2006, with regard to payments for the termination of retirement bonuses, retirement bonuses have already been paid as set out below to directors and auditors retiring between April 1, 2007, and March 31, 2008.
   2 retiring directors: ¥24 million (including ¥3 million to 1 outside director)
   2 retiring auditors: ¥17 million (including ¥3 million to 1 outside auditor)
2. The Company's directors and auditors serve concurrently as officers of operating subsidiary Japan Airlines International Co., Ltd., which pay compensation as set out below.

Title	Number of directors and auditors	Amount
Directors (o/w outside statutory directors)	15 (2)	¥153 million (¥4 million)
Corporate auditors (o/w outside statutory auditors)	6 (4)	¥29 million (¥13 million)

(4) Outside Directors and Corporate Auditors

1. Status of concurrent positions as executive directors, or outside directors or auditors in other companies

(At March 31, 2008)

Title	Name	Position at other companies
Senior Vice President (nonstanding)	Shunji Kono	Director (nonstanding), Nippon Sogo Juseikatsu K.K. Director (nonstanding), Nikon Corporation Director (nonstanding), Shin-Etsu Chemical Co., Ltd. Corporate Auditor (nonstanding), Mitsubishi Research Institute, Inc. Corporate Auditor (nonstanding), Tokyu Corporation Senior Vice President (nonstanding), JALI
Senior Vice President (nonstanding)	Kiyofumi Kamijo	Chairman and Representative Director, Tokyu Corporation Chairman and Representative Director, Tokyu Bunkamura, Inc. Representative Director and President, Three Hundred Club Co., Ltd. Director (nonstanding), Gold-Pak Co., Ltd. Director (nonstanding), Shiroki Corporation Director (nonstanding), Tokyu Agency Inc. Director (nonstanding), Tokyu Recreation Co.,Ltd. Director (nonstanding), Director (nonstanding), Shizuoka Railway Co.,Ltd. Director (nonstanding), Shochiku Co., Ltd. Director (nonstanding), Hokkaido Airport Terminal Co.,Ltd. Senior Vice President (nonstanding), JALI
Corporate Auditor (nonstanding)	Hirokazu Horinouchi	Corporate Auditor (nonstanding), JALI
Corporate Auditor (nonstanding)	Masatake Matsuda	Corporate Auditor (nonstanding), JALI
Corporate Auditor (nonstanding)	Hiroshi Suzuki	Corporate Auditor (nonstanding), JALI
Corporate Auditor (nonstanding)	Hideyuki Sakai	Partner at Sakai, Mimura, & Aizawa Law Office Corporate Auditor (nonstanding), Tokyo Marine & Nichido Fire Insurance Co., Ltd. Corporate Auditor (nonstanding), JALI

2. Principal activities

Title	Name	Principal activities
Senior Vice President (nonstanding)	Shunji Kono	Attended 76% of the meetings of the Board of Directors held during the year under review, and backed by extensive experience in corporate management and other fields, and by profound insight, he gave advice and made proposals in regard to management problems facing the Company, thereby ensuring the soundness and appropriateness of the Board’s decision-making.
Senior Vice President (nonstanding)	Kiyofumi Kamijo	Attended 92% of the meetings of the Board of Directors held during the year under review, and based on profound scholarship derived from long experience in the transportation industry and a wealth of experience and insights in corporate management and other fields, he gave advice and made proposals in regard to management problems facing the Company, thereby ensuring the soundness and appropriateness of the Board’s decision-making.
Corporate Auditor (nonstanding)	Hirokazu Horinouchi	Attended 100% of the meetings of the Board of Directors held during his term in office in the year under review, and 100% of the meetings of the Board of Corporate Auditors in his capacity as a Corporate Auditor (serving on a full-time basis). He also attended important management meetings and made onsite audits of the company’s business operations. Drawing on his extensive experience of working in financial institutions and his wealth of knowledge in the field of financing, he gave advice and contributed insights into problems facing the Company, procedures for conducting meetings of the Board of Directors, and internal control and risk management systems.

Title	Name	Principal activities
Corporate Auditor (nonstanding)	Masatake Matsuda	Attended 71% of the meetings of the Board of Directors held during the year under review, and 82% of the meetings of the Board of Corporate Auditors. Drawing on his extensive experience as a manager, particularly in the field of land transport, he gave advice and contributed insights into problems facing the Company, procedures for conducting meetings of the Board of Directors, and internal control and risk management systems.
Corporate Auditor (nonstanding)	Hiroshi Suzuki	Attended 100% of the meetings of the Board of Directors and Board of Corporate Auditors held during his term in office in the year under review. Drawing on his extensive experience in financial institutions and as a corporate manager, he shared his expertise in financing and gave advice regarding the problems facing the Company. He also contributed insights into procedures for conducting meetings of the Board of Directors, and internal control and risk management systems.
Corporate Auditor (nonstanding)	Hideyuki Sakai	Attended 92% of the meetings of the Board of Directors held during his term in office in the year under review and all of the meetings of the Board of Corporate Auditors. Drawing on his extensive experience in legal circles and from his perspective as an expert on legal affairs, he has provided advice and insights into problems facing the Company, procedures for conducting the meetings of the Board of Directors, and internal control and risk management systems.

3. Liability limitation agreements

Pursuant to the provisions of Article 427, Paragraph 1, of the Corporation Act, the Company has concluded agreements with all outside directors and outside auditors that limit their liability under Article 423, Paragraph 1, of the said act.

5. Independent Auditors

(1) Name of independent auditors

Ernst & Young Shinnihon

(2) Amount of compensation to be paid to independent auditors

1. Aggregate amount of compensation to be paid by the Company to the independent auditors for the fiscal year under review: ¥69 million

2. Aggregate amount of cash and other property benefit to be paid by the Company and its subsidiaries: ¥368 million

Notes:

1. The amount in 1. above relates entirely to services provided in accordance with Article 2, Clause 1 of the Certified Public Accountants Law.
2. With respect to the amount in 1. above, in the audit agreement concluded between the Company and the independent auditors, the compensation for auditing pursuant to the Corporation Act and the compensation for auditing pursuant to the Financial Instruments and Exchange Law are not demarcated and cannot practically be demarcated. Therefore, an aggregate amount is included in the above amount.

(3) Nature of non-auditing work

Japan Airlines Corporation and certain of its subsidiaries outsources certain non-auditing work (i.e. work other than defined as auditing work in Article 1, Item 1 of the Certified Accountants Law) to the accounting auditor. The nature of this work is described below.

1. Consulting work relating to internal control on financial reporting
2. Advice regarding the preparation of financial reporting documents for translation into English (including documents to be submitted to overseas regulatory authorities), and the checking and correction of the English translation.

(4) Policy for dismissal and non-reappointment of independent auditors

In addition to the dismissal of independent auditors by the Board of Corporate Auditors provided for in Article 340, Paragraph 1, of the Corporation Act, if an event occurs that creates a situation that seriously impedes the Company's audit activities or casts serious doubt as to the independent auditors' ability to continue to fulfill their responsibilities, the Company shall, after obtaining the consent of the Board of Corporate Auditors or at its request, submit a proposal to a general meeting of shareholders for the dismissal or non-reappointment of the independent auditors.

6. Company Systems and Policies

(1) Systems necessary to ensure that the execution of duties by directors complies with laws and regulations and articles of incorporation, and other systems necessary to ensure the proper operation of a stock company

1. Basic Policy on Internal Control Systems

①Systems for ensuring that the directors of the Company, in the execution of their duties, comply with the requirements of the law and of the Company's Articles of Incorporation

By putting top priority on compliance and creating a monitoring system to enforce strict compliance with legal requirements, we ensure that directors carry out their duties in accordance with all pertinent laws and regulations.

②Systems for retaining and managing records on the execution of Company directors

Directors must retain any information pertaining to the execution of their duties during the execution of their duties, and that information must be appropriately stored and protected, in accordance with all pertinent laws and internal regulations.

③Regulations and other systems relating to the management of risk

We have established a comprehensive risk management system covering the entire JAL Group to ensure effective risk management, as well as to mitigate problems and minimize loss or damage. In the event that risks nonetheless materialize, we will take all possible steps to remedy the situation and keep loss or damage to a minimum.

④Systems for ensuring the effectiveness of duties performed by directors

By defining the corporate philosophy and by creating, communicating, implanting, and managing our Group business plan, we ensure that the directors will effectively perform their duties.

⑤Systems for ensuring compliance with legal requirements and the Company's Articles of Incorporation in the execution of employees of the Company

By putting top priority on legal compliance, we ensure strict compliance by employees of the Company in the execution of their duties. Through the creation of an appropriate monitoring system, we confirm that employees are upholding all legal requirements and acting in accordance with the Company's Articles of Incorporation in the execution of their duties.

⑥Systems for ensuring properness of operations within the Group companies

We have made sure that the Group's corporate philosophy and management policies are adopted Groupwide and put into practice, and that compliance is strictly observed and duties are performed in an appropriate manner.

