Japan Airlines

Annual Report 2004

Year ended March 31, 2004

Japan Airlines Corporation at a Glance

Aiming to Be the World's No. 1 Airline Group

Japan Airlines System Corporation was established by means of share transfers on October 2, 2002, as the holding company for its two subsidiaries: Japan Airlines Company, Ltd. and Japan Air System Co., Ltd. In addition, on April 1, 2004, a reorganization brought about the birth of JAL Domestic, for domestic passenger operations, and JAL International, for international passenger and cargo operations, under the unified "JAL-Japan Airlines" brand. The new JAL Group is an air-transportation group with Japan's largest network, operating some 1,000 flights daily on domestic routes and 1,700 flights per week on international routes.

The JAL Group's corporate philosophy is to serve as an air transportation group with comprehensive strengths, binding together peoples, cultures, and hearts, and contributing to the peace and prosperity not only of Japan, but also of the world. The five essentials of this are:

1. The relentless pursuit of safety and quality
2. Thinking and acting from the customer's perspective
3. Maximizing corporate value
4. Fulfilling all responsibilities as a corporate citizen
5. Placing value on diligence and meeting every challenge

Now that full integration has been achieved, the new JAL Group is dedicating itself to maximizing the benefits of the amalgamation of business operations, and aims to be the world's No.1 airline group in terms of service quality and business volume taken together.

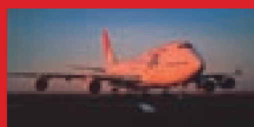
Contents

Japan Airlines System Corporation, the holding company of the JAL Group, was renamed Japan Airlines Corporation on June 26, 2004

Overview of the JAL Group

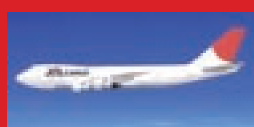
The JAL Group is composed of 295 subsidiaries and 98 affiliates, and engages in air transportation business, airline-related business, travel services, and other business activities. Japan Airlines System Corporation, the holding company, formulates Group-wide targets and strategies, and ensures the optimum allocation of management resources so as to maximize corporate value.

International Passenger



Domestic Passenger

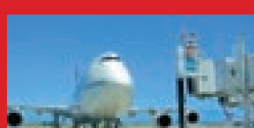
Cargo



The JAL Group's operations include: air passenger services and baggage handling; air cargo services; maintenance of aircraft and parts, and painting of aircraft exteriors; seat reservation and information on passenger services; supplying electricity, cool/warm air and compressed air to stationary aircraft; in-flight catering service; sale of fuel for aircraft; and management of aviation fuel supply facilities.

Air transportation business is conducted by 10 subsidiaries, all of which are consolidated, and 1 affiliate. In this field the Group has created a large-scale network that includes not only JAL International and JAL Domestic, but also Japan Asia Airways Co., Ltd., Japan Trans Ocean Air Co., Ltd., JALways Co., Ltd., JAL Express Co., Ltd., Japan Air Commuter Co., Ltd., J Air Co., Ltd., Harlequin Air Co., Ltd., and Hokkaido Air System Co., Ltd.

Airline-related business



Airline-related business includes passenger services and cargo handling, in-flight catering businesses, the maintenance of aircraft and ground equipment, and the supply of aviation fuel. These activities are conducted by a total of 97 subsidiaries, including 58 consolidated companies and 68 affiliated companies.

Travel service

In the field of travel services, 62 subsidiaries and 7 affiliates (including 43 consolidated companies) engage in the sale of airplane tickets for JAL Group airline companies, as well as the planning and production of travel goods, utilizing those airline companies.

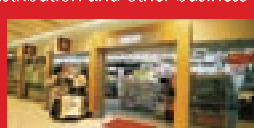
Hotel and resort business

Management of hotels, outsourced provision of hotel operations, and management of golf courses are conducted by 25 subsidiaries and 6 affiliated companies: of these, 18 are consolidated subsidiaries.

Credit card and leasing business

In the credit card and leasing businesses, 59 subsidiaries conduct: management and operation of credit cards and PassAge cards, which are issued by JAL; pooling of funds within the JAL Group; agency payment services; paperwork for intercorporate account settlements within the JAL Group; financing for Group companies; leasing and installment sale of aircraft and parts, industrial machinery, transportation equipment, information equipment, and office equipment for the JAL Group; and nonlife insurance services for Group companies. Of these, 2 companies are consolidated.

Commercial, distribution and other business



In this segment, 42 subsidiaries and 16 affiliates, of which 14 are consolidated, engage in activities that include: sale of aircraft and parts, and aviation fuel; operation of airport shops; mail-order sales; in-flight sales and sale of cabin goods; printing service; and temporary personnel service.

Consolidated Financial Highlights

Japan Airlines Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2004, 2003 and 2002

		Millions of yen		Thousands of U.S. dollars
Years ended March 31,	2004	2003	2002 (Pro forma)	2004
For the Year:				
Operating Revenues	¥ 1,931,742	¥2,083,480	¥2,029,481	$18,397,543
Operating Expenses	1,999,387	2,072,891	2,030,522	19,041,780
Operating (loss) Income	(67,645)	10,589	(1,041)	(644,238)
Net (loss) Income	(88,619)	11,645	(35,797)	(843,990)
Net (loss) Income Per Share (yen and dollars)	¥ (45.19)	¥ 5.92	—	$ (0.430)
At Year-End:				
Long-Term Debt	¥ 1,170,156	¥1,094,285	¥1,132,238	$11,144,342
Stockholders' Equity	159,273	254,256	254,803	1,516,885
Total Assets	2,113,418	2,172,284	2,294,836	20,127,790
Shares Issued (thousands)	1,980,465	1,980,465	—	

Note: The U.S. dollar amounts in this annual report are translated from yen amounts, solely for convenience, at ¥105=U.S.$1.00, the exchange rate prevailing on March 31, 2004 (see Note 2 to the Consolidated Financial Statements).

Note: Figures shown in this report for 2002 are simple addition of the figures for the Japan Airlines Group and the Japan Air System Group.

Consolidated Operating Highlights

Japan Airlines Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2004 and 2003

Years ended March 31,		2004	2003	Change (%)
Revenue passengers carried (number of passengers):	Domestic	46,496,195	46,520,059	-0.1
	International	11,745,032	14,640,627	-19.8
	Total	58,241,227	61,160,686	-4.8
Revenue passenger-km (1,000 passenger-km):	Domestic	34,687,452	34,820,104	-0.4
	International	59,159,861	69,959,085	-15.4
	Total	93,847,313	104,779,189	-10.4
Revenue passenger-load factor (%; percentage point change):	Domestic	64.0	65.3	-1.3
	International	64.6	69.0	-4.4
	Total	64.3	67.8	-3.5
Revenue ton-km performed (1,000 ton-km):	Domestic	3,054,722	3,069,027	-0.5
	International	10,032,252	11,052,885	-9.2
	Total	13,086,974	14,121,912	-7.3
Revenue weight-load factor (%; percentage point change):	Domestic	47.8	48.8	-1.0
	International	64.8	66.3	-1.5
	Total	59.8	61.5	-1.7

Notes: 1. Ratios and percentages have been rounded to the nearest tenth of a percent.
2. Other figures less than one thousand, except for passengers carried, have been discarded.

"The completion of the business integration has taken the JAL Group a step further towards standing in the front rank of the world's air transportation groups. Guided by our philosophy of returning profit to all our stakeholders, under the new business and management structure our prime goal is to improve profitability still further and maximize the soundness of the Group's financial condition."

Isao Kaneko
Group CEO

Toshiyuki Shinmachi
President

Business performance

A very harsh operating environment prevailed during the fiscal 2003, impacted by factors such as a succession of serious international events, including the Iraq war and the outbreaks of new infectious diseases in the form of SARS and then of avian influenza, and by a steep increase in the price of aviation fuel.

In domestic passenger operations, we implemented vigorous sales promotion measures and strengthened competitiveness by steady implementation of the integration plan, including network reorganization. As a result, yield improved and there was a substantial increase in revenues. In international passenger operations, however, the impact on passenger psychology of the external factors referred to above was more serious than anticipated, and we were unable to avoid a decline in revenue caused by the resultant slump in demand.

We accelerated the integration plan vigorously, implementing a total of ¥45.5 billion of Group-wide emergency countermeasures to improve the financial position. These resulted in consolidated operating revenues of ¥1,931.7 billion (US$18,397 million), an operating loss of ¥67.6 billion (US$644 million), and a net loss of ¥88.6 billion (US$843 million).

Complete integration

On April 1, 2004, the JAL Group achieved complete integration — under the unified "JAL-Japan Airlines" brand — through the reorganization of Japan Airlines Co., Ltd. and Japan Air System Co., Ltd. into Japan Airlines International Co., Ltd., which handles international passenger and cargo operations, and Japan Airlines Domestic Co., Ltd., which handles domestic passenger operations.

This reborn JAL Group possesses the largest international network originating in Japan and also the largest domestic network, offering customers greater-then-ever convenience. In addition, since April 2004, all products have been unified under the JAL brand in line with the keywords "easy-to-use, easy-to-understand." All JAL and JAS flight numbers have been unified with the JAL prefix plus four digits, and ticket issuance and airport systems have been integrated, so that all dialing in for reservations has been unified into the existing JAL toll-free system.

As a result of the integration, the ratio of the domestic and international networks has been improved from 2:5 to 1:1 in terms of revenues. This has rectified the dependence on international routes that was a major pre-integration issue facing the management of the former Japan Airlines. What is more, we have achieved a more even geographical balance of revenues from international routes, 35% coming from Transpacific, 20% from routes to Europe, and 30% from China and other Southeast Asia routes. Provided situations of similar magnitude to the Iraq conflict and SARS do not arise, we believe we are firmly on course to move back into profitability in fiscal 2004. An added factor is that the strengthening of our operations on domestic routes has increased the ratio of passengers traveling as individuals. The rise in the number of individual passengers raises strong expectations of an improvement in earnings.

The outlook, and issues to address

The airline industry is likely to see a widening of new business opportunities, driven by factors such as growth in airline demand in China and other parts of Southeast Asia and the opening of the Central Japan International

Airport. Nevertheless, this is likely to be accompanied by increasingly fierce competition. At the same time it will be essential, given the ongoing instability in the international situation, to continue to ensure that flight safety and all other aspects of safety are pursued painstakingly.

Amid these circumstances, the JAL Group will continue to be guided by its philosophy of returning profit to all its stakeholders under its new business and management structure, the prime goal being to improve profitability still further and to maximize the soundness of the Group's financial condition. Its key management indicators are return on equity (ROE) and the payback period of interest-bearing debt as a multiple of operating cash flows, the targets being to raise ROE to at least 10%, and the payback period of interest-bearing debt divided by operating cash flows to within 10 years.

The JAL Group FY2003-05 Medium-Term Business Plan was formulated with the aim of improving profitability and enhancing the soundness of the Group's financial condition. To add depth to the plan, the JAL Group FY2004-06 Medium-Term Business Plan was formulated in March 2004. This new plan lays down targets in individual categories aimed at ensuring an overall integrated impact, including for the fundamental aspects of safety and corporate social responsibility; for Group management strategy in the categories of ensuring deep-rooted customer orientation, the optimization of business processes, and human-resource measures; and for function-specific business planning. The overall aim is to maximize customer value and establish an efficient operating structure.

For the JAL Group to achieve sustained growth, it is of the utmost importance for it to fulfill its responsibilities as a corporate citizen and to gain the unshakable trust of society. To fulfill the Group's corporate social responsibility (CSR), the Corporate Social Responsibility Committee has been newly established, and Group-wide efforts will be made in this sphere.

The Group will work in unison to take maximum advantage of the benefits of the integration and to strengthen the two fundamental components of quality: safety and service. In this way it will aim to be "the world's No.1 airline group in terms of both service quality and business volume." For these endeavors we hope to receive the continuing understanding and support of all stakeholders.

Isao Kaneko
Group CEO

Toshiyuki Shinmachi
President

Taking a comprehensive view of tangible and intangible indicators such as passenger numbers, profits, and market capitalization, we aim to be the world's No.1 airline group in terms of service quality and business volume taken together.

Q Looking back over the past fiscal year, how would you characterize it?

From start to finish, fiscal 2003 was a year in which our industry was hit by a succession of adverse external factors such as the military action against Iraq, the SARS epidemic and the outbreak of avian influenza. Although revenues on domestic routes were up as a result of the effects of the integration, international routes suffered a particularly large drop in revenues. As a result, we posted our biggest-ever loss, at ¥88 billion (US$838 million) on a consolidated basis.

Q As regards the JAL Group FY2004-06 Medium-Term Business Plan, would you please elaborate on the goal of "maximizing corporate value."

In this latest medium-term business plan we have set numerical targets of operating income of ¥145 billion and ROE of 10% in fiscal 2006, enabling us to return profit to all our stakeholders. The indicator we are paying most attention to is market capitalization, which at present is around ¥650 billion. In the airline industry, only Southwest Airlines exceeds ¥1 trillion, followed by Singapore Airlines with ¥800 billion, and with Cathay Pacific Airways, Lufthansa and JAL vying for third place. I aim to increase corporate value, which will enable the Company to compete for position with Singapore Airlines in the reasonably near future.

Q Could you comment on how you are enhancing the efficiency of the organization and personnel?

In the complete integration (Phase II) we did as much as possible to avoid duplication in the realms of both organization and personnel. For example, in the four core companies — Japan Airlines, JAL International, JAL Domestic, and JAL Sales — we cut the number of directors by 12. Also, in each functional segment we have been simplifying the organization by using a format in which staff hold positions concurrently in common areas. We aim to reduce total personnel by 4,500 by the end of fiscal 2006, progressively eliminating duplication and slimming the workforce, and thereby boosting personnel efficiency.

Q

What measures are you employing to cut personnel costs, a key component of the improvement of efficiency?

First, we are reforming our pension scheme. The new retirement benefit scheme includes the existing scheme but also incorporates components such as a defined contribution pension and a pension prepayment scheme, enabling each individual employee to choose a method of participation to suit their own lifestyle. We project that, compared with the scheme as it stood in fiscal 2003, this system will enable us to reduce retirement benefit costs by ¥32 billion in fiscal 2004, ¥14 billion in fiscal 2005, and ¥11 billion in fiscal 2006: a total of ¥57 billion. That will also enable us to reduce retirement benefit obligations.

A priority issue is to expedite the beneficial effects of the integration, so as build a solid financial condition. We will also persist with our cost-cutting and enhancement of competitiveness.

Q

Efficiency is improving as a result of the integration, but what degree of improvement in the Group's earnings structure are you projecting?

In fiscal 2003, the impact of the integration was already measured at ¥18.0 billion in earnings, and we are predicting further improvements in earnings as a result of cost-cutting in such areas as personnel and facilities and aircraft and other equipment, as well as through enhanced competitiveness. Even after deducting declines in revenues resulting from the integration and adding the costs of installation of IT systems, we hope to see a ¥68 billion improvement on an operating income/loss account basis in fiscal 2005. From fiscal 2006, the effect of the integration is projected at ¥74.5 billion as the additional expenses are not expected to exceed ¥6 billion.

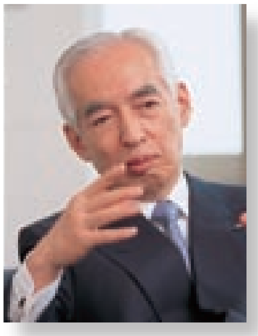
Q

You are fostering the use of e-business methods, in part to bolster competitiveness. What is the status of progress in that area, including the use of Internet reservations?

Internet reservations in fiscal 2003 accounted for 36% of personal bookings on domestic routes and for 8% of personal bookings on international routes originating in Japan. Promoting the use of e-commerce makes things more convenient for passengers traveling as individuals, and at the same time it cuts our costs, so we want to increase these ratios still further.

Q What of your fleet plan?

Excluding aircraft on regional routes, we operate 11 types of aircraft in the three categories of wide-bodied jets and medium and small aircraft. That number will be reduced to eight types by the end of fiscal 2006. At the same time, we will also reduce the asset value of our fleet.



Guided by a Group management strategy that emphasizes deep-rooted customer orientation, the optimization of business processes, and human-resource measures, our goal is to maximize corporate value.

Q The rapid progress being made by low-cost carriers is attracting considerable attention overseas. As a network carrier, how are you countering this?

Low-cost carriers are eating away at network carriers in Europe and North America. This is due to the availability of inexpensive suburban airports and the existence of a labor market for pilots. In Japan, by contrast, all slots are taken at Haneda, the only airport in the Tokyo area used by domestic flights. What is more, there is virtually no labor market for pilots in Japan. Low-cost carriers have emerged in Southeast Asia, but are confined to regional operations in countries such as Thailand, Malaysia, and Singapore. I think it will be some time yet before the dawning of an era in which European, U.S., and other low-cost carriers are competing in the Japanese market. I would add that within the JAL Group we already have two models for low-cost carriers: JALways on international routes and JAL Express on domestic routes. The cost per flight of those two carriers is around 10% lower than our network carrier flights, and by making skillful use of low-cost operations, we expect to make still further reductions in costs.

Q For the airline industry, the most important thing is safety management. What are your policies on safety?

Safety is the very foundation of everything we do, and is also a social responsibility. Staff throughout the Group, not only the personnel directly involved in flight operations and maintenance, but also those indirectly linked, must look at every single flight with the same attitude. For example, the JAL Group Safety Charter is printed on cards and distributed to each and every employee so as to firmly imprint safety-consciousness into them. In ways such as this, we strengthen the Group-wide safety management structure and ensure a uniform safety level. As for safety measures, I consider it to be of the utmost importance to maintain a posture of disclosing and sharing information constantly on our website.

Q Please share your thoughts on how you address the issue of corporate social responsibility (CSR).

In our current medium-term business plan, safety and CSR are pivotal. If you break down CSR you can see that the biggest issue is the approach to the environment. The airline industry imposes a considerable burden on the environment, consuming fossil fuels and producing carbon dioxide and noise. It is incumbent on us to consider how to reduce that burden efficiently. Another important component is investor-relations activity. It is crucial for us to engage in sound and transparent corporate activity, and to disclose it to all our stakeholders. The same applies to activities for the sake of society. If you look at things such as CSR ratings, you will immediately find an array of social responsibilities that are not confined to the environmental sphere but also include issues such as fair employment practices. In April 2004 the JAL Group established the CSR Committee, which I chair. The committee does not limit its attention to the existing framework of CSR issues. Rather, we engage in a broad debate about what we should do, and to what extent we should do it.

Q What is your approach to personnel training and development?

For a company to compete, it must ensure it is complete on both the hardware and software sides, that is, its equipment and facilities and its services. On the hardware side we can compete to the extent that we spend money on hardware, but in the final analysis, the deciding factor lies on the other side, namely personnel. Personnel constitute a particularly important resource for us in the airline industry. During periods of cost-cutting through structural reforms, personnel development tends to be inadequate, but we have learnt from that, and in October 2003 I inaugurated a career-development program for middle-ranking employees in their thirties and forties. I attend all the sessions and take questions, as I think that for human-resource development it is important for senior management to engage in direct dialogue with employees in this way.

Airlines worldwide are plunging into international mergers and amalgamations beyond the confines of alliances. Therefore, it is important to build the ability to deal with international reorganization.

Q Finally, what is your personal outlook for the Japanese and global airline industry?

The airline industry has been damaged by a variety of factors, but it is basically an industry that will continue to grow. As regards international passenger and cargo movements, growth of around 5% is expected in overseas markets. Moreover, larger growth is likely in the Southeast Asian region. But we cannot expect to see strong growth within Japan, where I think we may see a gradual increase in demand of 1% to 2% per annum. I believe we will definitely triumph in this market if we improve the fabric of the Group by strengthening cost competitiveness and pursuing structural reform. In addition, the integration has opened up the way towards our being the world's leading airline, and that is the position we will be aiming for. The airline industry is heavily regulated internationally, but I expect to see it being opened up more and liberalized. It may take 10 or even 20 years, but when the industry is fully deregulated internationally we must ensure we have the corporate makeup and essence to triumph over any competitor.

Aiming for a V-shaped recovery now that full integration has been accomplished

Formulation of the FY2004-06 Medium-Term Business Plan for maximizing corporate value

In March 2004 the JAL Group took an additional step to add depth to its FY2003-05 Medium-Term Business Plan, which was formulated in March 2003 with the aim of improving profitability and enhancing the soundness of the Group’s financial condition. This was the formulation of a new plan: the JAL Group FY2004-06 Medium-Term Business Plan. Today the JAL Group is taking maximum advantage of the effects of the recently completed business integration, proceeding step-by-step along the path towards being the world’s No.1 airline group in terms of service quality and business volume taken together.

In the 2003 fiscal year, external factors such as the Iraq conflict and SARS had a significantly adverse impact on demand and revenues, compelling the Company to post a net loss. The harsh environment for the airline industry is likely to persist from fiscal 2004 onwards, but as we move into an age of international exchange and interaction, there can be no doubt that the airline industry will continue to grow.

Approximately a year and a half after the initial integration of JAL and JAS, the JAL Group completed the integration process in April 2004 after making successful progress with the necessary operations, including the integration of flight names and information systems and of airport counters. In addition to the structural reform measures already being implemented, there is projected to be an integration effect of ¥68 billion in fiscal 2005, and that effect is projected to increase still further from fiscal 2006 onwards, aided by a reduction in the supplementary costs of the integration. The FY2004-06 Medium-Term Business Plan was drawn up with the goal of maximizing corporate value by positioning the Group to enjoy the benefits of the complete integration to the maximum extent. We will increase the soundness of the Company’s financial condition, and achieve higher profitability, aiming for a V-shaped recovery in fiscal 2006 with consolidated operating income of ¥145 billion and ROE of at least 10%.

Making deeper cuts in costs

Concrete measures in the medium-term business plan 1

The Company's financial condition has deteriorated considerably in recent years under the severe impact of external factors such as the terrorist attacks on the United States and the SARS outbreak. Since the early 1990s, the JAL Group has been implementing structural reforms that have included the cutting of personnel costs, and these have been producing steady results. In addition to these existing structural reforms, the current FY2004-06 Medium-Term Business Plan includes exhaustive measures for cutting costs. Among these are measures to reduce personnel costs, including making a start on the reform of the retirement benefit scheme, and the reduction of investment.

Business portfolio

By fiscal 2006 the overall scale of assets will be reduced by 4%, and ROA will be raised to 6%. In international passenger business the scale of operations will be optimized through a downsizing program involving the reduction of assets. In domestic passenger operations, ongoing steps will be taken to increase competitiveness and ensure effective use of assets through the integration, so as to enhance profitability still further. In international cargo operations, investment will continue to be made for the purpose of steadily securing demand in growth markets.

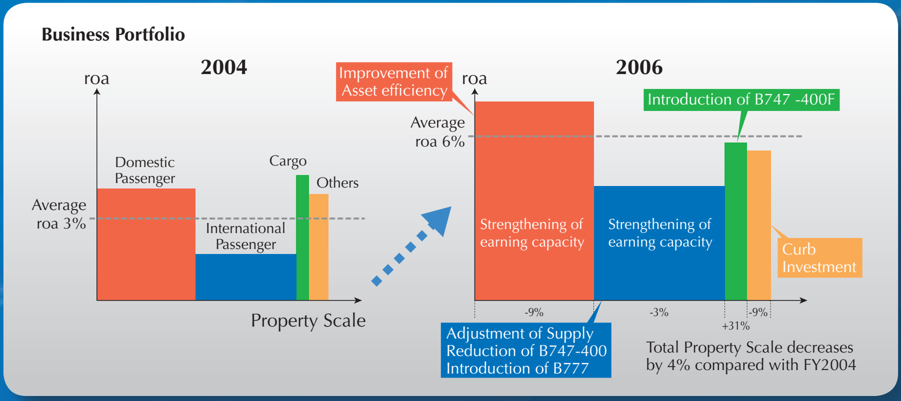
Measures to address personnel costs

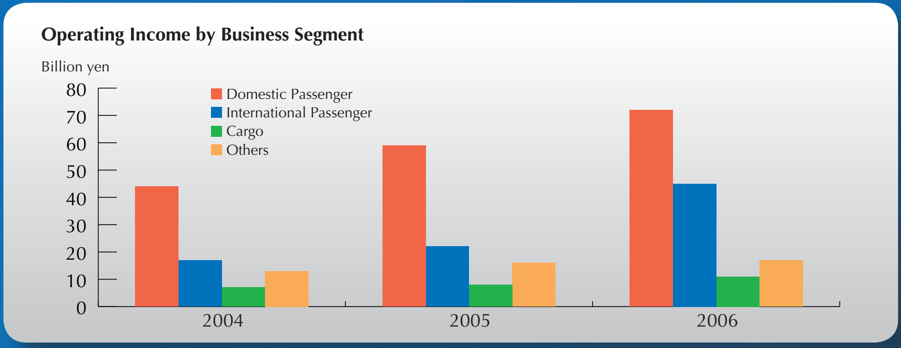
Given the present operating environment characterized by dramatic fluctuations in demand, there is an urgent need to decrease fixed costs. Accordingly, to accelerate cost reductions the Group is taking a series of cost-cutting measures that include taking advantage of the integration to boost efficiency, promoting e-business methods, switching to low-cost aircraft and equipment, and expanding the operations of its low-cost carriers. In parallel with these, steps are being taken to enhance organizational and staff efficiency, including through the introduction of a new retirement benefit scheme and a program to optimize employee efficiency. The revision of the pension scheme will cut retirement benefit obligations throughout the Group, the aim being to achieve a decrease of ¥57 billion over the three years from fiscal 2004 to 2006.

Organizational improvements are directed at creating a structure that will facilitate rapid decision-making by eliminating organizational duplication. This will build an efficient operational structure combined with a rapid decision-making structure. The intention is to utilize these changes to streamline the workforce by 4,500 ground staff by the end of fiscal 2006 relative to fiscal 2002. In addition, to maximize the corporate value of Group companies there will be programs designed to educate and enhance the qualities of personnel, including by stepping up personnel exchanges and expanding education and training for Group employees, including staff hired locally by Group companies. Also, to respond flexibly to fluctuations in demand, the Group will expand its flexible system of hiring cabin crew at overseas bases and for part-time employment.

Other cost-cutting measures

The operation of domestic routes was concentrated on JAL Domestic in April 2004, and through that the Company will be able to make steady progress in benefiting from the integration to reduce costs, in particular the reduction of charges for the leasing of facilities within Japan. With respect to the aircraft fleet, MD11s, DC10s, and A300s will be replaced by B767s and B777s, which offer lower operating costs, and the reduction in the total number of aircraft types will help to lower maintenance costs. Another field that needs to be strengthened is that of e-business. The target is to reduce distribution costs related to domestic passengers by ¥5 billion by fiscal 2006, including by reducing staff at call centers and airports and cutting commissions on passenger sales. Costs will also be reduced by speeding up the expansion of the scale of low-cost operating companies within the Group, in particular JALways (international routes) and JAL Express (domestic routes).


Business Portfolio
2004
roa
Domestic Passenger
Cargo
Others
Average roa 3%
International Passenger
Property Scale
Improvement of Asset efficiency
roa
2006
Introduction of B747 -400F
Average roa 6%
Strengthening of earning capacity
Strengthening of earning capacity
Curb Investment
-9%
-3%
+31%
-9%
Adjustment of Supply
Reduction of B747-400
Introduction of B777
Total Property Scale decreases by 4% compared with FY2004


Operating Income by Business Segment
Billion yen
80
70
60
50
40
30
20
10
0
Domestic Passenger
International Passenger
Cargo
Others
2004
2005
2006

Measures to enhance profitability

Concrete measures in the medium-term business plan 2

To augment operating cash flow, the JAL Group is devoting considerable efforts to raising profitability. Providing high-quality services conceived from the customer's standpoint forms a key part of measures to increase revenue. Each such measure, be it the enhancement of competitiveness by means of a new mileage strategy or the deployment of high-quality services and sales strategies in each business segment, constitutes a step towards enabling the JAL Group to declare proudly that for the traveler, it is always the airline group of choice.

New mileage strategy

A new mileage strategy has been established as a means of increasing revenues. This mileage program is the largest of its kind in Japan, its decisive strongpoint being the base formed by the JAL Group's domestic and international networks. It has been reorganized in a way that better reflects customer needs and that will help to strengthen competitiveness still further. JAL Mileage Bank (JMB) members currently number some 15.9 million, among which JAL Card members, whose cards function as credit cards, number approximately 1.2 million. The Group is endeavoring to increase the number of JMB members still further by making the program an attractive, high-value-added product. Additionally, it is expected that a tie-up with East Japan Railway Company on the Suica Card, an electronic cash card, will have a direct impact on boosting passenger numbers by increasing the frequency with which JAL's service is used.

Domestic passenger operations

For domestic passengers the Group has been taking a number of steps in line with the keywords "easy-to-use," "easy-to-understand," and "reasonably priced but a high-class feel," including the standardization of flight names by using the JAL prefix, the strengthening of e-business, and the introduction of the luxury Class-J seat. These are aimed at further increasing the preference for JAL among individual passengers, for whom the unit price is relatively high. The targeted ratio of individual passengers in fiscal 2004 is 64%, for which a 3.4% increase in average unit price is being aimed for. This would bring an increase in revenues of ¥21 billion relative to fiscal 2003. In addition, the ratio of passengers currently using the Internet and other e-business methods to book seats is 40%, and that will grow to more than 50% by fiscal 2006.

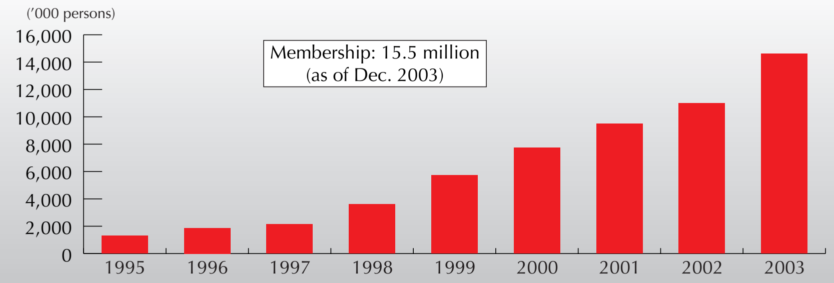
International passenger operations

For international passengers, separate strategies have been formulated for Pacific routes, European routes, China routes, and Southeast Asia routes, and on these the goal is to optimize supply by means of the downsizing of aircraft, and thereby increase load factors. For example, on routes to China and other parts of East Asia, operations using medium-bodied aircraft (B767, B777) will be stepped up, and the routes will be developed vigorously. In this segment the sales strategy is to gain more high-yield passengers by reinforcing direct marketing, including through the use of the Mileage Bank, fitting the new high-grade SHELL FLAT SEAT, and stimulating tourism demand among individuals by offering tickets available only on the Web. The target for revenue growth in fiscal 2004 is ¥145 billion relative to fiscal 2003, and ¥27 billion relative to fiscal 2002.

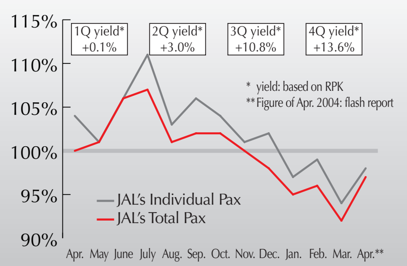
International cargo operations

International cargo operations are encountering very strong demand, and buoyed by an increase in China routes and the start of operations at the new hub airport for international routes near Nagoya (the Central Japan International Airport), revenues in fiscal 2004 are projected to rise by ¥9 billion from fiscal 2003. To ensure product differentiation from competitors, the JAL Group will offer its high-value-added J-PRODUCTS service, the goal being to increase the proportion of total international cargo revenues accounted for by revenue from J-PRODUCTS from 10% in fiscal 2003 to at least 30% in fiscal 2006. In addition, by such means as introducing the B747-400F, with its large freight-transportation capacity, and strengthening the operating structure for the rapidly growing Chinese sector, we will achieve steady growth in the cargo market, with its strong growth potential.