⑦Matters relating to the assignment of employees to assist the statutory auditors at their request

To enhance the effectiveness and thoroughness of the auditors in the execution of their auditing duties, we have established a unit that is separate and independent from the directors, and assign an employee or employees to this unit to assist the statutory auditors at their request.

⑧Regarding independence of auditors' assistants from the directors of the Company

The staff selected to assist the statutory auditors follow all orders and instructions relating to auditing work given to them by the statutory auditors. Replacement of the said staff is subject to approval by the statutory auditors.

⑨Systems for submission of reports by the directors and employees of the Company to the Board of Corporate Auditors or to individual statutory auditors

Systems have been put into place that enable directors and employees of the Company to submit reports to the Board of Corporate Auditors or to individual statutory auditors.

⑩Systems to ensure the effective execution of audits by the Board of Corporate Auditors or by individual statutory auditors

In line with our Audit Plan, prepared by the statutory auditors as individuals or as a group, the auditors are authorized to create an appropriate system for evaluating the effectiveness of audits.

2. Status update on the creation of required systems

①Systems for ensuring that the directors of the Company, in the execution of their duties, comply with the requirements of the law and of the Company's Articles of Incorporation

a. The JAL Group Code of Conduct has been drawn up, and we are making sure that all employees understand and follow the Code.
b. A Compliance and Risk Management Committee, headed by the President, is working with directors to share information and discuss issues related to corporate action.
c. A groupwide hotline has been established for reporting compliance violations. We are taking

measures to raise awareness about compliance whenever possible, and are gathering information from inside and outside the company regarding actions that may possibly constitute a violation of laws and regulations.

d. The Board of Directors decides on the basic policies to be followed in the creation of an internal control system, after which directors serving on a full-time basis are responsible for preparing the said internal control system.

②Systems for retaining and managing records on the execution of Company directors

a. Reports (minutes of meetings or other documents) on the decision-making processes of important bodies such as the Board of Directors, and reports on specific resolutions taken on important matters (requests for managerial decisions [ringisho]) are drawn up in accordance with the law, the Company's regulations pertaining to the Board of Directors and other councils and committees, as well as the regulations pertaining to ringisho, and the said reports are managed and retained in accordance with the law and the Company's regulations governing such matters.

b. The computer systems containing "electronic ringisho" (requests for managerial decisions existing as data files) and other computer files are constantly monitored for safety from unauthorized access or tampering. In the event of the discovery of unauthorized access to or use of such files, appropriate remedial action is taken immediately.

③Regulations and other systems relating to the management of risk

a. Directors serving on a full-time basis are responsible for overseeing risk management for the Group as a whole, and each specialized committee (the Safety Enhancement Task Force, Corporate Compliance & Business Risk Management Committee, and the JAL Group Revival Medium-Term Management Plan Committee) will be responsible for controlling specific types of risk.

b. Rules governing risk management have been drafted, acknowledging the substantial impact that such risks pose to management (risks relating to air safety, corporate risk, strategic risk), and countermeasures have been taken, with an emphasis on preventive measures.

c. Through the clear delineation of the channels of communication for urgent notifications in the event of an emergency, as well as of the spheres of responsibility of the Company's directors and other executives, we ensure prompt and appropriate responses to emergencies and other unforeseen contingencies. Systems to prevent the recurrence of problems are also in place.

d. We have created an in-house system for dealing with anti-social forces and individuals. In particular, we have drafted a manual outlining the proper responses to inappropriate requests, and have made this manual widely available to all Group members.

④Systems for ensuring the effectiveness of duties performed by directors

a. We have drafted the Corporate Philosophy of the JAL Group, and have drawn up a medium-term management plan for the achievement of the Corporate Philosophy. In addition, management plans for each business term are drawn up on an individual department basis, with a close linkage to the Groupwide medium-term management plan. Each plan is reviewed periodically, and we are working to create systems that will allow for greater efficiency in our operations.

b. The responsibilities of the directors have been clarified. Moreover, through the clear delegation of authority and delineation of the scope of duties, we are working to ensure greater effectiveness by directors in the execution of their duties.

c. We are promoting organizational streamlining, and are working to raise efficiency in our operations through the introduction of various initiatives aimed at simplifying operations.

⑤Systems for ensuring compliance with legal requirements and the Company's Articles of Incorporation in the execution of their duties by employees of the Company

a. The JAL Group Code of Conduct ("Commitment to Society") has been drafted and distributed to all of our employees. In this Code of Conduct, we clearly state that we refuse to engage in business with anti-social forces or individuals.

b. Through the various activities of the Compliance & Risk Management Committee, we ensure that the Group's business operations are conducted in a sound and ethical manner.

c. Publicize the Group Hotline and other initiatives, and collect information on acts suspected of constituting violations of laws and regulations.

d. The departments responsible for internal control systems monitor operations to ensure business is conducted in an appropriate manner and that compliance with all laws and regulations is upheld.

⑥Systems for ensuring properness of operations within the Group companies

a. We drafted the Corporate Philosophy and have publicized this policy throughout the entire Group. In addition, we have signed basic agreements with each Group company and set specific management targets. In this way, we are working to ensure that business is conducted in an appropriate manner.

b. We have designated departments in charge of overseeing the operations of Group companies, with the aim of clarifying the scope of responsibility and providing guidance and support to each company.

c. We have publicized groupwide the JAL Group Code of Conduct (“Commitment to Society”), and have distributed a copy to all employees of member companies.

d. In accordance with JAL Group Compliance Network regulations, we will provide information and training that will promote sound and ethical conduct in the undertaking of business activities. We have requested each member company to strengthen its in-house compliance system, and have provided them with necessary support.

e. The departments in charge of internal control systems of group companies are taking measures to confirm that the operations of each member company are conducted in a sound and ethical manner.

⑦Matters relating to the assignment of employees to assist the statutory auditors at their request

a. We have established a unit under the control of the Board of Corporate Auditors, and assigned employees to this unit, to assist the statutory auditors.

⑧Independence of auditors’ assistants from the directors of the Company

a. The staff selected to assist the statutory auditors follow all orders and instructions relating to auditing work given to them by the statutory auditors. Replacement of the said staff is subject to approval by the statutory auditors.

⑨Systems for submission of reports by the directors and employees of the Company to the Board of Corporate Auditors or to individual statutory auditors

a. In accordance with the stipulations of the Corporation Law, Corporate Auditors are summoned to attend all meetings of the Board of Directors as well as other important meetings, and all parties presenting managerial reports (ringisho) are required to simultaneously submit copies to the Corporate Auditors. Reports are made to them on all important items relating to corporate management and corporate operations, including periodic reports on the execution of duties by executives.

b. Departments responsible for internal control make available to the Corporate Auditors the results of their assessment on internal control.

⑩Systems to ensure the effective execution of audits by the Board of Corporate Auditors or by individual statutory auditors

a. Care is taken to ensure that opinions are exchanged frequently between the Company’s Corporate Auditors on the one hand and the independent auditors, the Company’s directors and employees, and the directors and statutory auditors of subsidiary companies on the other.

b. Each division and each group company is expected to cooperate with the Corporate Auditors in their conduct of onsite audits.

(2) Appropriation of surplus

The Medium-Term Revival Plan got off to a good start in the reporting term, its first year. Nevertheless, JAL has only taken its first step towards reforming its corporate fabric into one that will generate stable profits, and numerous external factors to be addressed are expected to arise, for example further increases in current fuel prices to more all-time highs. Accordingly, in February 2008 we formulated a new plan, the FY2008-2010 Medium-Term Revival Plan (hereinafter referred to as the “New Medium-Term Revival Plan”), to position the Group for the anticipated increasingly harsh changes in the business environment. For this reason, we greatly regret to inform shareholders that we do not expect to be able to pay a dividend for the reporting period ended March 2008.

As explained on pages 5 and 6 of this report, through the steady implementation of the new FY2008-2010 Medium-Term Revival Plan we are endeavoring to further improve profitability with a view to achieving an early resumption of dividend payments, and we hope for your understanding and support.

1. The amounts and quantities listed in this Business Report are rounded down to the nearest unit of measure indicated. The percentage figures are rounded to the nearest digit.