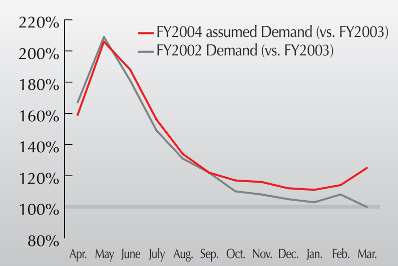
Trend of JMB (JAL Mileage Bank) Membership



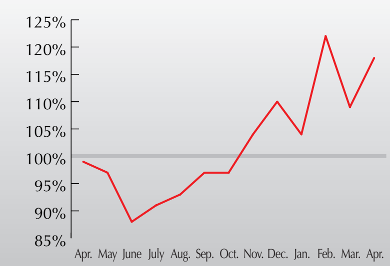
JAL Group's No. of Domestic Passengers in FY2003 (y.o.y.)



Assumed JAL Group's No. of International Passenger for FY2004



Trend of International Cargo Tonnage for FY2003



Increasing the soundness of the Group's financial condition

Concrete measures in the medium-term business plan 3

The restoration of the Group's financial soundness is a pressing issue for ensuring that corporate value is maximized. This entails securing better returns on investment, reducing investment, and cutting interest-bearing liabilities, and it is on these three points that the JAL Group will focus the improvement of its balance sheet. In the medium-term business plan, concrete measures are set out under such categories as increasing aircraft operating efficiency, restricting investment, and reducing unrecognized retirement benefit obligations, and corporate value will be maximized by achieving the targets in these areas.

Increase in aircraft operating efficiency

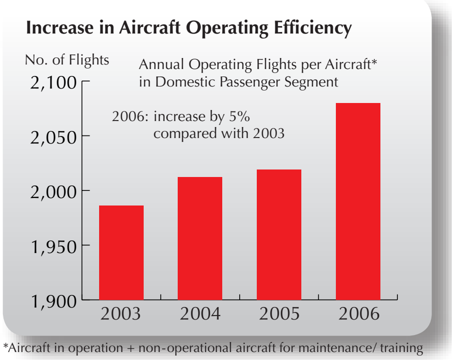
In domestic passenger operations, by enhancing the efficiency of crew training and aircraft maintenance, the operation of aircraft will be increased substantially, with the aim of increasing operating efficiency in fiscal 2006 by 5% compared with fiscal 2003.

Restriction of investment

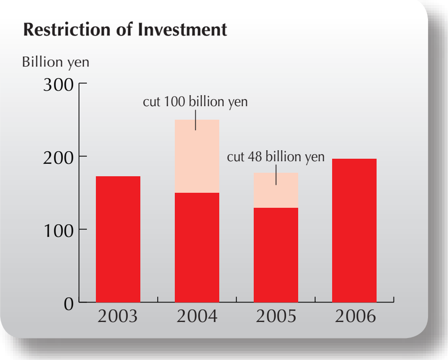
The amount of investment will be reduced substantially, including a ¥100 billion reduction in fiscal 2004, a ¥48 billion reduction in fiscal 2005, and the minimization of investment in aircraft. However, investment in items that will enhance competitiveness, such as Class-J seats, and in IT, is planned to be continued.

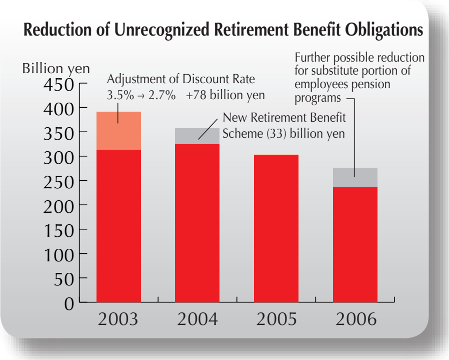
Reduction of unrecognized retirement benefit obligations

The revision of the JAL International discount rate from 3.5% to 2.7% caused unrecognized retirement benefit obligations at the end of fiscal 2003 to rise by ¥78 billion. To improve that situation, a new retirement benefit scheme is to be introduced in fiscal 2004, cutting unrecognized retirement benefit obligations by ¥33 billion.



*Aircraft in operation + non-operational aircraft for maintenance/ training





"Class-J, More space for more passengers for a more relaxing flight"

International Passenger Operations

Demand slumped as a result of factors such as the situation in Iraq and the outbreak of SARS. A variety of measures were formulated to minimize the impact of these factors, including a reduction in the number of flights and the use of smaller aircraft, as well as cuts in operating expenses. With the increase of customer satisfaction the primary focus, the Group will devote its efforts to enhancing service quality and building a more efficient operating structure.

MEASURES TAKEN AND RESULTS FOR THE TERM

Route operation

During the first half the Company formulated a plan for routes and numbers of flights that included increases in flights on the Nagoya–Beijing, Nagoya–Tianjin, Fukuoka–Shanghai, and Tokyo–Hanoi routes. In the event, however, the provision of flights had to be adjusted carefully to deal with the effects of circumstances such as the situation in Iraq and the SARS outbreak, with the result that operations were scaled down to 84% of the initial projections.

The second half brought a recovery, particularly in business demand originating from Japan, enabling the Company to expand its route network. Taking advantage of the increase in transportation capacity permitted as a result of the aviation talks between Japan and China in July, it increased the number of flights, including on the routes between Osaka and Dalian, Shanghai, and Guangzhou, and on the Tokyo–Dalian route. In parallel with this it increased flights on the Tokyo–London route from one to two daily.

Marketing

Promotional campaigns were used to stimulate demand by alleviating the anxieties about overseas travel that people had been feeling as a result of the Iraq situation and events such as the SARS outbreaks. Among these was the "Fly JAL! — Over the Ocean!" campaign, which for a one-year period featured popular stars in advertising literature and sales-promotion activities.

Steps were also taken to develop new products to meet the expansion of routes to China. For example, in cooperation with the China National Tourism Administration, JAL inaugurated the JAL "Dynasty Express Bus," for which the stretch of the Yellow River Valley from Xian to Zhengzhou in Henan Province was named the "Dynasty Road," and marketed this in a tour package.

Other measures were implemented to broaden the range of travel products and cultivate new demand. These included the proactive promotion of a "Silver Wedding Trip" traveling style targeted at older people: age-groups in which there is a relatively healthy degree of wanderlust.

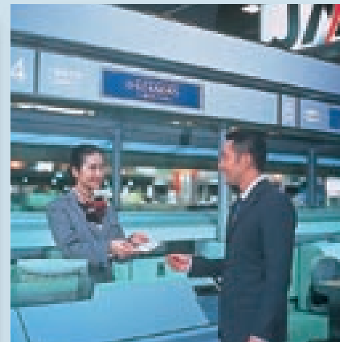
Other positive measures to cultivate demand included the operation of services using late-night arrival/departure slots at Haneda Airport, and an increase in the operation of daytime charter flights on international routes. Efforts to promote visits to Japan by overseas travelers included vigorous participation in the "Visit Japan" campaign, which is being conducted in line with the Japanese government's policy of making Japan a "nation built on tourism." Plans were also drawn up for tours for individual travelers interested in Japanese culture and for collaboration with East Japan Railway Company, all as part of efforts to enhance promotional schemes for stimulating inward tourism. In these, the priority target regions were the United States, China, Korea, Hong Kong, and Taiwan.

In addition, rapidly growing market needs were addressed by means of a number of innovations. These included the institution of Web discount fares available for purchase on JAL Web sites, the offering of paperless air tickets (the JAL e-Ticket), and the promotion of the use of automatic check-in machines on

Supply and Demand Forecast in International Passenger Operations (Change from previous year)

Fiscal year	2004	2005	2006
Supply (available seat-kilometers)	6.50%	1.00%	(1.00)%
Demand (number of passengers)	33.3%*	4.00%	2.00%
Yield per passenger	(4.50)%	0.00%	1.00%

* Although the number of international passengers for FY2004 is forecast to increase by 33.3% over FY2003, in comparison with FY2000, prior to the 9/11 terrorist attacks, the number will still be down by 2.0%.



international routes. "Web Goku," the fare available exclusively through the Internet, has matched the increasing reluctance of customers to travel as members of large groups, with the result that its use has spread through the market and sales have grown strongly. Also, the two latest types of seat, the NEW SKYSLEEPER SOLO and the SHELL FLAT SEAT, were introduced on the London and New York routes, where they have received an excellent reception from passengers for their feel of heartfelt hospitality and comfort.

These Group efforts achieved a recovery of demand on routes to Europe, America, Hawaii, Micronesia, and Oceania, but the recovery in tourism demand on routes to China and Southeast Asia lagged behind. As a result, the JAL Group's total passenger numbers on international routes fell by 19.8% from the previous year, to 11.74 million, and revenues declined by 17.8%, to ¥549.7 billion.

FUTURE OUTLOOK AND STRATEGY: MEDIUM-TERM BUSINESS PLAN

The Group will develop the foundation of its business in a way that increases service quality and also ensures the flexibility to build a lower-cost operating structure to respond promptly to changes in the market. At the same time it will endeavor to maintain yields and increase seat load factors by being thorough in allocating resources to high-revenue, fast-growing routes, and by restructuring the network in a manner tailored to customer needs and to market characteristics. Specifically, routes with aircraft fitted with the new SHELL FLAT SEAT for business class will be expanded, the scale of operations of JALways, the Group's low-cost carrier, will be increased, and administrative processes will be reformed by greater use of e-business. In ways such as these, the Group will continue its efforts to create a more efficient operating structure.

International routes mark their 50th anniversary

On February 2, 1954, JAL inaugurated Japan's first postwar international scheduled flights on the Tokyo (Haneda)–Honolulu–San Francisco route with a DC-6B aircraft seating 36 passengers. Over the ensuing 50 years, aircraft types have progressed to the B747 and others, and the JAL Group's overseas network has today spread to encompass 30 countries and territories, 118 airports, and 245 routes. In fiscal 2004 a promotional campaign to celebrate the 50th anniversary will be conducted with the aim of generating greater demand.

Domestic Passenger Operations

Since April 2003 the JAL and JAS networks have been reorganized so that domestic operations could take maximum advantage of the increase in the number of flights. To combat the increasing intensity of competition in domestic airline business, the JAL Group is pledged to stabilize the foundations of its business by enhancing competitiveness and cost efficiency.

MEASURES TAKEN AND RESULTS FOR THE TERM

Route operation

Wide-bodied jets have been assigned to serve most principal routes uniformly under the JAL name, while on regional routes the flights have been standardized under the JAS name, operated by medium-scale and small aircraft. This has maximized revenues and ensured greater operating efficiency. In addition, to give customers timetables that are easy and convenient to use, overlapping JAL and JAS departure schedules have been eliminated.

In addition, to minimize the impact of the surrender of slots at Haneda Airport at the time of the integration and the decrease in the number of flights on trunk routes from Haneda, the Company has increased fleet utilization, establishing new routes such as the Tokyo–Yamagata and Osaka–Memanbetsu routes, and increasing the number of flights on the Nagoya–Fukuoka, Nagoya–Kagoshima, and other routes. These form part of its efforts to ensure that the benefits of the integration are felt as early as possible.

Marketing

As in the previous year, the Company set easy-to-use, competitive fares, and fares were made increasingly varied so as to satisfy individual customer needs. For example the "Time Discount" and "Special Flight-Specific 7-Day Advance Booking Discount" were newly introduced. Upon the opening of the Shinagawa Station (Tokyo) of the Tokaido Shinkansen, the Company put itself on a more competitive footing by reducing fares for multiple-ticket coupons on the routes from Tokyo to Osaka, Okayama, and Hiroshima.

Sales promotion measures included continuations of existing schemes such as the Okinawa Campaign and the Hokkaido Campaign, which were joined by the Kyushu Campaign in October 2003. The dual aim of these was to generate tourism demand and to draw attention to the JAL Group's enhanced network.

There was also an active program of product development. Based on the concept of warmth and friendliness, services for passengers in need of assistance were combined systematically into the "JAL Smile Support" package, in which a coherent service is provided from the booking stage right through to getting to the airport and into the cabin. Another highlight has been the introduction of a new class — "Class-J" — in June 2004, providing passengers with a "new style of relaxation." (Please see the News item below.)

In the sphere of reservations and information services, since April 2003 it has been possible to make bookings for both JAL and JAS flights at either JAL or JAS reservation centers. That facility was supplemented in July of that year by the installation of automated voice response systems at both companies' reservation centers, enabling them to provide round-the-clock service.

Efforts were also focused on e-business. To enhance the convenience of the "JAL e-Style" service accessible through Web sites, cell phones, and JAL ONLINE (a domestic business-trip support system for companies), the JAL and JAS Web sites were amalgamated into a single site, creating an

Supply and Demand Forecast in Domestic Passenger Operations (Change from previous year)

Fiscal year	2004	2005	2006
Supply (available seat-kilometers)	(3.60)%	(2.00)%	0.00%
Demand (number of passengers)	(0.10)%	(1.00)%	1.00%
Yield per passenger	3.20%	2.00%	0.00%

easy-to-understand and easy-to-use site. As a result, in March 2004 the proportion of individual passengers on domestic routes who used e-channels to make their reservations and check in reached more than 40%. JAL also provided other new added value that takes advantage of information technologies, for example by the launch in July 2003 of Japan's first check-in procedure able to be completed by cell phone: the "Keitai Check-in."

Marketing measures such as these led to a substantial 6.7% year-on-year improvement in passenger unit revenue. The total number of passengers on the JAL Group's domestic routes slipped slightly, by 0.1% from the previous term, to 46.49 million, but revenues grew by 6.3%, to ¥668.8 billion.

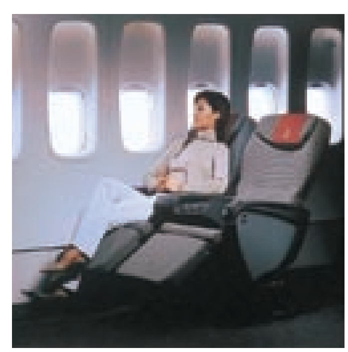
FUTURE OUTLOOK AND STRATEGY: MEDIUM-TERM BUSINESS PLAN

The Group will endeavor to increase profitability, gain customer loyalty, and improve the domestic route network. This is in line with the principal theme of establishing solid business foundations by strengthening competitiveness and enhancing cost efficiency in its operations. Specifically, marketability will be enhanced by such means as strengthening the mileage program, boosting customer convenience by fostering e-business, and introducing the new "Class-J" service. As part of steps to ensure greater operating efficiency, the scale of operations of the low-cost carrier JAL Express will be expanded, costs will be reduced through the use of e-business methods, and the benefits of the business integration will be realized to the maxim extent.

"Class-J"

More space for a more relaxing flight

The JAL Group has marked its full integration with the introduction of a new class: "Class-J." This new class was created on the basis of the concept of offering "More space for more passengers for a more relaxing flight." Its main features are the advanced reclining system of its seats, giving added comfort, and its ease of use and low additional charge. The JAL Group creates products and services through constant, accurate assessment of market needs.



Cargo Operations

Shipments were weak during the first half as a result of factors such as a decline in cargo space caused by cuts in the number of passenger flights, but they were firm in the second half. There was remarkably strong growth in shipments of digital consumer-electronics products such as digital cameras and DVD-related equipment, which became one of the principal types of merchandise transported in cargo services on JAL's international routes.

MEASURES TAKEN AND RESULTS FOR THE TERM

Route operation

On international routes, cargo space on passenger flights was reduced in the first half of the year under review. Since the second half, however, there has been robust demand on Asian routes, particularly to mainland China and Hong Kong, and on European routes, and it has also been picking up on Pacific routes. In consequence, demand through the year as a whole remained at around its year-earlier level. JAL strengthened its routes to China, where there is massive demand for cargo, including by starting cargo flights on the Tokyo–Xiamen route, opened in April, and by increasing the number of flights to Hong Kong in September and on the Shanghai route in November.

On domestic routes, demand was buoyed by the recovery trend in the domestic economy during the second half of the term. As a result, total domestic cargo shipments showed a year-on-year increase for the first time in three years.

Marketing

On international routes the Group made use of the expanded network created through its alliance strategy in the field of international cargo business. For example, in July 2003, it substantially increased customer convenience by offering high-value-added cargo products — J-PRODUCTS — that pledged the fastest and highest-priority handling. It also applied information technology to enhance the efficiency of international air cargo operations and to accelerate the processing of transactions. In February 2004, for example, it started operation of its "Ezycargo" site, which enables customers to make international cargo reservations and to track cargo movements through the Internet.

Total cargo transportation volume fell by 9.2%, to 10,032.25 million ton-km. Revenues slipped by 2.6%, to ¥161.3 billion, in part because of a fall in unit revenue owing to factors such as the appreciation of the yen.

Domestic cargo operations were impacted positively by the expansion of the network resulting from the integration. In consequence, revenues remained around their year-earlier level, in spite of the reduction of cargo space on high-demand routes that resulted from the reorganization of the domestic flights of the Group. The JAL Group's total transportation volume fell by 0.5% from the previous year, to 3,054.72 million ton-km, but revenues rose by 1.1%, to ¥42.6 billion.

FUTURE OUTLOOK AND STRATEGY: MEDIUM-TERM BUSINESS PLAN

In international cargo operations the opening of the Central Japan International Airport is expected to change the competitive environment. With respect to routes to China, where demand is expected to continue to grow strongly, the Group will continue to build its operating foundations and increase transportation quality through the development of its organizational and operating structure and through personnel recruitment and training. Steps to increase revenues and cut costs include establishing cargo space supply capacity to meet the growth in international cargo demand, providing high-value-added products and services tailored to meet increasingly sophisticated and diverse needs, and using alliances with other companies, for example through the WOW alliance — a four-way agreement among Lufthansa Cargo, SAS Cargo, Singapore Airlines, and JAL Cargo — in parallel with the enhancement of the Group's own network.

Other Operations

Among other operations the Group reorganized subsidiaries in such fields as airport passenger services, reservations and ticketing, distribution and retailing, flight-simulator maintenance, and advertising. These changes formed part of building an efficient management structure with the aim of expediting the achievement of the full benefits of the Group's business integration.

Airline-related business

The number of passengers on international routes slumped under the impact of events such as the SARS outbreaks, with the result that the revenues of subsidiaries involved in sales of in-flight meals declined. In contrast, sales-promotion activities made it possible to achieve a strong increase in revenues from foreign airlines for the operation of auxiliary power units to supply electric power to aircraft. This and other positive factors made it possible to generate revenues of ¥243.7 billion in the airline-related business segment, with operating income of ¥1.8 billion.

Travel Services

In the field of sales of overseas travel products, the dramatic fall in demand for overseas travel sparked by events such as the SARS outbreaks caused revenues to decline steeply, particularly for travel to China and other parts of Asia. On the plus side, sales of domestic travel products were buoyed by the switch of demand from overseas travel, generating brisk sales for Japanese destinations such as Okinawa and the Tohoku region. In consequence, the travel planning and sales business segment achieved revenues of ¥381.9 billion, with an operating loss of ¥3.9 billion.

Other Businesses

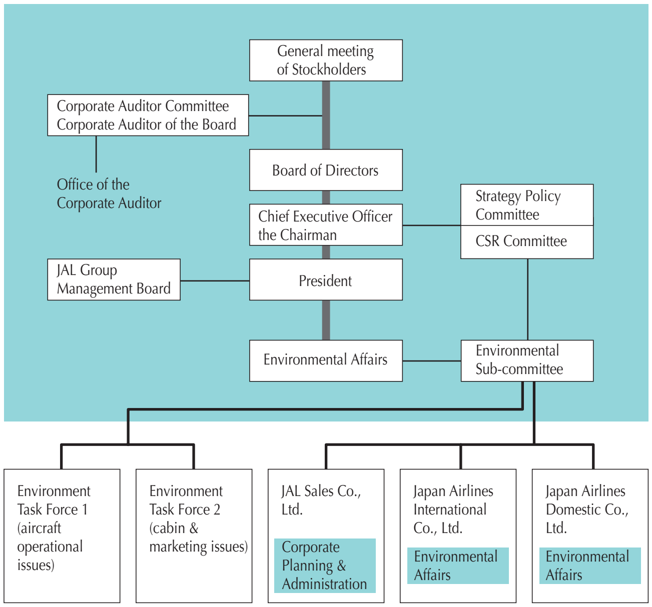
In the field of hotel and resort operations, hotels within Japan, particularly in Okinawa, generated relatively strong revenues. However, owing to factors such as the SARS outbreaks there were declines in the revenues of overseas hotels, especially in Asia.

In credit-card business, schemes to attract new JAL Card members proved a success, achieving a considerable increase in the number of cardholders, and JAL ONLINE was expanded as a tool for the sale of domestic air tickets to companies. Factors such as these led to strong revenue growth.

In the field of retailing and distribution business, the impact of SARS and other factors caused sales of in-flight goods and duty-free items to fall. Nevertheless, robust mail-order sales made it possible to maintain overall revenues at around their level in the previous year.

The net result of these developments was that total revenues in this segment totaled ¥258.1 billion, with operating income of ¥6.3 billion.

The JAL Group remains at all times a corporate group for which safety constitutes its very foundation, and which fulfills its obligations as a corporate citizen and contributes to society at large. To that end it has established its Corporate Social Responsibility (CSR) Committee, which is dedicated to addressing issues such as environmental preservation activities, compliance, investor relations, and corporate philanthropy.

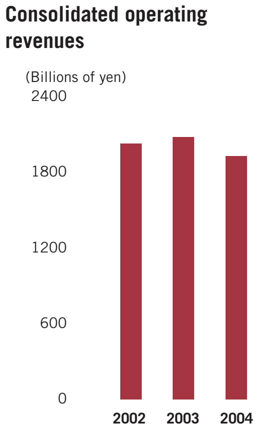


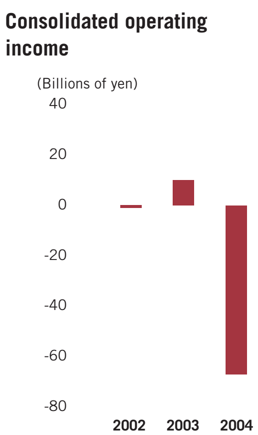
The JAL Group is committed to playing its role as a corporate citizen by engaging in activities that contribute to the healthy development of society. Efforts to help protect the earth's environment constitute a prime example. In fulfilling our mission as an institution providing public transportation we impose a burden on the environment in such ways as the consumption of fossil fuels and the creation of noise, and we therefore recognize environmental preservation as an important management issue. Accordingly, at the time of the business integration in October 2002, a common Group Basic Environmental Policy and Environmental Action Guidelines were instituted. At the same time, Japan Airline System Corporation established the JAL Group Environmental Committee, which formulates Group environmental policies and has guided the conduct and thorough implementation of environmental activities. Since fiscal 2004 its status has been changed to that of the environmental subcommittee of the CSR Committee, and in that capacity it has stepped up its activities on behalf of the environment.

The Group strives constantly to contribute to both the local and international communities as a good corporate citizen. Examples are its efforts to assist the creation of a barrier-free society by making increased efforts in the configuration of fixtures within airliners and by enhancing its services tailored to the needs of handicapped passengers. Another example is its philanthropic activities designed to make use of the characteristics of air transportation and related businesses.

The Group's corporate activities are global in scope and are built on relations with customers, people with whom it does business, and large numbers of other people with whom it interacts, such as regulatory bodies and government agencies. In the conduct of its corporate activities within Japan and overseas, the Group is highly conscientious in the observance of all relevant laws and other social rules. In the sphere of disclosure the Group is scrupulous in disclosing information that is of use to society, and is in constant communication with society. In addition, it attaches great importance to relations with its shareholders and investors. To ensure constant understanding of what it is doing, by such means as regular publications for shareholders it discloses information concerning corporate management and business operations quickly and accurately.

The mission of the JAL Group is to be liked by its customers, to give them satisfaction, and to earn their loyalty. To achieve these goals, in all companies throughout the Group we will maintain our dedication to acting constantly with the good of society as a whole in mind, and of fulfilling our social responsibilities.





Operating Environment and Financial Strategy

Signs of improvement began to emerge gradually in the Japanese economy during the year under review, highlighted by a strong recovery in equity prices and an increase in the number of companies posting record-high profits. Nevertheless, the recovery has been a patchy one, since consumer spending and housing investment remained flat, and the employment situation continued to be difficult.

In the aviation industry, a very severe operating environment prevailed. Key adverse factors included the succession of serious events with international consequences, such as the military action in Iraq and the outbreaks of SARS and avian influenza, as well as the steep increase in the price of aviation fuel.

To counter these difficult business conditions, in domestic passenger operations JAL implemented vigorous sales promotion measures and enhanced competitiveness through the steady implementation of its integration plan, including the reorganization of its route network. As a result, unit prices improved and a substantial increase in revenues was achieved. In international passenger operations, however, the impact on passenger psychology of the external factors referred to above was

JAL Fleet (Consolidated)

March 31, 2004

Type of aircraft	Capacity	Owned	Leased	Total
Boeing 747-400	303-568 seats	38	4	42
Boeing 747LR	350-483 seats	18	4	22
Boeing 747SR	533,563 seats	3	0	3
Boeing 747F	115 tons(max)	7	3	10
Boeing 777	268-470 seats	10	16	26
Douglas MD-11	233-264 seats	3	0	3
Douglas DC-10	264-318 seats	10	0	10
Airbus A300-600R	239-292 seats	12	10	22
Airbus A300	283-298 seats	8	2	10
Boeing 767	213-270 seats	17	16	33
Douglas MD-90	166 seats	13	3	16
Douglas MD-81	163 seats	9	9	18
Douglas MD-87	134 seats	6	2	8
Boeing 737	150-167 seats	10	13	23
CRJ200	50 seats	0	6	6
YS-11	60,64 seats	9	0	9
DASH8-400	74 seats	1	2	3
SAAB340	36 seats	7	7	14
Total		181	97	278

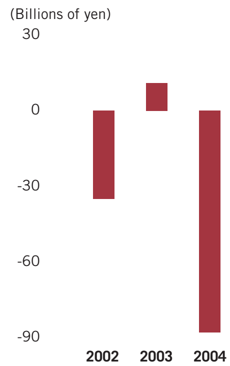
Employee Statistics for Japan Airlines and Consolidated Subsidiaries

March 31, 2004

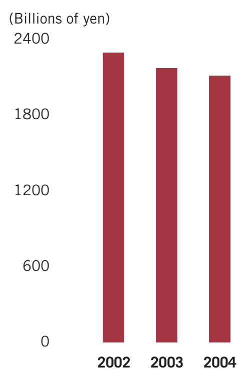
Operations by business segment	Number of employees
Air-transportation	24,510
Airline-related business	18,302
Travel services	5,398
Other	5,843
Total	54,053

Note: These figures represent employees in the actual workforce.

Consolidated net income



Consolidated total assets



greater than anticipated. This inevitably resulted in a significant slump in demand and a consequent decline in revenue.

In response to these increasingly difficult operating circumstances, the JAL Group aims to maximize the soundness of its financial condition. Its yardsticks for achieving that are to meet the targets of achieving a return on equity (ROE) of least 10% on a consolidated basis and of reducing the payback period for interest-bearing debt from operating cash flows to within 10 years. For the year under review, we recorded a ratio of net loss to shareholders' equity, and the payback period for interest-bearing debt was 22 years, but the Group plan is to attain its targets from fiscal 2004 onwards by cutting costs through business integration and measures to boost revenues.

Results of Operations (consolidated basis)

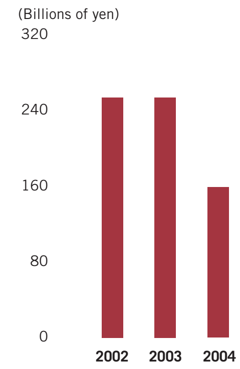
Operating Revenues

Operating revenues in the fiscal 2004, fell by 7.3% year-on-year, to ¥1,931.7 billion (US$18,397 million). A major factor in this revenue decline was the substantial fall in the number of passengers on international routes because of the Iraq situation and the SARS epidemic.

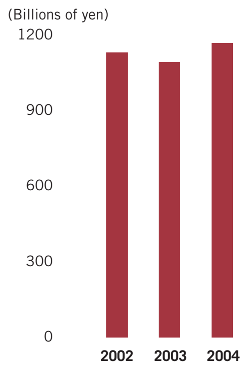
The criteria for categorizing business segments have changed as of the year under review. Previously, airline-related business, credit card and leasing business, and retailing and distribution business were combined together and presented as "Air Transport-Related Business ("Other" segment)." Beginning with the term under review, however, airline-related business is presented independently as "Airline-Related Business" in line with our new segmentation strategy, under which these operations are clearly labeled as fulfilling functions auxiliary to our mainstay air transportation business. This change enables segment information to be presented more clearly. In addition, hotel and resort operations, previously presented separately, have been scaled down as the Company has switched to development based on operations on a commissioned basis. As a result, from the standpoint of importance they are from now on to be presented as part of "Other Business," together with the credit-card and leasing business, the retailing and distribution business, and other businesses.

On a segment basis, the revenues of the air transportation business totaled ¥1,548.8 billion (US$14,750 million), down 6.2% from the previous year; those of airline-related business were ¥243.7 billion (US$2,321 million), down 0.9%; those of travel services fell by 12.4% to ¥381.9 billion (US$3,637 million); and those of other business slipped by 1.5% to ¥258.1 billion (US$2,458 million). Revenues in all segments were down, and the decline in air transportation business revenues, which account for the majority of total revenues, was instrumental in accelerating the fall in revenues in the travel services segment, given the close direct linkage between the two segments.

Consolidated total stockholders' equity



Consolidated long-term debt



However, within the air transportation business segment, operating revenues from international passenger operations declined by 17.8% from the previous year, to ¥549.7 billion, while those from domestic passenger operations rose 6.3% to ¥668.8 billion. This is a graphic illustration of how the integration is impacting the domestic market. In addition, whereas domestic revenues were ¥1,093.0 billion, down just 1.8% year-on-year, the fall was greater on international routes. Revenues on American were down 7.1% at ¥302.2 billion; on European they fell 11.2% to ¥187.9 billion; and on Asia and Oceania they were down 19.6% at ¥348.4 billion. The fall was particularly marked on Asia and Oceania, which were severely impacted by the outbreaks of SARS and avian influenza.

Operating expenses fell by ¥73.5 billion from the previous year, to ¥1,999.3 billion (US$19,041 million). In spite of the rise in the unit price of Singapore Kerosene, fuel costs declined by ¥1.5 billion overall, as the number of flights was reduced substantially. The yen's appreciation also contributed to the decline in expenses.

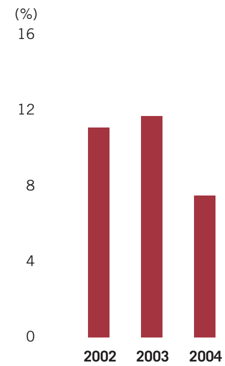
Earnings

The implementation of the integration plan was accelerated, and ¥45.5 billion in emergency remedial measures for income were also implemented Group-wide. Nevertheless, the decline in revenues was substantial, and an operating loss was posted in the amount of ¥67.6 billion (US$644 million), compared with an operating income of ¥10.6 billion for the previous term.