Consolidated Balance Sheet As of March 31, 2008

(Millions of yen)

	Assets	Amount
Assets	I. Current assets	
	Cash and deposits	354,977
	Notes and accounts receivable - trade	241,349
	Short-term investments in securities	8,795
	Supplies	90,985
	Deferred income taxes	2,595
	Other current assets	115,187
	Less: Allowance for bad debts	(3,575)
	Total current assets	810,315
	II. Fixed assets	
	(Tangible fixed assets)	(1,037,117)
	Buildings and structures	116,698
	Machinery, equipment and vehicles	30,772
	Flight equipment	721,967
	Land	35,609
	Construction in progress	113,247
	Other tangible fixed assets	18,821
	(Intangible fixed assets)	(82,838)
	Software	81,876
	Other intangible fixed assets	961
	(Investments)	(190,579)
	Investments in securities	62,174
	Long-term loans receivable	12,720
	Deferred income taxes	5,593
	Other investments	112,728
	Less: Allowance for bad debts	(2,638)
	Total fixed assets	1,310,534
	III. Deferred charges	
	Stock issuance expenses	1,933
	Total deferred charges	1,933
	Total assets	2,122,784

	Liabilities	Amount
Liabilities	I. Current liabilities	
	Accounts payable - trade	264,914
	Short-term borrowings	3,084
	Current portion of bonds	28,000
	Current portion of long-term loans	130,335
	Accrued income taxes	4,454
	Allowance for bonuses to employees	4,526
	Reserve for loss on antitrust litigation	2,003
	Deferred income taxes	15,016
	Other current liabilities	208,894
	Total current liabilities	661,229
	II. Non-current liabilities	
	Bonds	102,229
	Long-term loans	651,416
	Accrued pension and severance costs	95,485
	Reserve for loss on antitrust litigation	15,210
	Deferred income taxes	17,192
	Other non-current liabilities	108,950
	Total non-current liabilities	990,483
	Total liabilities	1,651,713
Net assets	Net assets	
	I. Stockholders' equity	
	Common stock and preferred stock	251,000
	Capital surplus	155,836
	Retained earnings	41,320
	Common stock in treasury, at cost	(890)
	Total stockholders' equity	447,266
	II. Valuation, translation and other	
	Net unrealized gain on other securities, net of taxes	2,578
	Net unrealized gain on hedging instruments, net of taxes	8,167
	Translation adjustments	(4,077)
	Total valuation, translation adjustments and other	6,668
	III. Minority interests	17,136
	Total net assets	471,070
	Total liabilities and net assets	2,122,784

Consolidated Statement of Operations As of March 31, 2008

(Millions of yen)

Operating revenues	Amount
Operating revenues	2,230,416
Cost of operating revenues	1,776,979
Gross profit	453,436
Selling, general and administrative expenses	363,423
Operating income	90,013
Non-operating income	20,825
Interest income	4,859
Dividend income	2,365
Equity in earnings of affiliates	2,176
Exchange gain, net	4,070
Other non-operating income	7,354
Non-operating expenses	41,021
Interest expense	20,009
Loss on sale and disposal of flight equipment	11,871
Other non-operating expenses	9,140
Ordinary income	69,817
Extraordinary gain	36,232
Gain on sale of fixed assets	5,988
Gain on sale of investments in securities	20,557
Gain recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan, net	5,528
Other extraordinary gain	4,158
Extraordinary loss	76,217
Special retirement benefits	20,016
Loss on impairment of fixed assets	13,501
Non-recurring depreciation	9,116
Provision of reserve for loss on antitrust litigation	17,213
Other extraordinary loss	16,368
Income before income taxes and minority interests	29,832
Income taxes - current	4,897
Income taxes - deferred	6,894
Minority interests	1,118
Net income	16,921

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2008

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total stockholders' equity
Balance at March 31, 2007	174,250	79,096	24,776	(887)	277,235
Changes during the year ended March 31, 2008					
Issuance of preferred stock	76,750	76,750			153,500
Net income for the year ended March 31, 2008			16,921		16,921
Changes in scope of application of the equity method			(377)	13	(363)
Changes in ownership interests in affiliates accounted for by the equity method				44	44
Purchase of common stock in treasury				(139)	(139)
Sales of common stock in treasury		(9)		77	67
Changes other than stockholders' equity, net					
Total changes	76,750	76,740	16,544	(3)	170,030
Balance at March 31, 2008	251,000	155,836	41,320	(890)	447,266

	Valuation, translation adjustments and other				Minority interests	Total net assets
	Net unrealized gain on other securities, net of taxes	Net unrealized gain on hedging instruments, net of taxes	translation adjustment	Total valuation, translation adjustments and other		
Balance, March 31, 2007	3,557	35,314	(5,020)	33,851	20,785	331,873
Changes during the year ended March 31, 2008						
Issuance of preferred stock						153,500
Net income for the year ended March 31, 2008						16,921
Changes in scope of application of the equity method						(363)
Changes in ownership interests in affiliates accounted for by the equity method						44
Purchase of common stock in treasury						(139)
Sales of common stock in treasury						67
Changes other than stockholders' equity, net	(979)	(27,147)	943	(27,183)	(3,649)	(30,832)
Total changes	(979)	(27,147)	943	(27,183)	(3,649)	139,197
Balance at March 31, 2008	2,578	8,167	(4,077)	6,668	17,136	471,070

Notes to Consolidated Financial Statements

Basis of Presentation of the Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries
Number of consolidated subsidiaries: 133

The names of the major consolidated subsidiaries are stated in the Business Report section 1. Members of the JAL Group (8) Status of Major Subsidiaries.

Changes in the scope of consolidation and adoption of the equity method are summarized as follows:

Consolidation:

Increase of 1:	CHUBU SKY SUPPORT CO., LTD. (*1)
Decrease of 10:	JAL NAVIA TOKYO CO., LTD. (*2)
	SHURIKANKO CO., LTD. (*3)
	HARLEQUIN AIR CO., LTD. (*3)
	NIKKO HOTELS (U.K.) LTD. (*4)
	PACIFIC FUEL TRADING CORPORATION (*4)
	HOTEL NIKKO SAIPAN, INC. (*4)
	MICRONESIAN HOSPITALITY, INC. (*4)
	ASAHIKAWA RESORT DEVELOPMENT CO., LTD. (*4)
	TOMAKOMAI RYOKKA KAIHATSU CO., LTD. (*4)
	AGP CORPORATION (*5)

(*1) Became material and shares of the above company were purchased.
(*2) Merged with JAL Navia Co., Ltd., formerly JAL Plaza Co., Ltd.
(*3) Became immaterial.
(*4) Shares of the above companies were sold.
(*5) Excluded from consolidation due to decrease in equity interest resulting from sales of shares of the above company.

(2) Non-consolidated subsidiaries

Name of major non-consolidated subsidiary
Shimojishima Airport Facilities Co., Ltd.

The total assets, operating revenue, net income (loss) and retained earnings of the non-consolidated subsidiaries are all small in scale, and have no material effect in the aggregate on the consolidated financial statements. They have therefore been excluded from the scope of consolidation.

2. Application of the Equity Method

(1) Non-consolidated subsidiaries and affiliates accounted for by the equity method

Number of non-consolidated subsidiaries and affiliates, which are accounted for by the equity method: 17
Names of the major non-consolidated subsidiaries and affiliates, which are accounted for by the equity method:

JALUX Inc., Airport Facilities Co., Ltd., Japan Turbine Technologies Co., Ltd. and JAL Information Technology Co., Ltd.

Equity method:

Increase of 1: AGP CORPORATION (*5)

Decrease of 4: JAMCO CORPORATION (*6)
TOKYO CITY AIR TERMINAL CO., LTD. (*6)
AIR TRANSPORT SERVICE CO., LTD. (*6)
TOKYO AIRPORT HEATING & COOLING CO., LTD. (*6)

(*6) Shares of the above companies were sold.

(2) Non-consolidated subsidiaries and affiliates not accounted for by the equity method

Name of the major non-consolidated subsidiary which is not accounted for by the equity method.

Shimojishima Airport Facilities Co., Ltd.

The non-consolidated subsidiaries and affiliates not accounted for by the equity method had an insignificant effect on consolidated net loss and retained earnings and had no material effect on the consolidated financial statements. They have thus been excluded from being accounted for by the equity method.

3. Fiscal Years of Consolidated Subsidiaries

The balance sheet date of 20 of the consolidated subsidiaries is December 31, 2007 and for 1 CONSOLIDATEDSUBSIDIARY, it is February 29, 2008. Any significant differences in intercompany accounts and transactions arising from intervening intercompany transactions during the period from January 1, 2008 through March 31, 2008 and the period from March 1, 2008 through March 31, 2008 have been adjusted, if necessary.

4. Significant Accounting Policies

(1) Valuation of significant assets

(a) Securities

Marketable securities classified as other securities are carried at fair value with any unrealized gain or loss reported as a separate component of net assets, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined principally by the moving average method.

(b) Inventories: Inventories are principally stated at cost based on the moving average method.

(c) Derivatives: Derivatives are stated at fair value.

(2) Depreciation and amortization of tangible and intangible fixed assets

(a) Aircraft: The straight-line method or the declining-balance method based on the estimated useful life of the aircraft

Additional information
Japan Airlines International Co., Ltd. (“JALI,” which is a consolidated subsidiary of the Company) has adopted new estimated useful lives for certain aircraft, resulting from a review of the useful lives and residual value of aircraft for which sales contracts are certain to be entered into. In addition, JALI has also adopted new estimated useful lives for certain spare parts, resulting from a review of the useful lives of spare parts related to certain types of aircraft whose approximate retirement dates have been determined. As a result of the adoption of these new estimated useful lives, operating income, ordinary income and

income before income taxes and minority interests decreased by ¥184 million, ¥96 million and ¥9,189 million, respectively, for the year ended March 31, 2008 from the corresponding amounts which would have been recorded if the former estimated useful lives had been applied.

(b) Other tangible fixed assets of:

Japan Airlines International Co., Ltd.	The straight-line method based on their estimated useful lives
Other companies	Principally the declining-balance method based on their estimated useful lives

Changes in accounting policy
Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or after April 1, 2007. The impact on operating income, ordinary income and income before income taxes and minority interests was immaterial for the year ended March 31, 2008.

Additional information
Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or prior to March 31, 2007. Such tangible fixed assets are to be depreciated based on the difference between the equivalent of 5% of acquisition cost and memorandum value over a period of 5 years once they have been fully depreciated to the limits of their respective depreciable amounts effective April 1, 2007. The impact on operating income, ordinary income and income before income taxes and minority interests was immaterial.

(c)Intangible fixed assets:	The straight-line method based on their estimated useful lives

(3) Deferred charges

Stock issuance expenses are capitalized and are being amortized over a period of 3 years.

(4) Provision of significant allowances:

(a)Accrued pension and severance costs

To provide for employees' severance indemnities, net periodic pension cost is accounted for based on the projected benefit obligation and the plan assets.

The unrecognized obligation at transition is being amortized by the straight-line method principally over a period of 15 years. However, JALI introduced a revised pension scheme under which employees have the option to change a portion of their existing lump-sum payments of retirement benefits to a defined contribution plan or to an early payment scheme on October 1, 2005. The portion of the unrecognized obligation at transition which relates to reducing the benefit obligation by the introduction of the option referred to above is being amortized by the straight-line method over a period of 8 years in accordance with Paragraph 15, "Transitional Arrangement," of "Accounting for the Transfer between Retirement Benefit Plans" (Accounting Standards Board of Japan Implementation Guidance No.1).

The adjustment for actuarial assumptions is being amortized by the straight-line method over a period ranging from 5 to 15 years, which is less than the average remaining years of service of the active participants in the plans. Amortization is computed from the fiscal year subsequent to the year in which the adjustment was recorded.

Past service cost is principally charged to income as incurred. However, at certain subsidiaries, past service cost is being amortized by the straight-line method over a period which is less than the average remaining years of service of the active participants in the plans.

Airport Ground Service Pension Fund (reorganized as a corporate pension fund and renamed JAL Ground Service Pension Fund on March 31, 2008), consisting of JAL Ground Service Co., Ltd. and JAL Ground Service Kansai Co., Ltd., received approval from the Minister of Health, Labour and Welfare with respect to its application for exemption from the benefit obligation related to future employee services under the substitutional portion of the Welfare Pension Fund Plan (WPFP) on April 10, 2007 and the portion related to past services on March 31, 2008. As a result, operating income and ordinary income both increased by \101 million and income before income taxes and minority interests increased by ¥5,629 million for the year ended March 31, 2008.

On March 15, 2007, JALI received approval from the Minister of Health, Labour and Welfare with respect to its application for exemption from the benefit obligation related to future employee services under the substitutional portion of the WPFP. At March 31, 2008, the estimated amount of pension assets to be transferred was \70,372 million. The potential effect for the year ended March 31, 2008, estimated as if the transfer of pension assets had been made as of the same date, in accordance with paragraph 44-2 of the “Practical Guidelines on Retirement Benefit Accounting (Interim Report),” Report No. 13 of the Accounting System Committee of the Japanese Institute of Certified Public Accountants, would have been to increase extraordinary loss by \6,312 million.

Effective April 1, 2008, JALI revised its retirement plan. As a result, operating income, ordinary income and income before income taxes and minority interests increased by \20,077 million for the year ended March 31, 2008.

Certain consolidated subsidiaries changed a portion of their retirement benefit plans to defined contribution plans on April 1, 2007 or October 1, 2007, and applied “Accounting for the Transfer between Retirement Benefit Plans” (Accounting Standards Board of Japan Implementation Guidance No. 1). The impact on operating income, ordinary income and income before income taxes and minority interests was immaterial for the year ended March 31, 2008.

Certain consolidated subsidiaries revised their methods of accounting for the projected benefit obligation from simplified methods to the standard method. Consequently, extraordinary loss of \508 million was recorded as the resulting difference in computation for the year ended March 31, 2008.

(b)Allowance for bad debts

The allowance for bad debts on specific receivables is provided at an estimate of the unrecoverable amounts. The allowance for bad debts on other receivables is provided based on the historical rate of losses on receivables.

(c) Reserve for loss on antitrust litigation

JALI is alleged to have been involved in anti-competitive practices such as price-fixing with many international cargo operators. Its cargo operation office in Frankfurt was inspected by the European Union antitrust authorities on February 14, 2006. On the same date, the U.S. Department of Justice inspected JALI’s cargo operation office in New York JALI is also being investigated by competition authorities in other jurisdictions including Canada, Switzerland, and Australia. In addition, numerous and varied class action lawsuits have been initiated in the United States against many international airlines including JALI, claiming that certain price-fixing practices alleged in said lawsuits have damaged their interests. No specific amounts of damages or compensation have been claimed in these class action proceedings. Class action lawsuits have also been filed in Canada and Australia.

With regard to an investigation by U.S. Department of Justice, JALI agreed in April 2008 to pay a fine of US$ 110 million and an allowance has been made to cover that liability With regard to an investigation by the European Union antitrust authority, the allowance for the Company's exposure is provided at the amount that the company can reasonably estimate in the current circumstances. However, in respect of the aforementioned lawsuits and the investigations by the authorities of other jurisdictions, it is not possible to estimate the amounts of the Company's liabilities reasonably or to predict with assurance that certain liabilities will actually be incurred.

(e)Allowance for bonuses to employees

In certain domestic consolidated subsidiaries, allowance for bonuses to employees is provided based on the estimated amounts of future payments attributable to employee services that have been rendered up to the date of the balance sheet. The bonus amounts are determined taking the performance results of the Company and such subsidiaries into consideration.

(5) Foreign currency accounts

Foreign currency receivables and payables are translated into yen at the applicable year-end exchange rates and any gain or loss on translation is included in current earnings.

Translation adjustments arising from the translation of assets, liabilities, revenues and expenses of the consolidated subsidiaries and affiliates accounted for by the equity method into yen at the applicable exchange rates at the year end are presented in minority interests and translation adjustments in the consolidated balance sheets.

(6) Leases

As lessee

The Company and its consolidated subsidiaries lease certain equipment under noncancelable lease agreements referred to as capital leases. Capital leases, defined as leases which do not transfer the ownership of the leased property to the lessee, are principally accounted for as operating leases.

As lessor

Certain consolidated subsidiaries lease certain equipment under noncancelable lease agreements referred to as direct financing leases. Direct financing leases, defined as leases which do not transfer the ownership of the leased property to the lessee, are principally accounted for as operating leases.

(7) Hedge accounting

Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized.

Foreign currency receivables and payables are translated at the applicable forward foreign exchange rates if certain conditions are met.

The related interest differential paid or received on interest-rate swaps used as hedging instruments is recognized over the term of each swap agreement as an adjustment to the interest expense of the underlying hedged items if certain conditions are met.

(8) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(9) Income taxes

The Company and certain domestic subsidiaries have adopted the Japanese consolidated tax return system.

(10) Amortization of good will and negative goodwill

Goodwill acquired and negative goodwill recognized are amortized by the straight-line method over a period of five years.

(11) Valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of newly consolidated subsidiaries are revalued at fair value.

5. Notes to the Consolidated Balance Sheet

(1) Fractional amounts of less than one million yen have been omitted.

(2) Accumulated depreciation of tangible fixed assets ¥1,420,162 million

(3) Assets pledged as collateral and obligations related to collateral

Assets pledged as collateral
- Flight equipment ¥613,169 million
- Supplies ¥52,237 million
- Investments in securities ¥33,614 million
- Securities ¥7,402 million
- Land, buildings and other ¥111,218 million

Obligations related to collateral
- Long-term loans ¥447,687 million

In addition to obligations stated in the consolidated balance sheet, future lease payments totaled ¥7,557 million in the period under review. In addition, shares in certain consolidated subsidiaries have been pledged as collateral.

(4) Contingent liabilities

- Guarantees ¥4,471 million
- Commitments such as guarantees, keep-well agreements and other ¥981 million
- JALI is alleged to have been involved in anti-competitive practices such as price-fixing with many international cargo operators. Its cargo operation office in Frankfurt was inspected by the European Union antitrust authorities on February 14, 2006. On the same date, the U.S. Department of Justice inspected JALI’s cargo operation office in New York. JALI is also being investigated by competition authorities in other jurisdications including Canada, Switzerland, and Australia. In addition, numerous and varied class action lawsuits have been initiated in the United States against many international airlines including JALI, claiming that certain price-fixing practices alleged in said lawsuits have damaged their interests. No specific amounts of damages or compensation have been claimed in these ongoing proceedings. Class action lawsuits have also been filed in Canada and Australia.