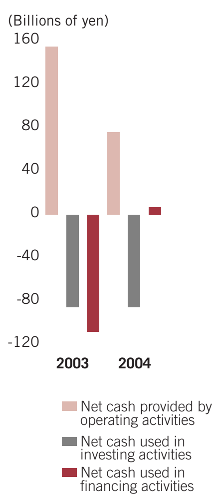
An analysis of operating profit and loss by segment reveals that in the air transportation segment, domestic routes performed relatively well, but the slump on international routes gave rise to a ¥72.1 billion (US$687 million) operating loss. The travel services segment was adversely affected by factors that tended to depress demand, such as anxiety about the international situation, and these resulted in an operating loss of ¥3.9 billion (US$37 million).

In the airline-related business segment there was a substantial fall in the number of passengers on international routes, which led to a decline in the revenues of subsidiaries engaging in the sale of in-flight meals, but there were strong increases in revenues from the supply of electric power to aircraft and the sale of auxiliary power units and food-service carts. As a result, this segment was able to post operating income of ¥1.8 billion (US$18 million). In the "other business" segment, hotel and resort operations generated robust revenues from guest accommodation, particularly within Japan, while in credit-card business, the initiatives to attract new card members were successful, resulting in a considerable increase in the number of cardholders. These and other factors enabled the generation of operating income of ¥6.3 billion (US$60 million) in this segment, which was around the previous year's level.

Consolidated stockholders' equity ratio



Consolidated cash flows



With regard to non-operating income and expenses, interest expense – the largest expense item — was cut by ¥6.1 billion as a result of refinancing at lower interest rates, facilitated by the integration. However, a ¥12.8 billion decline in flight equipment purchase incentives and the liquidation of affiliates were key factors that caused net non-operating expenses to increase by ¥7.9 billion from the previous year, to ¥14.5 billion.

As a result of all of these factors, there was a net loss for the term of ¥88.6 billion (US$843 million), representing a deterioration of ¥100.2 billion.

Liquidity and Capital Resources

Financial Position

Total assets at the end of March 31, 2004 stood at ¥2,113.4 billion (US$20,127 million), representing a decline of ¥58.8 billion from the previous year-end. A significant factor in this decrease was a fall of ¥11.2 billion in current assets as a result of changes such as a decline in deferred income taxes. Total property and equipment, net, declined by ¥60.3 billion, key factors in which included the depreciation of flight equipment and the sale of flight equipment.

On the liabilities side, there was a large decline in current liabilities of ¥54.7 billion, and long-term interest-bearing debt increased by ¥75.8 billion. The fall in current liabilities was attributable to repayments of short-term borrowings and redemption of bonds on maturity. In contrast, the increase in long-term interest-bearing debt resulted from an increase in long-term borrowings from the Development Bank of Japan under the government-sponsored emergency airline support program. This shift from current liabilities to long-term interest-bearing debt was aimed at addressing the opaque financial environment by increasing the relative weight of long-term borrowings, thereby stabilizing the Group's fund-raising. As a result of these developments, the current ratio rose to 92.6% from 86.2% in the previous year, reflecting greater liquidity.

Total stockholders' equity recorded a decline of ¥94.9 billion, principally because of the substantial decrease in retained earnings resulting from the large net loss. Capital surplus also declined because of dividend payments and a loss on disposal of shares in treasury. In consequence, the stockholders' equity ratio declined to 7.5% from its year-earlier level of 11.7%.

Cash Flows

Net cash provided by operating activities in the fiscal year under review totaled ¥76.3 billion (US$727 million), down ¥79.0 billion from the previous year. The principal cause of this was the posting of a loss before income taxes and minority interests.

Net cash used in investing activities totaled ¥85.3 billion (US$813 million), approximately the same level as in the previous year. In spite of a decline in the cash outflow for the acquisition of aircraft and for advance payments, there was also a fall in the inflow of cash from the collection of long-term loans receivable.

Net cash provided by financing activities was ¥7.6 billion (US$72 million), compared with a ¥108 billion net cash outflow in the previous year. The principal components of this were outflows for repayments of loans and redemption of bonds, and an inflow from fund-raising by means of long-term loans.

As a result, cash and cash equivalents at the end of the year declined by ¥2.9 billion from the previous year, to ¥143.3 billion (US$1,365 million). The payback period for interest-bearing debt from operating cash flows was 22 years.

Outlook for Current Term

The operating environment for the JAL Group will remain harsh, but in air transportation operations, the benefits of the complete business integration will be felt to the maximum. Also, in international and domestic passenger as well as cargo operations, the Group will provide high-value-added products tailored to meet customer needs in each segment, and ongoing efforts will be made to enhance competitiveness. In addition, greater emphasis will be placed on the measures to achieve cost reductions that are already being implemented, with the aim of improving the Group's balance of revenue and expenditure. Steps will also be taken to improve profitability in fields other than air transportation.

The latest forecasts of results for the current fiscal year are as follows, premised on an exchange rate of ¥110 against the U.S. dollar, Singapore Kerosene at a market price of US$34/barrel, and the CIF price of crude oil at US$29/barrel.

(1) Operating revenues: ¥2,190 billion

(2) Operating income: ¥81 billion

(3) Net income: ¥36 billion

Consolidated Balance Sheets

Japan Airlines Corporation and Consolidated Subsidiaries

As of March 31,	2004 (Millions of yen)	2003 (Millions of yen)	2004 (Thousands of U.S. dollars (Note 2))
Assets			
Current assets:			
Cash and time deposits (Note 3)	¥ 143,775	¥ 133,145	$ 1,369,285
Short-term investments in securities (Notes 3 and 4)	656	14,621	6,247
Accounts receivable (Note 14):			
Trade	205,524	197,528	1,957,371
Unconsolidated subsidiaries and affiliates	5,982	6,935	56,971
Allowance for doubtful accounts	(3,231)	(3,117)	(30,771)
Flight equipment spare parts, at cost (Note 5)	75,784	78,424	721,752
Deferred income taxes (Note 7)	8,690	16,597	82,761
Prepaid expenses and other	81,892	86,186	779,923
Total current assets	519,076	530,322	4,943,580
Investments and advances (Note 5):			
Unconsolidated subsidiaries and affiliates	36,358	40,992	346,266
Other (Note 4)	95,127	99,497	905,971
Total investments and advances	131,486	140,490	1,252,247
Property and equipment (Notes 5 and 10):			
Flight equipment	2,080,078	2,143,242	19,810,266
Ground property and equipment	814,206	848,023	7,754,342
	2,894,284	2,991,266	27,564,609
Accumulated depreciation	(1,632,427)	(1,661,854)	(15,546,923)
	1,261,857	1,329,411	12,017,685
Advances on flight equipment purchases and other (Note 14)	60,424	53,203	575,466
Total property and equipment, net	1,322,281	1,382,615	12,593,152
Software	64,551	49,820	614,771
Long-term loans	15,695	14,499	149,476
Deferred income taxes (Note 7)	49,645	41,503	472,809
Bond issuance expenses	123	—	1,171
Other assets	10,559	13,033	100,561
	¥2,113,418	¥2,172,284	$20,127,790

The accompanying notes are an integral part of these consolidated statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2004	2003	2004
Liabilities and stockholders' equity			
Current liabilities:			
Short-term borrowings (Notes 3 and 5)	¥ 10,782	¥ 23,035	$ 102,685
Current portion of long-term debt (Notes 5 and 14)	144,718	198,188	1,378,266
Accounts payable (Note 14):			
Trade	198,530	197,227	1,890,761
Unconsolidated subsidiaries and affiliates	7,512	7,329	71,542
Accrued expenses	50,966	56,337	485,390
Accrued income taxes (Note 7)	6,572	5,320	62,590
Deferred income taxes (Note 7)	60	73	571
Other	141,416	127,833	1,346,819
Total current liabilities	560,559	615,346	5,338,657
Long-term debt (Notes 5 and 14)	1,170,156	1,094,285	11,144,342
Accrued pension and severance costs (Note 6)	163,128	143,670	1,553,600
Deferred income taxes (Note 7)	120	413	1,142
Other noncurrent liabilities	36,041	40,788	343,247
Minority interests	24,139	23,522	229,895
Commitments and contingent liabilities (Notes 10, 11 and 14)			
Stockholders' equity (Note 8):			
Common stock:			
Authorized: 7,000,000,000 shares			
Issued: 1,980,465,250 shares in 2004 and 2003	100,000	100,000	952,380
Capital surplus	136,678	147,175	1,301,695
(Accumulated deficit) retained earnings	(65,031)	23,481	(619,342)
Net unrealized gain (loss) on other securities, net of taxes (Note 4)	2,787	(780)	26,542
Translation adjustments	(9,958)	(7,451)	(94,838)
Common stock in treasury, at cost: 18,448,160 shares in 2004 and 19,863,126 shares in 2003	(5,202)	(8,168)	(49,542)
Total stockholders' equity	159,273	254,256	1,516,885
	¥2,113,418	¥2,172,284	$20,127,790

Consolidated Statements of Operations

Japan Airlines Corporation and Consolidated Subsidiaries

Years ended March 31,	2004	2003	2002 Pro forma (Unaudited)	2004
	Millions of yen			Thousands of U.S. dollars (Note 2)
Operating revenues:				
Passenger:				
Domestic	¥ 668,888	¥ 629,358	¥ 650,185	$ 6,370,362
International	549,764	668,472	632,472	5,235,848
Cargo:				
Domestic	42,670	42,217	43,201	406,381
International	161,331	165,613	145,846	1,536,486
Incidental and other revenues	509,086	577,818	557,775	4,848,438
	1,931,742	2,083,480	2,029,481	18,397,543
Operating expenses (Note 10):				
Wages, salaries and benefits	510,203	499,448	487,647	4,859,076
Aircraft fuel	244,341	245,921	250,457	2,327,057
Aircraft maintenance	82,206	81,139	72,385	782,914
Aircraft rent	86,720	91,921	98,657	825,904
Landing fees and other rent	233,230	231,835	222,354	2,221,238
Purchased services	106,695	111,922	128,313	1,016,142
Depreciation and amortization	119,388	118,187	113,519	1,137,028
Commission	113,396	125,717	136,729	1,079,961
Incidental and other expenses	503,203	566,796	520,458	4,792,409
	1,999,387	2,072,891	2,030,522	19,041,780
Operating (loss) income	(67,645)	10,589	(1,041)	(644,238)
Non-operating income (expenses):				
Interest and dividend income	2,928	2,932	3,814	27,885
Interest expense	(28,503)	(34,657)	(38,829)	(271,457)
Exchange gain (loss), net	424	(1,975)	3,800	4,038
Flight equipment purchase incentives	29,260	42,075	—	278,666
Gain on sales of ground property and equipment	1,330	4,446	5,933	12,666
Gain on sales of investments in securities	1,235	4,623	14,337	11,761
Subsidy received for purchases of aircraft for isolated island routes	1,618	—	—	15,409
Gain recognized upon separation of substitutional portion of benefit obligation of welfare pension fund plan	755	—	—	7,190
Loss on sales and disposal of flight equipment	(13,946)	(10,637)	(7,147)	(132,819)
Loss on sales and disposal of ground property and equipment	(5,153)	(9,852)	(5,176)	(49,076)
Loss on investments in unconsolidated subsidiaries and affiliates	(6,518)	—	(5,622)	(62,076)
Equity in earnings (losses) of affiliates	1,221	340	(155)	11,628
Expenses arising from business combination	—	(7,304)	—	—
Other, net	846	3,500	(1,116)	8,057
	(14,503)	(6,508)	(30,163)	(138,123)
(Loss) income before income taxes and minority interests	(82,148)	4,081	(31,205)	(782,361)
Income taxes (Note 7):				
Current	8,854	8,100	8,526	84,323
Deferred	(3,092)	(16,468)	(3,793)	(29,447)
	5,761	(8,368)	4,732	54,866
Minority interests	(709)	(804)	140	(6,752)
Net (loss) income	¥ (88,619)	¥ 11,645	¥ (35,797)	$ (843,990)

In order to enhance comparability, supplemental unaudited pro forma financial statements for the year ended 2002 are presented above.

The accompanying notes are an integral part of these consolidated statements.

Consolidated Statements of Stockholders' Equity (Note 8)

Japan Airlines Corporation and Consolidated Subsidiaries

	Number of shares of common stock issued	Common stock	Capital surplus	(Accumulated deficit) retained earnings	Net unrealized gain (loss) on other securities, net of taxes (Note 4)	Translation adjustments	Common stock in treasury	Total
		Millions of yen						
Balance at April 1, 2002	1,980,465,250	¥100,000	¥158,529	¥ 570	¥2,095	¥(4,717)	¥(7,467)	¥249,009
Net income for the year ended March 31, 2003				11,645				11,645
Bonuses to directors and statutory auditors				(35)				(35)
Transfer from capital surplus to retained earnings			(11,301)	11,301				—
Other			(51)		(2,875)	(2,734)	(701)	(6,363)
Balance at March 31, 2003	1,980,465,250	100,000	147,175	23,481	(780)	(7,451)	(8,168)	254,256
Net loss for the year ended March 31, 2004				(88,619)				(88,619)
Cash dividends			(7,844)					(7,844)
Bonuses to directors and statutory auditors				(38)				(38)
Increase resulting from change in scope of consolidation				144				144
Other			(2,652)		3,567	(2,506)	2,966	1,375
Balance at March 31, 2004	1,980,465,250	¥100,000	¥136,678	¥(65,031)	¥2,787	¥(9,958)	¥(5,202)	¥159,273

	Common stock	Capital surplus	(Accumulated deficit) retained earnings	Net unrealized gain (loss) on other securities, net of taxes (Note 4)	Translation adjustments	Common stock in treasury	Total
	Thousands of U.S. dollars (Note 2)						
Balance at March 31, 2003	$ 952,380	$ 1,401,666	$ 223,628	$ (7,428)	$ (70,961)	$ (77,790)	$ 2,421,485
Net loss for the year ended March 31, 2004			(843,990)				(843,990)
Cash dividends		(74,704)					(74,704)
Bonuses to directors and statutory auditors			(361)				(361)
Increase resulting from change in scope of consolidation			1,371				1,371
Other		(25,257)		33,971	(23,866)	28,247	13,095
Balance at March 31, 2004	$952,380	$1,301,695	$(619,342)	$ 26,542	$(94,838)	$(49,542)	$1,516,885

The accompanying notes are an integral part of these consolidated statements.