Management of the Company holds the view that investigations and class action lawsuits on alleged anti-competitive practices could have a material impact on the financial results of the Company and the group. With regard to an investigation by U.S. Department of Justice, JALI agreed in April 2008 to pay a fine of US$ 110 million and an allowance has been made to cover that liability. With regard to an investigation by the European Union antitrust authority, the allowance for the Company's exposure is provided at the amount that the company can reasonably estimate in the current circumstances. However, in respect of the aforementioned lawsuits and the investigations by the authorities of other jurisdictions, it is not possible to estimate the amounts of the Company's liabilities reasonably or to predict with assurance that certain liabilities will actually be incurred.

6. Note to consolidated statements of changes in net assets

(1) Fractional amounts of less than one million yen have been omitted.

(2) The total number and changes in the total number of shares of stock in issue and common stock in treasury were as follows:

(Thousands of shares)

	At March 31, 2007	Increase	Decrease	At March 31, 2008
No. of shares of stock in issue:				
Common stock	2,732,383	-	-	2,732,383
Preferred stock	-	614,000	-	614,000
Total	2,732,383	614,000	-	3,346,383
No. of shares of common stock in treasury:				
Common stock	2,934	565	462	3,037

Notes

1. The number of shares of preferred stock in issue increased by 614,000 thousand because of an allocation of shares of preferred stock to third parties.

2. The increase in common stock in treasury of 565 thousand shares during the year ended March 31, 2008 resulted from the Company's purchase of 565 thousand odd-lot shares of less than one unit at the request of the stockholders. The decrease in common stock in treasury of 462 thousand shares during the year ended March 31, 2008 resulted from the Company's sales of 274 thousand odd-lot shares of less than one unit at the request of the stockholders, a decrease of the equivalent of 52 thousand shares arising from changes in the scope of application of the equity method and a decrease of the equivalent of 135 thousand shares arising from a decrease in ownership interests in affiliates accounted for by the equity method.

7. Per-Share Data

(1) Net assets per share ¥110.08

(2) Net income per share ¥6.20

8. Subsequent Events

On May 2, 2008, JALI entered into an agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") to sell 49.375% of shares of JAL Card, Inc. ("JCI," which is a consolidated subsidiary of the Company) to BTMU. At the same time, JALI, JCI, BTMU, Mitsubishi UFJ NICOS Co., Ltd. and JCB Co., Ltd. entered into a business collaboration agreement regarding the credit card business.

Non-Consolidated Balance Sheet (As of March 31, 2008)

(Millions of yen)

Assets	Amount
I. Current assets	
Cash and deposits	166,450
Accounts receivable - trade	2,365
Short-term loans receivable from a subsidiary	86,871
Current portion of long-term loans receivable from subsidiary	79,292
Prepaid expenses	19
Accounts receivable - other	5,368
Deferred income taxes	12
Other current assets	52
Total current assets	340,433
II. Fixed assets	
(Tangible fixed assets)	(20)
Furniture and fixtures	20
(Intangible fixed assets)	(1)
Software	1
Other intangible fixed asset	0
(Investments)	(758,999)
Investments in securities	275
Investments in subsidiaries and affiliates	213,210
Long-term loans receivable from subsidiary	545,396
Deferred income taxes	20
Other investments	97
Total fixed assets	759,022
III. Deferred charges	
Stock issuance expenses	1,933
Total deferred charges	1,933
Total assets	1,101,389

Liabilities	Amount
I. Current liabilities	
Accounts payable - trade	146
Current portion of bonds	10,000
Current portion of long-term loans	69,292
Accounts payable - other	5,427
Accrued income taxes	121
Accrued expenses	2,267
Other current liabilities	63
Total current liabilities	87,318
II. Non-current liabilities	
Bonds	40,229
Long-term loans	525,396
Other non-current liabilities	24
Total non-current liabilities	565,649
Total liabilities	652,968
Net assets	
I. Stockholders' equity	
Common stock and preferred stock	251,000
Capital surplus	
Additional paid-in capital	188,253
Total capital surplus	188,253
Retained earnings	
Other retained earnings	
Unappropriated retained earnings	9,876
Total retained earnings	9,876
Common stock in treasury, at cost	(723)
Total stockholders' equity	448,406
II. Valuation, translation adjustments and other	
Unrealized gain on other securities, net of taxes	15
Total valuation, translation and adjustments other	15
Total net assets	448,421
Total liabilities and net assets	1,101,389

Non-Consolidated Statement of Operation (As of March 31, 2008)

(Millions of yen)

Operating revenues	Amount
Operating revenues	16,595
Cost of operating revenues	13,061
Gross profit	3,533
Selling, general and administrative expenses	2,441
Operating income	1,092
Non-operating income	521
Interest income and dividends	497
Other non-operating income	24
Non-operating expenses	602
Amortization of stock issuance expenses	439
Other non-operating expenses	163
Ordinary income	1,011
Extraordinary gain	433
Gain on sale of investments in subsidiaries	433
Income before income taxes	1,445
Income taxes - current	282
Income taxes - deferred	(4)
Net income	1,167

Non-consolidated Statement of Changes in Net Assets For the year ended March 31, 2008

(Millions of yen)

	Stockholders' equity							Valuation, translation and adjustments other		
	Common stock and preferred stock	Capital surplus		Retained earnings		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
		Additional paid-in capital	Total capital surplus	Other retained earnings: Unappropriated retained earnings	Total retained earnings					
Balance at March 31, 2007	174,250	111,503	111,503	8,718	8,718	(661)	293,810	142	142	293,953
Changes during the year ended March 31, 2008										
Issuance of preferred stock	76,750	76,750	76,750				153,500			153,500
Net income for the year ended March 31, 2008				1,167	1,167		1,167			1,167
Purchase of common stock in treasury						(139)	(139)			(139)
Sales of common stock in treasury				(9)	(9)	77	67			67
Changes other than stockholders' equity, net								(127)	(127)	(127)
Total changes	76,750	76,750	76,750	1,157	1,157	(62)	154,595	(127)	(127)	154,467
Balance, March 31, 2008	251,000	188,253	188,253	9,876	9,876	(723)	448,406	15	15	448,421

Notes to Non-Consolidated Financial Statements

1. Significant Accounting Policies

(1) Valuation of securities

Investments in subsidiaries and affiliates: Stated at cost determined by the moving average method

Securities

Marketable securities classified as other securities are carried at fair value with any unrealized gain or loss reported as a separate component of net assets, net of taxes.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined principally by the moving average method.

(2) Depreciation and amortization of tangible and intangible fixed assets

Tangible fixed assets: The straight-line method based on their estimated useful lives

Changes in accounting policy

Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or after April 1, 2007. The impact on operating income, ordinary income and income before income taxes and minority interests was immaterial for the year ended March 31, 2008.

Additional information

Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or prior to March 31, 2007. Such tangible fixed assets are to be depreciated based on the difference between the equivalent of 5% of acquisition cost and memorandum value over a period of 5 years once they have been fully depreciated to the limits of their respective depreciable amounts effective April 1, 2007. The impact on operating income, ordinary income and income before income taxes and minority interests was immaterial.

Intangible fixed assets: The straight-line method based on their estimated useful lives

(3) Deferred charges

Stock issuance expenses are capitalized and are being amortized over a period of 3 years.

(4) Hedge accounting

The related interest differential paid or received on interest-rate swaps used as hedging instruments is recognized over the term of each swap agreement as an adjustment to the interest expense of the underlying hedged items if certain conditions are met.

(5) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(6) Income taxes

The Japanese consolidated tax return system has been adopted.

2. Notes to Balance Sheet

(1) Fractional amounts of less than one million yen have been omitted.

(2) Accumulated depreciation of tangible fixed assets: ¥38 million

(3) Assets pledged as collateral, and obligations related to collateral

Assets pledged as collateral
Investments in subsidiaries and affiliates ¥5,546 million
Investments in securities ¥275 million

Total ¥5,821 million

Obligations related to collateral
Current portion of long-term loans ¥42,765 million
Long-term loans ¥200,193 million

Total ¥242,958 million

The above assets pledged as collateral include assets provided for real guarantees in regard to borrowings of ¥2,874 million by subsidiary Japan Airlines International Co., Ltd.

(4) Contingent liabilities for guarantees

Guarantees have been provided for the following companies' borrowings from financial institutions and lease obligations.

JAL Capital Co., Ltd. ¥421,501 million
Japan Airlines International Co., Ltd. ¥165,899 million

Total ¥587,400 million

(5) Receivables and payables relating to affiliated companies

Short-term receivables from subsidiaries: ¥172,894 million
Short-term payables to subsidiaries: ¥5,464 million
Long-term receivables from subsidiaries: ¥545,396 million

The amounts above include amounts to and from certain subsidiaries which are presented separately in the balance sheet.