Consolidated Statements of Cash Flows

Japan Airlines Corporation and Consolidated Subsidiaries

			Millions of yen	Thousands of U.S. dollars (Note 2)
Years ended March 31,	2004	2003	2002 Pro forma (Unaudited)	2004
Operating activities:				
(Loss) income before income taxes and minority interests	¥ (82,148)	¥ 4,081	¥ (31,205)	$ (782,361)
Adjustments to reconcile (loss) income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	119,388	118,187	113,517	1,137,028
(Gain) loss on sales of, and loss on revaluation of, short-term investments in securities and investments in securities, net	(569)	(2,551)	7,402	(5,419)
Loss (gain) on sales and disposal of property and equipment, net	17,846	17,603	(10,968)	169,961
Net provision for accrued pension and severance costs	19,459	17,223	847	185,323
Interest and dividend income	(2,928)	(2,932)	(3,814)	(27,885)
Interest expense	28,503	34,657	38,829	271,457
Exchange loss (gain)	547	141	(483)	5,209
Equity in (earnings) losses of affiliates	(1,221)	(340)	155	(11,628)
(Increase) decrease in notes and accounts receivable	(7,215)	31,761	(6,645)	(68,714)
Decrease (increase) in flight equipment spare parts	2,387	(2,812)	27	22,733
Increase (decrease) in accounts payable	2,608	7,778	(7,126)	24,838
Other	14,366	(29,111)	(11,767)	136,819
Subtotal	111,023	193,686	88,769	1,057,361
Interest and dividends received	3,386	3,427	4,026	32,247
Interest paid	(29,003)	(34,709)	(38,254)	(276,219)
Income taxes paid	(9,060)	(6,991)	(14,646)	(86,285)
Net cash provided by operating activities	76,345	155,413	39,896	727,095
Investing activities:				
Purchases of time deposits	(1,092)	(101)	(1,372)	(10,400)
Proceeds from maturity of time deposits	996	1,877	3,498	9,485
Purchases of property and equipment	(151,585)	(195,575)	(118,882)	(1,443,666)
Proceeds from sales of property and equipment	57,285	62,043	43,665	545,571
Purchases of investments in securities	(974)	(11,540)	(2,218)	(9,276)
Proceeds from sales and maturity of investments in securities	3,615	12,400	18,520	34,428
Proceeds from sales of consolidated subsidiaries resulting in change in scope of consolidation	103	683	1,511	980
Long-term loans receivable made	(2,853)	(4,937)	(42,279)	(27,171)
Collection of long-term loans receivable	8,875	42,887	22,892	84,523
Other	247	7,074	7,491	2,352
Net cash used in investing activities	(85,382)	(85,187)	(67,172)	(813,161)

Years ended March 31,	Millions of yen 2004	2003	2002 Pro forma (Unaudited)	Thousands of U.S. dollars (Note 2) 2004
Financing activities:				
(Decrease) increase in short-term borrowings, net	¥ (9,976)	¥ (36,196)	¥ 1,802	$ (95,009)
Proceeds from long-term loans	200,882	214,804	266,607	1,913,161
Repayment of long-term loans	(134,638)	(199,550)	(145,433)	(1,282,266)
Proceeds from issuance of bonds	29,815	—	—	283,952
Redemption of bonds	(67,495)	(83,864)	(60,000)	(642,809)
Dividends paid to stockholders	(7,813)	(50)	(7,089)	(74,409)
Dividends paid to minority interests	(334)	(266)	(379)	(3,180)
Other	(2,825)	(2,979)	(474)	(26,904)
Net cash provided by (used in) financing activities	7,615	(108,103)	55,032	72,523
Effect of exchange rate changes on cash and cash equivalents	(1,568)	(670)	1,713	(14,933)
Net (decrease) increase in cash and cash equivalents	(2,991)	(38,548)	29,469	(28,485)
Cash and cash equivalents at beginning of year	146,318	185,399	151,150	1,393,504
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	176	1,030	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(708)	—	—
Cash and cash equivalents at end of year (Note 3)	¥ 143,327	¥ 146,318	¥ 181,651	$ 1,365,019

In order to enhance comparability, supplemental unaudited pro forma financial statements for the year ended 2002 are presented above.

The accompanying notes are an integral part of these consolidated statements.

Japan Airlines Corporation and Consolidated Subsidiaries
Japan Airlines System Corporation, the holding company of the JAL group, was renamed Japan Airlines Corporation on June 26, 2004.

1. Summary of Significant Accounting Policies

a. Basis of presentation

Japan Airlines System Corporation (the "Company") and its consolidated domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and its consolidated foreign subsidiaries, in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Financial Services Agency as required by the Securities and Exchange Law of Japan and include certain additional financial information for the convenience of readers outside Japan.

The Company is a holding company established on October 2, 2002 by Japan Airlines Company, Ltd. ("JAL") and Japan Air System Co., Ltd. ("JAS") by means of a transfer of shares in accordance with the Commercial Code of Japan. In order to enhance comparability, supplemental pro forma financial information for the year ended March 31, 2002 has been presented. The pro forma financial information for the year then ended, which is unaudited, is presented as the aggregate of the respective consolidated financial statements of JAL and JAS and also reflects reclassifications of each companies' consolidated financial statements to conform these to the presentation in the consolidated financial statements for the years ended March 31, 2004 and 2003.

On April 1, 2004, JAL and JAS were renamed Japan Airlines International Co., Ltd. and Japan Airlines Domestic Co., Ltd., respectively. Furthermore, at a meeting of the stockholders of the Company held on June 25, 2004, it was resolved to change the Company's name to Japan Airlines Corporation effective June 26, 2004.

As permitted by the Securities and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

Certain amounts previously reported have been reclassified to conform to the current year's classification.

The accounting policies stated hereinafter are applicable only to the consolidated financial statements of the Company and its consolidated subsidiaries for the years ended March 31, 2004 and 2003 and are not necessarily applicable to the unaudited pro forma financial information for the year ended March 31, 2002.

b. Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The consolidated financial statements include the accounts of the Company and all significant companies controlled directly or indirectly by the Company. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

The balance sheet date of 26 of the consolidated subsidiaries is December 31, for 2004 (25 for 2003), and for 1 consolidated subsidiary, it is the end of February. Any significant differences in intercompany accounts and transactions arising from intervening intercompany transactions during the period from January 1 through March 31 and the period from March 1 through March 31 have been adjusted, if necessary.

The differences between the cost and the fair value of the net assets at the dates of acquisition of the consolidated subsidiaries and companies accounted for by the equity method are amortized by the straight-line method over a period of 5 years.

All significant intercompany accounts and transactions and unrealized gain or loss on intercompany accounts and transactions have been eliminated.

As to accounting for business combinations, the pooling-of-interest method and the purchase method are permitted under accounting practices generally accepted in Japan. The business combination of JAL and JAS has been accounted for by the pooling-of-interest method. The operating results of the consolidated subsidiaries have been included in the consolidated financial statements of operations and cash flows from April 1, 2002, regardless of the date of establishment of the Company. In addition, the beginning balances for 2003 in the consolidated statement of stockholders' equity have been presented assuming that the Company had existed as of April 1, 2002.

c. Securities

Securities, except for investments in unconsolidated subsidiaries and affiliates, are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gain or loss reported as a separate component of stockholders' equity, 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.

d. Derivatives

Derivatives positions are stated at fair value.

Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized. Foreign receivables and payables are translated at the applicable forward foreign exchange rates if certain conditions are met. In addition, the related interest differential paid or received under interest-rate swaps used as hedging instruments is recognized over the terms of the swap agreements as an adjustment to the interest expense of the underlying hedged items if certain conditions are met.

e. Property and equipment

Property and equipment is stated at cost except as indicated in the following paragraph.

Under Japanese tax legislation, it is permitted to defer certain capital gains, principally those arising from insurance claims, by crediting them to the cost of certain properties. Deferred capital gains at March 31, 2004 and 2003 amounted to ¥15,236 million ($145,105 thousand) and ¥13,227 million, respectively.

Depreciation of property and equipment is computed as follows:

Flight equipment:

Aircraft and spare engines:

Boeing 747 (with the exception of Boeing 747-400)	—principally the declining-balance method based on their estimated useful lives
Boeing 747-400	—the straight-line method based on their estimated useful lives
Boeing 767	—principally the straight-line method based on their estimated useful lives
Boeing 777	—the straight-line method based on their estimated useful lives
Boeing 737	—the straight-line method based on their estimated useful lives
Douglas DC-10	—principally the declining-balance method based on their estimated useful lives
Douglas MD-11	—the straight-line method based on their estimated useful lives
Douglas MD 90	—the straight-line method based on their estimated useful lives
Douglas MD 87	—the straight-line method based on their estimated useful lives
Douglas MD 81	—the straight-line method based on their estimated useful lives
Airbus A300	—the straight-line method based on their estimated useful lives
Airbus A300-600	—the straight-line method based on their estimated useful lives

Spare parts contained in flight equipment:

—principally the declining-balance method based on each aircraft's or engine's estimated useful life

Ground property and equipment:

—principally the straight-line method based on the estimated useful lives of the respective assets

The estimated useful lives are as follows:

Flight equipment	from 8 to 27 years
Ground property and equipment	from 2 to 65 years

f. Software

Computer software intended for internal use is amortized by the straight-line method based on its estimated useful life which range from 5 to 7 years.

g. Bond issuance expenses

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

h. Accrued pension and severance costs

To provide for employees' severance indemnities, net period pension cost, which represents the amount recognized as the cost of a pension plan for the year, 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 over a period of principally fifteen years.

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.

i. 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 year-end exchange rates are presented as minority interests and as a separate component of stockholders' equity.

j. Revenue recognition

Passenger and cargo revenues are recognized when the transportation services are rendered.

k. Leases

As lessee

Certain 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.

l. Appropriation of retained earnings and disposition of accumulated deficit

Under the Commercial Code of Japan, the appropriation of retained earnings and disposition of accumulated deficit with respect to a financial period is made by resolution of the stockholders at a general meeting held subsequent to the close of the financial period and the accounts for that period do not, therefore, reflect such appropriations and disposition.

m. Cash equivalents

Cash equivalents are defined as highly liquid, short-term investments with an original maturity of 3 months or less.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥105 = U.S.$1.00, the approximate exchange rate prevailing on March 31, 2004, has been used in translation. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Cash and Cash Equivalents

The components of cash and cash equivalents at March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Cash and time deposits	¥143,775	¥133,145	$1,369,285
Time deposits with a maturity of more than three months	(448)	(392)	(4,266)
Short-term investments in securities with a maturity of three months or less	0	13,840	0
Credit balances of current accounts included in short-term borrowings	—	(274)	—
	¥143,327	¥146,318	$1,365,019

4. Fair Value of Securities

No trading securities or held-to-maturity securities were held at March 31, 2004 and 2003. Securities classified as other securities are included in "short-term investments in securities" and "investments and advances — other" in the accompanying consolidated balance sheets.

The components of unrealized gain or loss on marketable securities classified as other securities at March 31, 2004 and 2003 are summarized as follows:

			Millions of yen
March 31, 2004	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥ 9,937	¥15,346	¥5,409
Bonds:			
Government bonds	17	19	2
Corporate bonds	99	100	0
Other	861	876	14
	10,916	16,343	5,426
Unrealized loss:			
Stocks	3,574	3,159	(415)
Bonds:			
Corporate bonds	52	51	(0)
Other	77	73	(4)
	3,704	3,284	(420)
Total	¥14,621	¥19,627	¥5,005

			Thousands of U.S. dollars
March 31, 2004			
Unrealized gain:			
Stocks	$ 94,638	$146,152	$51,514
Bonds:			
Government bonds	161	180	19
Corporate bonds	942	952	0
Other	8,200	8,342	133
	103,961	155,647	51,676
Unrealized loss:			
Stocks	34,038	30,085	(3,952)
Bonds:			
Corporate bonds	495	485	(0)
Other	733	695	(38)
	35,276	31,276	(4,000)
Total	$139,247	$186,923	$47,666

			Millions of yen
March 31, 2003			
Unrealized gain:			
Stocks	¥ 2,596	¥ 4,524	¥ 1,927
Bonds:			
Government bonds	17	20	2
Corporate bonds	214	215	0
Other	970	1,003	32
	3,800	5,763	1,962
Unrealized loss:			
Stocks	10,931	7,985	(2,946)
Bonds:			
Corporate bonds	109	107	(2)
Other	129	87	(42)
	11,171	8,180	(2,991)
Total	¥14,971	¥13,943	¥(1,028)

Non-marketable securities classified as other securities at March 31, 2004 and 2003 amounted to ¥26,809 million ($255,323 thousand) and ¥43,419 million, respectively.

Proceeds from sales of securities classified as other securities amounted to ¥16,541 million ($157,533 thousand) and ¥5,255 million for the years ended March 31, 2004 and 2003, respectively, and ¥17,964 million (unaudited) on a pro forma basis for the year ended March 31, 2002. The aggregate gain realized on those sales totaled ¥500 million ($4,761 thousand) and ¥3,853 million for the years ended March 31, 2004 and 2003, respectively, and ¥12,614 million (unaudited) on a pro forma basis for the year ended March 31, 2002, and the aggregate loss realized on those sales totaled ¥19 million ($180 thousand) and ¥53 million for the years ended March 31, 2004 and 2003, respectively, and ¥254 million (unaudited) on a pro forma basis for the year ended March 31, 2002.

The redemption schedule at March 31, 2004 for bonds with maturity dates is summarized as follows:

	Millions of yen	
March 31, 2004	Due in one year or less	Due after one year through five years
Government bonds	¥ —	¥ 7
Corporate bonds	100	20
Total	¥100	¥27

	Thousands of U.S. dollars	
March 31, 2004		
Government bonds	$ —	$ 66
Corporate bonds	952	190
Total	$952	$257

5. Short-Term Borrowings and Long-Term Debt

The weighted-average interest rates for short-term borrowings outstanding at March 31, 2004 and 2003 were 1.2% and 1.8%, respectively.

Long-term debt at March 31, 2004 and 2003 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Bonds:			
Bond in U.S. dollars, due 2003, at 6.625%	¥ —	¥ 26,845	$ —
Japanese yen bonds, due 2003 to 2018, at rates ranging from 1.5% to 3.4%	248,700	259,350	2,368,571
Loans with collateral, due 2003 to 2020, at rates ranging from 0.24% to 7.91%	599,398	531,486	5,708,552
Loans without collateral, due 2003 to 2030, at rates ranging from 0.06% to 6.6%	455,537	460,436	4,338,447
Other	11,238	14,355	107,028
	1,314,874	1,292,473	12,522,609
Less current portion of long-term debt	(144,718)	(198,188)	(1,378,266)
	¥1,170,156	¥1,094,285	$11,144,342

The aggregate annual maturities of long-term debt subsequent to March 31, 2004 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2005	¥ 144,718	$ 1,378,266
2006	128,427	1,223,114
2007	144,913	1,380,123
2008	185,709	1,768,657
2009 and thereafter	711,105	6,772,428
	¥1,314,874	$12,522,609

A summary of assets pledged as collateral at March 31, 2004 and 2003 is as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Flight equipment, net of accumulated depreciation	¥557,141	¥509,643	$5,306,104
Flight equipment spare parts	53,286	—	507,485
Investments in affiliates and other securities	34,793	19,344	331,361
Ground property and equipment, net of accumulated depreciation, and other	237,028	250,754	2,257,409
	¥882,249	¥779,741	$8,402,371

The effective interest rate on the bond in U.S. dollars, due 2003, at 6.625%, which resulted from hedging the bond with a currency swap, was lower than the long-term prime rate in Japan at the issuance date.

6. Accrued Pension and Severance Costs

An employee whose employment is terminated is entitled, in most cases, to pension annuity payments or to a lump-sum severance payment determined by reference to the basic rate of pay, length of service and the conditions under which the termination occurs.

Certain significant domestic consolidated subsidiaries have established contributory defined benefit pension plans pursuant to the Welfare Pension Insurance Law of Japan, i.e., welfare pension fund plans (WPFPs). Each WPFP consists of the governmental welfare pension program (the substitutional portion) and an additional non-contributory pension plan portion. In addition, certain consolidated subsidiaries have maintained non-contributory defined pension plans and lump-sum severance indemnity plans.

The projected benefit obligation and the funded status of the plans are summarized as follows:

March 31,	Millions of yen 2004	2003	Thousands of U.S. dollars 2004
Projected benefit obligation	¥(936,352)	¥(829,170)	$(8,917,638)
Plan assets	396,371	337,495	3,774,961
Accrued pension and severance costs	163,128	143,670	1,553,600
Prepaid pension and severance costs	(647)	(448)	(6,161)
Net unrecognized amount	¥(377,499)	¥(348,453)	$(3,595,228)

In computing the projected benefit obligation, small companies are permitted to adopt several simplified methods and certain subsidiaries have done so.