3. Notes to Statement of Operations

(1) Fractional amounts of less than one million yen have been omitted.

(2) Transactions with affiliates
Operating revenues: ¥16,595 million
Operating expenses: ¥795 million
Non-operating transactions: ¥387 million

4. Relating to Statement of Changes in Net Assets

(1) Fractional amounts of less than one million yen have been omitted.

(2) Classes and numbers of shares of treasury stock at year-end
Common stock 2,593,442

5. Income Taxes

The significant components of deferred tax assets include valuation losses on investments in affiliates and non-recognition of accounts payable, and the significant components of deferred tax liabilities include valuation differences on available-for-sale securities.

6. Transactions with Related Parties

Attribute	Company name	Ratio of voting rights, direct or indirect	Relationship		Transaction details	Transaction amount (¥ million)	Category	Balance at year-end (¥ million)
			Concurrent officers	Business relationship				
Subsidiary	Japan Airlines International Co.	100.0% held directly	Concurrent 21 persons	Management guidance, lending of funds	Lending of funds (Note 1)	81,247	Long-term loans to affiliates (including those due for repayment within 1 year)	624,689
					Collection of loans (Note 1)	64,027		
					Receipt of management guidance fees, interest, etc. (Notes 2, 3)	15,613	Accounts receivable–trade	2,330
					Guarantees of obligations (Note 4)	165,899	-	-
					Obtainment of guarantees of obligations (Note 5)	647,140	-	-
					Real guarantees (Note 6)	2,874	-	-
					Obtainment of real guarantees (Note 7)	363,736	-	-
Subsidiary	JAL Capital Co.	100.0% held directly	Concurrent 1 person	Commissioning of funds-related business, lending of funds	Lending of funds (Notes 1, 8)	6,582	Short-term loans to affiliates	86,871
					Collection of loans (Note 1, 8)	9,911		
					Dividend income (Notes 1, 8)	387		
					Guarantees of obligations (Note 4)	421,501	-	-

Transaction conditions and policy for determining them

Notes
1. Loan interest rates are determined rationally in light of market interest rates.
2. Management guidance fees are determined by mutual agreement between in light of the nature of the business.
3. Transaction amounts are net of consumption taxes, which are included in the balance at year-end.
4. Guarantees of obligations are made in regard to subsidiaries' borrowings from financial institutions and lease obligations.
5. Guarantees are obtained by the Company for its corporate bonds and for borrowings from financial institutions.
6. Real guarantees entail the provision of collateral for borrowings by subsidiaries from financial institutions.
7. The obtainment of real guarantees entails the provision of collateral by subsidiaries for borrowing by the Company from financial institutions.
8. Includes cash management system (CMS) transactions.

7. Per-Share Data

Net assets per share	¥108.04
Net income per share	¥0.43

Copy of Report of Accounting Auditors (translation)

Report of Independent Auditors

(Consolidated)

The Board of Directors
Japan Airlines Corporation

May 13, 2008

ERNST & YOUNG SHINNIHON

Takehiko Nagasaki
Designated and Engagement Partner
Certified Public Accountant

Yoichi Yamada
Designated and Engagement Partner
Certified Public Accountant

Hiroshi Saito
Designated and Engagement Partner
Certified Public Accountant

Hirohisa Fukuda
Designated and Engagement Partner
Certified Public Accountant

In accordance with Section 4 of Article 444 of the Corporation Law, we have audited the consolidated balance sheet, the consolidated statement of operations and the consolidated statement of changes in net assets of Japan Airlines Corporation applicable to the fiscal year from April 1, 2007, to March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these consolidated financial statements.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company's consolidated subsidiaries as considered necessary.

As a result of our audit, it is our opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Japan Airlines Corporation and its consolidated subsidiaries at March 31, 2008 and the consolidated results of their operations in conformity with accounting principles generally accepted in Japan.

Additional Information
As stated in the section "Subsequent Events," an agreement was signed on May 2, 2008 between Japan Airlines International Co., Ltd. and Mitsubishi-Tokyo UFJ Bank under which the former would sell to the latter a portion of its equity holdings in JAL Card Inc.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Copy of Report of Accounting Auditors (translation)

Report of Independent Auditors

The Board of Directors
Japan Airlines Corporation

May 13, 2008

ERNST & YOUNG SHINNIHON

____
Takehiko Nagasaki
Designated and Engagement Partner
Certified Public Accountant

____
Yoichi Yamada
Designated and Engagement Partner
Certified Public Accountant

____
Hiroshi Saito
Designated and Engagement Partner
Certified Public Accountant

____
Hirohisa Fukuda
Designated and Engagement Partner
Certified Public Accountant

In accordance with Section 1 of Article 436-2 of the Corporation Law, we have audited the balance sheet, the statement of operations, the statement of changes in net assets and accounting matters stated in the supplementary schedules of Japan Airlines Corporation applicable to the sixth fiscal year from April 1, 2007, to March 31, 2008. The accounting matters which we have audited in the business report and the supplementary schedules were derived from the accounting books and records of the Company. These financial statements and the supplementary schedules are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements and the supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company's subsidiaries as considered necessary.

As a result of our audit, it is our opinion that the nonconsolidated financial statements and the supplementary schedules present fairly, in all material respects, the nonconsolidated financial position of Japan Airlines Corporation at March 31, 2008 and the nonconsolidated results of operations in conformity with the accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Copy of Report of the Board of Corporate Auditors (translation)

Report of the Board of Corporate Auditors

May 16, 2008

We, the Board of Corporate Auditors of Japan Airlines Corporation, have received from each Corporate Auditor a report on auditing methods used and the results of its audits on the execution of duties by the directors during the sixth fiscal year from April 1, 2007, to March 31, 2008, and have compiled this audit report after consultations, and do hereby report as follows;

1. Outline of the auditing method used by Corporate Auditor

In accordance with the auditing policies and other guidelines set down by the Board of Corporate Auditors, the Board of Corporate Auditors received reports from directors and accounting auditors.

Each corporate auditor attended meetings of the Board of Directors and other important meetings, received business reports from directors and other officers to review important approval and other documents, and investigated the operational and financial position of the Company. In addition, we verified resolutions of the Board of Directors regarding systems and operations of internal control of companies stipulated in Article 100 Paragraphs 1 and 3 of the Enforcement Regulations of the Corporation Law to ensure that directors of the Company properly execute their duties pursuant to the law and the Company's Articles of Incorporation. With respect to subsidiaries, we requested business reports as necessary and also investigated their operational and financial position and exchanged information and opinions with the corporate auditors of the subsidiaries. We also received reports and explanations from the independent auditors and examined the financial statements and the supplementary schedules.

With respect to audits by accounting auditors, we received detailed explanations on the execution of audits from accounting auditors. We also received a report on their auditing systems confirming that their audits were carried out in line with regulations in the quality control standards for auditing (issued by the Business Accounting Council). By implementing these procedures, we carried out audits on the nonconsolidated financial statements and supplementary schedules, as well as the consolidated financial statements, of the Company.

2. Results of audits

(1) Business report

a) The business report and its supplementary schedules have been recognized to comply with the law and the Articles of Incorporation, and to correctly reflect the position of the Company;

b) No unjust act or serious violation of the laws or the Articles of Incorporation has been detected as to directors performing their duties;

c) The resolutions made by the Board of Directors have been recognized to be appropriate. There is nothing to be reported regarding the execution of directors' duties with respect to internal control of the Company.

(2) Nonconsolidated financial statements and their supplemental schedules

The method used and results obtained by the accounting auditors, ERNST & YOUNG SHINNIHON, have been recognized to be proper and fair.

(3) Consolidated financial statements

The method used and results obtained by the accounting auditors, ERNST & YOUNG SHINNIHON, have been recognized to be proper and fair.

As described in the Business Report, Japan Airlines International Co., Ltd. (JALI), a wholly owned subsidiary of the Company was involved in anti-competitive practices such as price-fixing and collusion with several international cargo operators, and agreed to pay a fine of US$110 million after investigation by the U.S. Department of Justice. Similar investigations have been carried out by antitrust authorities in the EU and other nations.
At the Board of Corporate Auditors, we will continue to closely monitor future developments to ensure that the behavior of the Company is appropriate.

Teruhisa Ishizawa, Corporate Auditor (standing)
Hideo Hiramoto, Corporate Auditor (standing)
Hirokazu Horinouchi, Corporate Auditor (standing)
Masatake Matsuda, Corporate Auditor
Hiroshi Suzuki, Corporate Auditor
Hideyuki Sakai, Corporate Auditor

The Board of Corporate Auditors
Japan Airlines Corporation

(Note) Hirokazu Horinouchi, Masatake Matsuda, Hiroshi Suzuki and Hideyuki Sakai are outside statutory auditors as stipulated in Article 2, Paragraph 16 and Article 335, Paragraph 3 of the Corporation Law.

Proposed Resolutions and Reference Matter
Proposed Resolution: Election of 15 Directors

Among the fifteen (15) directors elected at the previous annual general meeting of shareholders, two (2) left office by March 31, 2008, leaving thirteen (13) directors in office. However, the terms of office of these directors terminate as of the conclusion of this general meeting. Accordingly, your approval is sought for the appointment of fifteen (15) directors.
The candidates are as follows.

Candi-date no.	Name (Date of birth)	Background and representative status at other companies	Number of shares of the Company held
1	Haruka NISHIMATSU (Born on January 5, 1948)	April 1972 Joined JAL April 2003 Executive Officer, Responsible for Investor Relations (Assistant), Finance (Assistant) and Vice President, Finance Dept., JAL April 2005 Senior Vice President, JALI Senior Vice President, JALJ June 2005 Senior Vice President, JAL Responsible for Finance, Purchasing April 2006 Senior Managing Director, JAL Responsible for Finance Senior Managing Director, JALI Senior Managing Director, JALJ June 2006 Group CEO & President, JAL (currently serving) President, JALI (currently serving) President, JALJ	Common stock 17,000
2	Katsuhiko NAWANO (Born on November 16, 1946)	July 1969 Joined Ministry of Transport August 2002 Vice-Minister for Ministry of Land, Infrastructure & Transport July 2003 Resigned from Ministry of Land, Infrastructure and Transport Oct. 2005 Managing Director, JALI Managing Director, JALJ April 2006 Senior Executive Officer, JAL Responsible for Airport Projects June 2006 Managing Director, JAL Responsible for Airport Projects April 2007 Executive Vice President, JAL Responsible for Airport Projects Executive Vice President, JALI (currently serving) April 2008 Executive Vice President, JAL Responsible for Airport Projects, Internal Control Promotion (currently serving)	Common stock 7,000

Candi-date no.	Name (Date of birth)	Background and representative status at other companies	Number of shares of the Company held
3	Tetsuya TAKENAKA (Born on February 12, 1947)	July 1970 Joined JAL April 1999 Vice President & Regional Manager, Frankfurt June 2003 Senior Vice President, Japan Asia Airways (JAA) June 2005 Managing Director, JAA April 2006 Executive Officer, General Manager, Corporate Planning, JAL Senior Vice President, JALI Senior Vice President, JALJ June 2006 Senior Vice President, General Manager, Corporate Planning, JAL Responsible for Finance April 2007 Managing Director, General Manager, Corporate Planning, JAL Responsible for Finance Managing Director, JALI April 2008 Executive Vice President, General Manager, Corporate Planning, JAL (currently serving) Executive Vice President, JALI (currently serving)	Common stock 16,310
4	Kiyoshi KISHIDA (Born on May18, 1948)	April 1971 Joined JAL July 2001 Vice President, Flight Planning Dept., JAL April 2004 Vice President & Deputy General Manager, Flight Operations Division Vice President, Flight Planning Dept., JAL April 2005 Managing Director, JAL April 2006 Senior Executive Officer, General Manager, Corporate Safety Division, JAL Senior Managing Director, JALI (currently serving) Senior Managing Director, JALJ June 2006 Senior Managing Director, JAL Responsible for Corporate Safety April 2008 Senior Managing Director, JAL Responsible for Corporate Safety, Environmental Affairs (currently serving)	Common stock 8,570
5	Toshio ANNAKA (Born on January 2, 1951)	April 1973 Joined JAL June 1998 Seconded to JALPAK Co., Ltd. April 2004 Managing Director, JAL Sales Co., Ltd. March 2006 Executive Officer, JALI Executive Officer, JALJ April 2006 Executive Officer, JAL Responsible for Human Resources Management Senior Vice President, JALI Senior Vice President, JALJ June 2006 Senior Vice President, JAL Responsible for Human Resources Management April 2008 Managing Director, JAL Responsible for Human Resources Management (currently serving) Managing Director, JALI (currently serving)	Common stock 5,155

Candi-date no.	Name (Date of birth)	Background and representative status at other companies	Number of shares of the Company held
6	Shunichi SAITO (Born on September 1, 1948)	April 1974 Joined JAL April 2003 Executive Officer, JAL April 2004 Executive Officer, JALJ April 2005 Executive Officer, General Manager, IT Strategy and Planning, JAL April 2007 Executive Officer, JAL Responsible for Passenger Sales & Marketing June 2007 Senior Vice President, JAL Responsible for Passenger Sales & Marketing Senior Vice President, JALI April 2008 Managing Director, JAL Responsible for Passenger Sales & Marketing (currently serving) Managing Director, JALI (currently serving)	Common stock 10,000
7	Masaaki HAGA (Born on September 24, 1948)	May 1972 Joined JAL April 2003 Vice President, Component Services Business Division, JAL April 2004 Executive Officer, JALI Executive Officer, JALJ April 2006 Executive Officer, Deputy General Manager, Corporate Safety, JAL April 2007 Executive Officer, JAL Responsible for Engineering & Maintenance Division June 2007 Senior Vice President, JAL Responsible for Engineering & Maintenance Division Senior Vice President, JALI April 2008 Managing Director, JAL Responsible for Engineering & Maintenance Division (currently serving) Managing Director, JALI (currently serving)	Common stock 19,223
8	Kimio HIROIKE (Born on May 31, 1949)	April 1974 Joined JAL May 1999 Vice President, Associated Business, JAL April 2004 Executive Officer, General Manager, Associated Business, JAL Executive Officer, JALI April 2005 Executive Officer, JALJ Oct. 2005 Executive Officer, General Manager, Associated Business and Deputy General Manager, Personnel Planning, JAL April 2006 Executive Officer, JAL Responsible for Purchasing Senior Vice President, JALI (currently serving) Senior Vice President, JALJ June 2006 Senior Vice President, JAL Responsible for Airport Operations Division (currently serving)	Common stock 7,000

Candi-date no.	Name (Date of birth)	Background and representative status at other companies	Number of shares of the Company held
9	Masato UEHARA (Born on January 6, 1951)	April 1974 Joined JAL July 2000 Deputy Vice President, Flight Crew General Affairs, JAL June 2002 Seconded to JAL Sales Network Co., Ltd. Vice President, Mileage Center, International Passenger, JAL Vice President, Mileage Center, Domestic, Passenger, JAL April 2003 Vice President, Strategic Planning & Marketing, International Passenger, JAL Seconded to Japan Air System April 2004 Executive Officer, JALI April 2006 Senior Vice President, JALI (currently serving) Senior Vice President, JALJ June 2006 Senior Vice President, JAL Responsible for Passenger Sales & Marketing and Customer Satisfaction Improvement April 2007 Senior Vice President, JAL Responsible for Customer Satisfaction Improvement Division (currently serving)	Common stock 9,541
10	Teruo HARAFUJI (Born on May 21, 1947)	April 1971 Joined JAL April 2001 Deputy Vice President, Flight Crew, Boeing 747 Dept., JAL Dec. 2001 Vice President, Flight Crew, JAA Dec. 2002 Vice President, Flight Crew, Boeing 747 Dept., JAL July 2005 Vice President, General Manager, Flight Crew Dept., JALI April 2006 Senior Vice President, JALI (currently serving) June 2006 Senior Vice President, JAL Responsible for Flight Operations (Assistant to the General Manager) April 2006 Senior Vice President, JAL Responsible for Flight Operations (currently serving)	Common stock 5,000
11	Shigemi KURUSU (Born on July 29, 1955)	April 1978 Joined JAL Dec. 2001 Deputy Vice President, Corporate Planning Office, JAL Oct. 2002 Vice President, Corporate Planning Office, JAL Oct. 2003 Vice President, Industrial Relations, JAL April 2007 Executive Officer, JAL Responsible for Cabin Crew Dept. Executive Officer, JALI June 2007 Senior Vice President, JAL Responsible for Cabin Crew Dept. (currently serving) Senior Vice President, JALI (currently serving)	Common stock 11,000