The net unrecognized amounts were as follows:

March 31,	Millions of yen 2004	2003	Thousands of U.S. dollars 2004
Unrecognized benefit obligation at transition	¥(162,239)	¥(177,551)	$(1,545,133)
Adjustment for actuarial assumptions	(216,246)	(172,417)	(2,059,485)
Past service cost	986	1,515	9,390
Net unrecognized amounts	¥(377,499)	¥(348,453)	$(3,595,228)

The substitutional portions of the WPFP benefits have been included in the amounts shown in the above tables.

On August 13, 2003, a certain domestic subsidiary received approval from the Minister of Health, Labor 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. In accordance with paragraph 47-2 of the "Practical Guidelines on Retirement Benefits Accounting (Interim Report)," Report No. 13 of the Accounting System Committee of the Japanese Institute of Certified Public Accountants, this subsidiary accounted for the separation of the substitutional portion of the benefit obligation from the corporate portion of the benefit obligation under its WPFP as of the date of approval of the exemption, assuming that the transfer to the Japanese Government of the substitutional portion of the benefit obligation and related portion of the pension plan assets had been completed as of that date. As a result, the subsidiary recognized a gain of ¥755 million ($7,190 thousand) for the year ended March 31, 2004. At March 31, 2004, the pension plan assets to be transferred were calculated at ¥2,343 million ($22,314 thousand).

The components of net periodic pension and severance costs excluding the employees' contributory portion were as follows:

Years ended March 31,	Millions of yen 2004	2003	2002 Pro forma (Unaudited)	Thousands of U.S. dollars 2004
Service cost	¥31,421	¥31,169	¥29,352	$299,247
Interest cost on projected benefit obligation	27,386	26,939	25,237	260,819
Expected return on plan assets	(15,987)	(17,168)	(18,240)	(152,257)
Amortization of unrecognized severance benefit obligation at transition	14,844	15,143	15,004	141,371
Amortization of adjustment for actuarial assumptions	12,554	8,765	4,719	119,561
Amortization of past service cost	(126)	(140)	(5,185)	(1,200)
Net periodic pension and severance costs	¥70,093	¥64,709	¥50,888	$667,552

Special additional termination benefits paid but not included in determining the projected benefit obligation, are charged to income when paid. The amounts charged to income amounted to ¥1,485 million ($14,142 thousand) and ¥1,176 million for the years ended March 31, 2004 and 2003, respectively, and ¥1,730 million (unaudited) on a pro forma basis for the year ended March 31, 2002.

The assumptions used were as follows:

	2004	2003	2002 Pro forma (Unaudited)
Discount rates	2.5% - 2.8%	2.5% - 3.5%	2.5% - 3.5%
Expected rates of return on plan assets	0.0% - 5.5%	0.7% - 5.5%	1.2% - 6.3%

7. Income Taxes

During the year ended March 31, 2003, the Japanese consolidated corporate tax return system went into effect, and applications to file tax returns under the Japanese consolidated corporate tax return system of the Company and certain domestic subsidiaries were approved by the Japanese tax authorities. This new tax return system allows companies to base their tax payments on the combined profit or loss of a parent company and its wholly owned domestic subsidiaries. Accordingly, effective the year ended March 31, 2004, the Company and certain domestic subsidiaries have adopted the Japanese consolidated corporate tax return system.

The significant components of deferred tax assets and liabilities and the related valuation allowance at March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Deferred tax assets:			
Accrued pension and severance costs	¥ 53,683	¥ 38,709	$ 511,266
Revaluation loss on investments in unconsolidated subsidiaries and affiliates	14,483	14,536	137,933
Accounts payable — trade	3,203	3,137	30,504
Accrued bonuses	2,526	2,609	24,057
Revaluation loss on flight equipment spare parts	2,287	2,041	21,780
Allowance for doubtful accounts	1,814	2,391	17,276
Tax loss carryforwards	44,994	38,197	428,514
Other	20,530	18,736	195,523
	143,524	120,360	1,366,895
Deferred tax liabilities:			
Reserve for special depreciation	—	(2,805)	—
Accumulated earnings of consolidated subsidiaries and affiliates	(5,424)	(4,058)	(51,657)
Net unrealized gain on other securities	(2,042)	—	(19,447)
Other	(3,910)	(1,382)	(37,238)
	(11,377)	(8,246)	(108,352)
Valuation allowance	(73,992)	(54,499)	(704,685)
Net deferred tax assets	¥ 58,155	¥ 57,614	$ 553,857

For the year ended March 31, 2004, a reconciliation between the Japanese statutory tax rate and the Company's and the consolidated subsidiaries' effective tax rate is not required to be disclosed since the Company and the consolidated subsidiaries recorded a loss before income taxes. The statutory tax rate for the year ended March 31, 2004 was 43.9%.

A reconciliation between the Japanese statutory tax rate and the Company's and the consolidated subsidiaries' effective tax rate for the year ended March 31, 2003 is summarized as follows:

Year ended March 31, 2003	
Statutory tax rate	42.1%
Disallowed expenses, including entertainment expenses	39.9
Non-taxable income, including dividends received	(7.3)
Equity in earnings of unconsolidated subsidiaries and affiliates	(3.5)
Inhabitants' per capita taxes	7.4
Change in valuation allowance	(347.5)
Tax effect on undistributed earnings of consolidated subsidiaries	53.7
Difference in tax rates of consolidated subsidiaries	10.2
Other	(0.0)
Effective tax rate	(205.0)%

At March 31, 2003, reflecting a change in the local tax rates, the statutory tax rate utilized in estimating deferred tax assets and liabilities has been applied as follows. The statutory tax rate effective for the year ended March 31, 2004, excluding a surcharge for the consolidation tax return system, has been applied to the temporary differences expected to be deducted for tax purposes by the end of March 2004, and the new rate has been applied to those to be utilized after April 2004.

8. Stockholders' Equity

The Commercial Code of Japan (the "Code") provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the sum of the reserve and the additional paid-in capital account, which is included in capital surplus in the consolidated balance sheets, equals 25% of the common stock account. The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock upon approval by the Board of Directors. The Code further provides that if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. The Company's shares of common stock have no par value in accordance with the Code.

9. Supplementary Cash Flow Information

The assets and liabilities of companies excluded from consolidation following the sale of their stock were as follows:

	Millions of yen	Thousands of U.S. dollars
Year ended March 31,	2004	2004
Current assets	¥1,187	$11,304
Fixed assets	7,140	68,000
Current liabilities	(8,218)	(78,266)
Noncurrent liabilities	(1,346)	(12,819)
Minority interests	704	6,704
Gain on investments in securities	473	4,504
Increase in retained earnings resulting from exclusion of consolidated subsidiaries	170	1,619
Proceeds from sales of stock	111	1,057
Cash and cash equivalents held by subsidiaries	(7)	(66)
Net proceeds	¥ 103	$ 980

10. Leases

As lessee

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property at March 31, 2004 and 2003, and the related depreciation and interest expense for the years ended March 31, 2004 and 2003 and on a pro forma basis for the year ended March 31, 2002, which would have been reflected in the consolidated balance sheets and the related consolidated statements of operations or in the pro forma information if capital lease accounting had been applied to the capital leases currently accounted for as operating leases:

Millions of yen

March 31, 2004	Flight equipment	Ground property and equipment	Total
Acquisition costs	¥499,349	¥25,604	¥524,953
Less accumulated depreciation	(205,948)	(10,940)	(216,888)
Net book value	¥293,400	¥14,664	¥308,064

Thousands of U.S. dollars

March 31, 2004			
Acquisition costs	$4,755,704	$243,847	$4,999,552
Less accumulated depreciation	(1,961,409)	(104,190)	(2,065,600)
Net book value	$2,794,285	$139,657	$2,933,942

Millions of yen

March 31, 2003			
Acquisition costs	¥460,044	¥29,930	¥489,974
Less accumulated depreciation	(223,865)	(11,429)	(235,294)
Net book value	¥236,179	¥18,501	¥254,680

	Millions of yen			Thousands of U.S. dollars
Years ended March 31,	2004	2003	2002 Pro forma (Unaudited)	2004
Depreciation expense	¥48,654	¥47,376	¥48,076	$463,371
Interest expense	¥ 5,090	¥ 5,871	¥ 7,106	$ 48,476

Lease expenses relating to capital leases accounted for as operating leases amounted to ¥55,537 million ($528,923 thousand) and ¥55,541 million for the years ended March 31, 2004 and 2003, respectively, and ¥58,911 million (unaudited) on a pro forma basis for the year ended March 31, 2002.

The present value of future rental expenses under capital leases accounted for as operating leases outstanding at March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Within 1 year	¥ 47,332	¥ 47,194	$ 450,780
Over 1 year	268,508	217,939	2,557,219
	¥315,840	¥265,133	$3,008,000

Future rental expenses under operating leases outstanding at March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Within 1 year	¥ 24,175	¥ 20,083	$ 230,238
Over 1 year	167,368	120,376	1,593,980
	¥191,544	¥140,459	$1,824,228

As lessor

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the financing leases accounted for as operating leases at March 31, 2004 and 2003, and the related depreciation expense and interest revenue for the years ended March 31, 2004 and 2003 and on a pro forma basis for the year ended March 31, 2002, which are reflected in the consolidated balance sheets and the related consolidated statements of operations or in the unaudited pro forma information:

Millions of yen

March 31, 2004	Flight equipment	Ground property and equipment	Total
Acquisition costs	¥347	¥2,559	¥2,907
Less accumulated depreciation	(324)	(1,702)	(2,027)
Net book value	¥ 23	¥ 857	¥ 880

Thousands of U.S. dollars

March 31, 2004			
Acquisition costs	$3,304	$24,371	$27,685
Less accumulated depreciation	(3,085)	(16,209)	(19,304)
Net book value	$ 219	$ 8,161	$ 8,380

Millions of yen

March 31, 2003			
Acquisition costs	¥347	¥3,033	¥3,381
Less accumulated depreciation	(289)	(1,973)	(2,263)
Net book value	¥ 58	¥1,060	¥1,118

	Millions of yen			Thousands of U.S. dollars
Years ended March 31,	2004	2003	2002 Pro forma (Unaudited)	2004
Depreciation expense	¥513	¥624	¥711	$4,885
Interest revenue	¥ 51	¥ 69	¥ 80	$ 485

Lease revenues relating to direct financing leases accounted for as operating leases amounted to ¥602 million ($5,733 thousand) and ¥739 million for the years ended March 31, 2004 and 2003, and ¥852 million (unaudited) on a pro forma basis for the year ended March 31, 2002.

The present value of future rental revenues under direct financing leases accounted for as operating leases outstanding at March 31, 2004 and 2003 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Within 1 year	¥433	¥ 492	$4,123
Over 1 year	474	676	4,514
	¥907	¥1,169	$8,638

Future rental revenues under operating leases outstanding at March 31, 2004 and 2003 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2004	2003	2004
Within 1 year	¥15	¥ —	$142
Over 1 year	15	—	142
	¥31	¥ —	$295

11. Commitments and Contingent Liabilities

Commitments outstanding at March 31, 2004 for the purchases of significant property and equipment amounted to ¥433,235 million ($4,126,047 thousand).

Consolidated subsidiaries lease aircraft, office space, hotel facilities, warehouses and office equipment. These leases are customarily renewed upon expiration.

At March 31, 2004, contingent liabilities for guarantees, principally for unconsolidated subsidiaries, affiliates and employees, amounted to ¥17,208 million ($163,885 thousand), and contingent liabilities for commitments such as guarantees, keep-well agreements and others, principally for unconsolidated subsidiaries, affiliates and employees, amounted to ¥1,994 million ($18,990 thousand).

A consolidated subsidiary provides a line-of-credit facility as a part of its financing activities. The amounts provided, used and unused, at March 31, 2004 were ¥910 million ($8,666 thousand), ¥110 million ($1,047 thousand) and ¥799 million ($7,609 thousand), respectively.

12. Amounts Per Share

Basic net (loss) income per share has been computed based on the net (loss) income allocable to or available for distribution to stockholders of common stock and the weighted-average number of shares of common stock outstanding during each year. Diluted net income per share has not been presented for the years ended March 31, 2004 and 2003 since neither the Company nor any of the consolidated subsidiaries had potentially dilutive shares of common stock to be issued March 31, 2004 and 2003.

	Yen		U.S. dollars
Years ended March 31,	2004	2003	2004
Net (loss) income per share of common stock	¥(45.19)	¥5.92	$(0.430)

The following table sets forth the computation of net (loss) income per share of common stock for the years ended March 31, 2004 and 2003:

	Millions of yen, except for shares		Thousands of U.S. dollars, except for shares
Years ended March 31,	2004	2003	2004
Net (loss) income (allocable) available to shareholders of common stock (numerator):			
Net (loss) income	¥(88,619)	¥11,645	$(843,990)
Less: appropriation of bonuses to directors and statutory auditors	(42)	(37)	(400)
	¥(88,661)	¥11,608	$(844,390)
Weighted-average number of shares of common stock outstanding (denominator)	1,961,792,997	1,962,051,790	1,961,792,997

Net assets per share have been computed based on the net assets available for distribution to stockholders of common stock and the number of shares of common stock outstanding at each balance sheet date.

	Yen		U.S. dollars
March 31,	2004	2003	2004
Net assets per share	¥81.16	¥129.66	$0.772

13. Segment Information

a. Business segment information

The Company and its consolidated subsidiaries conduct worldwide operations in air transportation, hotel and resort operations, travel services, card and lease operations, trading and other airline-related business. This segmentation has been determined for internal management purposes.

Until the year ended March 31, 2003, the business segment information was presented in four major categories: the air transportation segment, the travel segment, the hotel and resort operations segment and a segment entitled 'other' which included card and lease operations, trading and other airline-related business.

Effective the year ended March 31, 2004, the Company has revised its method of segmentation. The airline-related business, which had been included in "Other" until the year ended March 31, 2003, has been presented as a new segment since, under the Company's current business strategies, it is a separate function of the air transportation business. In addition, the hotel and resort operations business, which had been presented as a separate segment until the year ended March 31, 2003, has been included in "Other" for the year ended March 31, 2004 since its size has decreased following a change in basic business strategy under which it now operates its businesses under a system of administrative contracts.

Based on the new segmentation, the Company has restated the previously reported business segments for the year ended March 31, 2003.