Candi-date no.	Name (Date of birth)	Background and representative status at other companies	Number of shares of the Company held
12	Kunio HIRATA (Born on August 16, 1951)	April 1975 Joined JAL April 2000 Vice President, General Affairs Department, JAL April 2001 Seconded to JAL Sales Network Co., Ltd. June 2002 Vice President, Product Marketing & Development, Domestic Passenger, JAL April 2003 Seconded to Japan Air System Vice President, Product Marketing & Development, Domestic Passenger, JAL April 2005 Seconded to JALJ Vice President, Strategic Planning & Marketing, Domestic Passenger, JALI April 2006 Executive Officer, Deputy General Manager, Corporate Planning, JAL Executive Officer, JALI (currently serving) Executive Officer, JALJ April 2008 Executive Officer, JAL Responsible for Cargo & Mail (currently serving)	Common stock 12,465
13	Yoshimasa KANAYAMA (Born on January 17, 1952)	April 1974 Joined JAL June 1999 Vice President, Associated Business, JAL July 2000 Vice President, Procurement Administration Department, JAL June 2002 Vice President, Procurement Department, JAL Oct. 2002 Vice President, Procurement Department, JAL April 2004 Head of Revenue Management Center, JALI Seconded to JALJ April 2005 Head of Paris Office, JALI, and head of Marketing Unit at Paris Office Oct. 2006 Executive Officer, Responsible for Finance, Accounting and Vice President, Finance Dept., JAL Executive Officer, JALI (currently serving) April 2008 Executive Officer, Responsible for Finance, Accounting and Purchasing, JAL (currently serving)	Common stock 17,100
14	Kiyofumi KAMIJO (Born on September 12, 1935)	June 1987 Senior Vice President, Tokyu Corp. June 1993 Managing Director, Tokyu April 1995 Senior Managing Director, Tokyu June 1999 Vice President, Tokyu June 2001 President, Tokyu June 2005 Chairman, Tokyu (currently serving) June 2007 Senior Vice President, JAL (currently serving) Senior Vice President, JALI (currently serving) [Representative status at other companies] Chairman and Representative Director, Tokyu Bunkamura, Inc. Representative Director and President, Three Hundred Club Co., Ltd.	0

Candi-date no.	Name (Date of birth)	Background and representative status at other companies			Number of shares of the Company held
15	Kunio ISHIHARA (Born on October 17, 1943)	June	1995	Director, General Manager, Hokkaido District, Tokio Marine and Fire Insurance (TMFI)	0
		June	1998	Managing Director, General Manager, Hokkaido District, TMFI	
		June	2000	Senior Managing Director, TMFI	
		June	2001	President, TMFI	
		April	2002	President, Millea Holdings, Inc.	
		Oct.	2004	President, Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tokio Marine & Nichido)	
		June	2007	Chairman, Tokio Marine & Nichido Fire Insurance Co., Ltd (currently serving) Chairman, Millea Holdings, Inc. (currently serving)	

Notes

1. There are no special interests between these candidates for director and the Company.
2. Kiyofumi Kamijo and Kunio Ishihara are candidates for appointment as outside directors.
3. Reasons for candidacy for appointment as outside directors, and periods of office
   a. Mr. Kiyofumi Kamijo is a man of profound scholarship backed by long experience principally in the transportation industry, has a wealth of experience and a strong record of achievement in corporate management, and is also a person of great insight. We believe that he can make a major contribution to the management of the Company as an outside director, and thus are proposing him as a candidate. Mr. Kiyofumi Kamijo assumed the post of outside director in June 2007, and will have served a full year at the time of the closing of the current annual general meeting of shareholders.
   b. Mr. Kunio Ishihara has extensive experience and an extensive record of achievement in corporate management and all aspects of the business world, and possesses great insight. We believe that he can make a major contribution to the management of the Company as an outside director, and thus are proposing him as a candidate.
4. In cases in which candidates for outside directorships have held office as director, executive officer, or auditor in other kabushikigaisha during the previous five years, and during their terms of office at those other companies there were acts that violated laws or articles of incorporation, or other incidences of improper execution of business, the facts of these cases and the manner in which relevant candidates acted to prevent them and dealt with them after their occurrence were as follows.
   a. While Mr. Kiyofumi Kamijo was concurrently serving as an outside director at Gold-Pak Co., Ltd. in October 2007, the company received a directive from the Ministry of Agriculture, Forestry and Fisheries ordering improvements in the labeling of certain of the company’s own-brand products regarding the raw materials used in them, in accordance with the Law Concerning Standards and Proper Labeling of Agricultural and Forestry Products (the “JAS Law”). Until he was informed of this directive by company staff, Mr. Kamijo was unaware that the company’s procedure was in violation of the law. Mr. Kamijo had long been urging the executive directors of Gold-Pak to put management priority on legal compliance, and on learning of the case in point, he participated in inquiries aimed at discovering its causes, devising means whereby a recurrence could be prevented, and ensuring that the appropriate penalties were applied to any staff found responsible for the violation. Mr. Kamijo offered his opinions to the directors of Gold-Pak regarding changes in management style that he deemed necessary in order to regain public trust. In this way, he fulfilled the responsibilities of his position.
   b. Tokio Marine & Nichido Fire Insurance Co., Ltd., where Mr. Kunio Ishihara serves as chairman of the Board of Directors, in November 2005 received a directive from the Financial Services Agency ordering improvements to be made in operating procedures in response to the discovery of the failure to pay certain amounts due under insurance plans. Additionally, in March 2007 the Financial Services Agency issued to the company an order for the cessation of certain business operations, and a directive to improve business procedures, in response to the discovery of irregularities in the payment of insurance money on insurance policies in the third-sector insurance field. The company is currently engaged in work to prevent the recurrence of such irregularities, and every effort is being made to operate the company in full compliance with the law.
   c. In addition, in February and June of 2007, the Bank of Mitsubishi-Tokyo UFJ, where Mr. Kunio Ishihara concurrently serves as an outside director, received from the Financial Services Agency a

directive ordering improvements to the bank's systems for management and supervision, legal compliance, and internal control relating to overseas operations and the sale of investment trusts and similar products, and for improvements, in respect of compliance, in the supervision of transactions at corporate banking marketing units inherited from the former UFJ Bank. In addition, the Bank of Mitsubishi-Tokyo UFJ received a directive from the U.S. banking regulatory authorities in December 2006 for improvements to procedures relating to the prevention of money laundering in the United States. Prior to the receipt of this directive, Mr. Ishihara had been unaware of the details of the procedures involved, but he had, on many occasions, stressed the importance of legal compliance at meetings of the Board of Directors and other management forums. Since the problem was identified, Mr. Ishihara has been overseeing the drawing up of a plan by the Board for improvement of the bank's procedures.

5. Liability limitation agreements
   a. Pursuant to the provisions of Article 427, Paragraph 1, of the Corporation Act, the Company has concluded an agreement with Mr. Kiyofumi Kamijo that limits his liability for damages under Article 423, Paragraph 1, of the said act to the minimum amount prescribed in Article 425, Paragraph 1, of the act.
   b. If the election of Mr. Kunio Ishihara is approved in accordance with this proposal, the Company intends to conclude the same sort of agreement with him as that described above.

Procedure for Exercising Voting Rights via the Internet

Please read the following items before exercising your voting rights via the Internet.
Note: If you will be attending the General Meeting of Shareholders, it is not necessary to exercise your voting rights by mail (form for exercising voting rights) or the Internet.

Details

1. Site for Exercising Voting Rights

(1) You can exercise your voting rights via the Internet by accessing the Company's designated site (http://www.evote.jp/) via a personal computer or mobile phone (iMode, EZweb, or Yahoo! Keitai).*
* ("iMode" is a trademark of NTT DoCoMo, Inc., "EZweb" is a trademark of KDDI Corporation, and "Yahoo!" is a trademark of Yahoo! Inc. of the U.S.)
(2) Depending on their Internet user environments, shareholders using personal computers may not be able to exercise their voting rights via the site for exercising voting rights if they have a firewall on their Internet connection, have anti-virus software set up, or are using a proxy server.
(3) In order to exercise voting rights on a mobile phone, it is necessary to have the capability to use the iMode, EZweb, or Yahoo! Keitai service. Even if they have access to one of the above services, some shareholders may not be able to use the service if their mobile phone models are incapable of sending information, or because of encrypted communication (SSL communication) to ensure security.
(4) Votes will be accepted via the Internet through 5:55 p.m. of the day before the General Meeting of Shareholders (Tuesday, June 24, 2008). Please vote before this time, and send any inquiries or questions to the Help Desk below.

2. How to exercise voting rights via the Internet

(1) To exercise voting rights using a personal computer, access http://www.evote.jp/, the site for exercising voting rights, and use the log-in ID and the temporary password given on the enclosed form for exercising voting rights. Then please follow the instructions on the screen to vote for or against the proposed resolutions.
(2) To prevent people who are not shareholders (impostors) from illegally accessing the site and tampering with votes, we ask shareholders who use the site to change their temporary passwords on the site for exercising voting rights.
(3) We will send you a new log-in ID and temporary password every time a notice of a general meeting of shareholders is issued.
(4) Costs arising from accessing the site for exercising voting rights (dial-up connection fees, phone fees, etc.) will be borne by the shareholder.

Use of a Website for Online Exercise of Voting Rights

In the case of nominee shareholders (trust banks and similar institutions), including their standing proxies, application must be made beforehand for use of the website for the online exercise of voting rights provided by an entity jointly set up by the Tokyo Stock Exchange and related institutions. In the event that an application has been made and accepted, this website may be used for the exercise of voting rights in place of the method of exercise of voting rights via the Internet as described above.

For further information on this matter, please contact:
Mitsubishi UFJ Trust and Banking Corporation,
Securities Agent Department (Help Desk)
- Tel: 0120-173-027 (Business hours: 9:00 am-9:00 pm, toll free in Japan)