The business segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2004 and 2003 is summarized as follows:

Millions of yen

Year ended March 31, 2004	Air trans- portation	Airline- related business	Travel services	Other	Total	General corporate assets and intercompany eliminations	Consoli- dated
Operating revenues	¥1,370,548	¥ 75,775	¥337,356	¥148,061	¥1,931,742	¥ —	¥1,931,742
Inter-group sales and transfers	178,274	167,991	44,591	110,060	500,917	(500,917)	—
Total	1,548,823	243,766	381,948	258,122	2,432,659	(500,917)	1,931,742
Operating expenses	1,621,002	241,875	385,894	251,735	2,500,507	(501,119)	1,999,387
Operating income (loss)	¥ (72,179)	¥ 1,891	¥ (3,946)	¥ 6,386	¥ (67,847)	¥ 201	¥ (67,645)
Identifiable assets	¥1,791,150	¥113,582	¥ 79,979	¥356,812	¥2,341,525	¥(228,106)	¥2,113,418
Depreciation and amortization	¥ 103,303	¥ 3,029	¥ 1,335	¥ 12,006	¥ 119,675	¥ (286)	¥ 119,388
Capital expenditures	¥ 144,312	¥ 2,574	¥ 1,800	¥ 6,572	¥ 155,259	¥ (997)	¥ 154,262

Thousands of U.S. dollars

Year ended March 31, 2004							
Operating revenues	$13,052,838	$ 721,666	$3,212,914	$1,410,104	$18,397,542	$ —	$18,397,542
Inter-group sales and transfers	1,697,847	1,599,914	424,676	1,048,190	4,770,638	(4,770,638)	—
Total	14,750,695	2,321,580	3,637,600	2,458,304	23,168,180	(4,770,638)	18,397,542
Operating expenses	15,438,114	2,303,571	3,675,180	2,397,476	23,814,352	(4,772,561)	19,041,780
Operating income (loss)	$ (687,419)	$ 18,009	$ (37,580)	$ 60,819	$ (646,161)	$ 1,914	$ (644,238)
Identifiable assets	$17,058,571	$1,081,733	$ 761,704	$3,398,209	$22,300,238	$(2,172,438)	$20,127,790
Depreciation and amortization	$ 983,838	$ 28,847	$ 12,714	$ 114,342	$ 1,139,761	$ (2,723)	$ 1,137,028
Capital expenditures	$ 1,374,400	$ 24,514	$ 17,142	$ 62,590	$ 1,478,657	$ (9,495)	$ 1,469,161

Millions of yen

Year ended March 31, 2003							
Operating revenues	¥1,458,276	¥ 75,437	¥391,041	¥158,724	¥2,083,480	¥ —	¥2,083,480
Inter-group sales and transfers	192,195	170,660	44,747	103,225	510,828	(510,828)	—
Total	1,650,471	246,098	435,788	261,950	2,594,309	(510,828)	2,083,480
Operating expenses	1,647,671	243,634	436,058	255,562	2,582,926	(510,035)	2,072,891
Operating income (loss)	¥ 2,799	¥ 2,464	¥ (269)	¥ 6,387	¥ 11,382	¥ (792)	¥ 10,589
Identifiable assets	¥1,817,563	¥124,946	¥ 77,394	¥368,469	¥2,388,373	¥(216,089)	¥2,172,284
Depreciation and amortization	¥ 98,900	¥ 3,971	¥ 1,348	¥ 14,328	¥ 118,548	¥ (361)	¥ 118,187
Capital expenditures	¥ 185,982	¥ 1,893	¥ 2,073	¥ 9,944	¥ 199,894	¥ (704)	¥ 199,189

b. Operating revenues from overseas operations

Operating revenues from overseas operations, which include international passenger and cargo services of four domestic subsidiaries, export sales of domestic subsidiaries, and sales of subsidiaries outside Japan, for the years ended March 31, 2004 and 2003 and on a pro forma basis for the year ended March 31, 2002 were as follows:

Millions of yen

Year ended March 31, 2004	Asia and Oceania	North and South America	Europe	Total
Operating revenues from overseas operations	¥348,492	¥302,232	¥187,973	¥ 838,698
Consolidated operating revenues				¥1,931,742
Operating revenues from overseas operations as a percentage of consolidated operating revenues	18.0%	15.7%	9.7%	43.4%

Year ended March 31, 2004				Thousands of U.S. dollars
Operating revenues from overseas operations	$3,318,971	$2,878,400	$1,790,219	$ 7,987,600
Consolidated operating revenues				$18,397,542
Operating revenues from overseas operations as a percentage of consolidated operating revenues	18.0%	15.7%	9.7%	43.4%

Year ended March 31, 2003				Millions of yen
Operating revenues from overseas operations	¥433,314	¥325,409	¥211,648	¥ 970,372
Consolidated operating revenues				¥2,083,480
Operating revenues from overseas operations as a percentage of consolidated operating revenues	20.8%	15.6%	10.2%	46.6%

Year ended March 31, 2002 Pro forma (Unaudited)				Millions of yen
Operating revenues from overseas operations	¥409,679	¥303,197	¥188,233	¥ 901,110
Consolidated operating revenues				¥2,029,481
Operating revenues from overseas operations as a percentage of consolidated operating revenues	20.2%	14.9%	9.3%	44.4%

c. Geographic information

Total assets in Japan at March 31, 2004 and 2003 and operating revenue from operations in Japan for the years then ended represented more than 90% of consolidated total assets and consolidated operating revenues. As a result, geographic information is not required to be disclosed in accordance with accounting principles generally accepted in Japan.

14. Derivatives and Hedging Activities

Certain consolidated subsidiaries utilize forward foreign exchange contracts, currency options, and currency swaps on a consistent basis to hedge certain foreign currency transactions related to foreign purchase commitments, principally of flight equipment, and foreign accounts receivable and payable. The Company and its consolidated subsidiaries also utilize currency swaps, interest-rate swaps and interest-rate options to minimize the impact of foreign exchange and interest-rate movements related to their outstanding debt on their operating results. Certain consolidated subsidiaries also enter into a variety of swaps and options in their management of risk exposure related to the commodity prices of fuel.

The Company and certain significant consolidated subsidiaries enter into hedging transactions in accordance with the internal guidelines and strategies established by management. The routine operations of the department which is responsible for hedging transactions are examined by other departments. Gain and loss on hedging instruments and the assessment of hedge effectiveness, which is performed both at the inception and on an ongoing basis, are reported at meetings of the related department managers on a timely basis. Certain other consolidated subsidiaries have adopted procedures for hedging transactions which are more simplified than those adopted by the Company.

15. Subsequent Events

a. Pursuant to a resolution of the Board of Directors at a meeting held on January 21, 2004, Japan Asia Airways Co., Ltd. ("JAA"), which was previously owned 90.5% by Japan Airlines International Co., Ltd. (formerly Japan Airlines Company, Ltd.), a wholly-owned subsidiary of the Company, became a wholly-owned subsidiary of the Company effective April 1, 2004 by way of a share exchange (*kabushiki-kohkan*). The Company delivered 65,000,000 shares newly issued by the Company and 16,018,600 shares held as treasury stock (for a total of 81,018,600 shares) to the shareholders of JAA in exchange for JAA's shares. Consequently, the Company's shares of common stock in issue numbered 2,045,465,250.

As a result of this share exchange, the amount of common stock remained unchanged, capital surplus increased by ¥5,069 million, and common stock in treasury decreased by ¥4,474 million.

b. Pursuant to a resolution of the Board of Directors at a meeting held on March 17, 2004, the Company issued zero coupon guaranteed convertible bonds due 2011 on April 5, 2004.

(1) Total amount of the bond issue: ¥100,000 million

(2) Coupon: zero

(3) Maturity date: March 25, 2011

(4) Shares to be issued upon conversion:

1) Type of shares: common stock

2) Number of shares to be issued: The number of shares to be issued upon exercise of the stock acquisition rights is equal to the face value of the bonds divided by the conversion price.

(5) Initial conversion price: ¥440 per share which is subject, under certain circumstances, to adjustment.

(6) Exercise period of stock acquisition rights: The stock acquisition rights granted under the terms of these bonds may be exercised at any time during the period from, and inclusive of, April 19, 2004 up to the close of business on March 11, 2011 at the location where the stock acquisition rights are exercised.

c. Effective April 1, 2004, JAL Group has changed its business structure. Under the new business structure, Japan Airlines International Co., Ltd. is responsible for the international passenger service and cargo service businesses, and Japan Airlines Domestic Co., Ltd. (formerly Japan Air System Co., Ltd.) is responsible for the domestic passenger service business.

Report of Independent Auditors

Japan Airlines Corporation and Consolidated Subsidiaries
Japan Airlines System Corporation, the holding company of the JAL group, was renamed Japan Airlines Corporation on June 26, 2004.

The Board of Directors
Japan Airlines System Corporation

We have audited the accompanying consolidated balance sheets of Japan Airlines System Corporation and consolidated subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of operations, stockholders' equity, and cash flows for the two years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Japan Airlines System Corporation and consolidated subsidiaries at March 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the two years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

1. As described in Note 13, effective the year ended March 31, 2004, the Company has revised its method of segmentation.
2. As described in Note 15 a., Japan Asia Airways Co., Ltd., which was previously owned 90.5% by Japan Airlines International Co., Ltd. (formerly Japan Airlines Company, Ltd.), a wholly-owned subsidiary of the Company, became a wholly-owned subsidiary of the Company effective April 1, 2004 by way of a share exchange (*kabushiki-kohkan*).
3. As described in Note 15 b., the Company issued zero coupon guaranteed convertible bonds due 2011 on April 5, 2004.
4. As described in Note 15 c., effective April 1, 2004, the JAL Group has changed its business structure. Under the new business structure, Japan Airlines International Co., Ltd. is responsible for the international passenger service and cargo service businesses, and Japan Airlines Domestic Co., Ltd. (formerly Japan Air System Co., Ltd.) is responsible for the domestic passenger service business.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Shin Nihon & Co.

June 25, 2004

As described in Note 1, the unaudited pro forma financial information for the year ended March 31, 2002 has been presented solely for convenience and is outside the scope of our audit.

Consolidated Subsidiaries

Japan Airlines Corporation and Consolidated Subsidiaries

Company Name	Date of Establishment	Paid-in Capital	JAL's Equity Ownership (%)	Principal Business
JAPAN AIRLINES CO., LTD.	October 1, 1953	¥ 188,550 million	100.0	Air Transport
JAPAN AIR SYSTEM CO., LTD.	April 15, 1964	¥ 23,486 million	100.0	Air Transport
HARLEQUIN AIR CO., LTD.	January 20, 1997	¥ 480 million	100.0*	Air Transport
HOKKAIDO AIR SYSTEM CO., LTD.	September 30, 1997	¥ 490 million	51.0*	Air Transport
J AIR CO., LTD.	August 8, 1996	¥ 200 million	100.0*	Air Transport
JAL EXPRESS CO., LTD.	April 1, 1997	¥ 5,800 million	100.0*	Air Transport
JALWAYS CO., LTD.	October 5, 1990	¥ 3,000 million	100.0*	Air Transport
JAPAN AIR COMMUTER CO., LTD.	July 1, 1983	¥ 300 million	60.0*	Air Transport
JAPAN ASIA AIRWAYS CO., LTD.	August 8, 1975	¥ 4,310 million	90.5*	Air Transport
JAPAN TRANS OCEAN AIR CO., LTD.	June 20, 1967	¥ 4,537 million	51.1*	Air Transport
JAL CARGO SALES CO., LTD.	January 22, 2001	¥ 50 million	100.0*	Air Cargo
JAL KANSAI AIRCARGO SYSTEM CO., LTD.	December 10, 1975	¥ 123 million	54.3*	Air Cargo
JAL LOGISTICS INC.	March 28, 1970	¥ 144 million	100.0*	Air Cargo
JALTOS CO., LTD.	October 14, 1982	¥ 50 million	90.0*	Air Cargo
JUPITER GLOBAL LIMITED	May 17, 1983	HK$ 1 million	80.0*	Air Cargo
NARITA LOGISTIC TERMINAL CO.,LTD.	April 1, 2003	¥ 100 million	100.0*	Air Cargo
NISHINIHON AIR CARGO SERVICE COMPANY LIMITED	June 1, 1987	¥ 20 million	80.0*	Air Cargo
CHITOSE AIRPORT FUELLING FACILITIES COMPANY, LTD.	August 5, 1977	¥ 200 million	60.0*	Aircraft Fuels
JAPAN FUEL TRADING CO., LTD.	November 16, 1988	¥ 25 million	100.0*	Aircraft Fuels
OKINAWA FUELLING FACILITIES CO., LTD.	November 1, 1974	¥ 100 million	60.0*	Aircraft Fuels
PACIFIC FUEL TRADING CORPORATION	November 1, 1982	US$ 1 million	100.0*	Aircraft Fuels
JAL AIRTECH CO.,LTD.	September 11, 1958	¥ 315 million	70.0*	Aircraft Maintenance
JAL AVIATION TECHNOLOGIES CO., LTD.	July 1, 1988	¥ 47 million	100.0*	Aircraft Maintenance
JAL ENGINE TECHNOLOGIES CO., LTD.	October 1, 1988	¥ 80 million	100.0*	Aircraft Maintenance
JAL MAINTENANCE SERVICE CO., LTD.	February 10, 1982	¥ 10 million	100.0*	Aircraft Maintenance
JAL NARITA AIRCRAFT MAINTENANCE CO., LTD.	April 1, 1988	¥ 28 million	100.0*	Aircraft Maintenance
JAL SIMULATOR ENGINEERING CO.,LTD.	December 1, 2003	¥ 10 million	100.0*	Aircraft Maintenance
JAL TECHNO SERVICE CO.,LTD.	August 24, 1977	¥ 20 million	81.3*	Aircraft Maintenance
JAL TOKYO AIRCRAFT MAINTENANCE CO., LTD.	April 1, 1983	¥ 12 million	100.0*	Aircraft Maintenance
JAS MAINTENANCE SUPPORT CO., LTD.	June 29, 1993	¥ 10 million	100.0*	Aircraft Maintenance
NIHON SERVICE CO., LTD.	November 11, 1969	¥ 12 million	68.3*	Aircraft Maintenance
AGP CORPORATION	December 16, 1965	¥ 2,038 million	63.0*	Airport-Related Services
AGS AIR CARGO SERVICE COMPANY, LIMITED	September 2, 1999	¥ 50 million	100.0*	Airport-Related Services
AGS SKYSUPPORT COMPANY, LIMITED	July 6, 2001	¥ 20 million	100.0*	Airport-Related Services
AIRPORT GROUND SERVICE CO., LTD.	March 1, 1957	¥ 474 million	99.9*	Airport-Related Services
GROUND AIR SERVICE CO., LTD.	February 15, 1968	¥ 24 million	100.0*	Airport-Related Services
HOKKAIDO AIR SERVICE CO., LTD.	November 20, 1974	¥ 40 million	65.0*	Airport-Related Services
J SOUTHERN SKY SERVICE CO., LTD.	June 5, 2000	¥ 20 million	100.0*	Airport-Related Services
JAL ABC,INC.	December 15, 1977	¥ 100 million	51.0*	Airport-Related Services
JAL HAWAII, INCORPORATED	July 1, 1998	US$ 100,000	100.0*	Airport-Related Services
JAL NAVIA FUKUOKA CO.,LTD.	April 16, 1990	¥ 10 million	100.0*	Airport-Related Services
JAL NAVIA OSAKA CO.,LTD.	November 16, 1988	¥ 10 million	100.0*	Airport-Related Services
JAL NAVIA SAPPORO CO.,LTD.	October 1, 2003	¥ 10 million	100.0*	Airport-Related Services
JAL NAVIA TOKYO CO.,LTD.	May 8, 1997	¥ 10 million	100.0*	Airport-Related Services
JAL PASSENGER SERVICES AMERICA INCORPORATED	January 26, 1996	US$ 205,000	100.0*	Airport-Related Services
JAL PLAZA CO., LTD.	December 1, 1988	¥ 50 million	100.0*	Airport-Related Services
JAL SKY SERVICE CO., LTD.	September 13, 1982	¥ 100 million	100.0*	Airport-Related Services
JAL WAVE CO., LTD.	December 1, 1998	¥ 30 million	100.0*	Airport-Related Services
JALSKY FUKUSHIMA COMPANY, LTD.	September 21, 1992	¥ 15 million	100.0*	Airport-Related Services
JALSKY HAKODATE COMPANY, LTD.	May 9, 1989	¥ 15 million	100.0*	Airport-Related Services
JALSKY KANAZAWA COMPANY, LTD.	July 1, 1991	¥ 10 million	100.0*	Airport-Related Services
JALSKY KANSAI COMPANY, LTD.	June 1, 1992	¥ 50 million	100.0*	Airport-Related Services
JALSKY KYUSHU COMPANY, LTD.	April 3, 1986	¥ 30 million	100.0*	Airport-Related Services
JALSKY NAGASAKI COMPANY, LTD.	December 23, 1987	¥ 15 million	100.0*	Airport-Related Services
JALSKY OSAKA COMPANY, LTD.	January 26, 1988	¥ 30 million	100.0*	Airport-Related Services
JALSKY SAPPORO COMPANY, LTD.	December 24, 1987	¥ 30 million	100.0*	Airport-Related Services
JALSKY SENDAI COMPANY, LTD.	November 11, 1998	¥ 10 million	100.0*	Airport-Related Services
JALSKY TOKYO COMPANY, LTD.	February 2, 1998	¥ 50 million	100.0*	Airport-Related Services
KANSAI AIRPORT GROUND SERVICE CO., LTD.	April 14, 1989	¥ 120 million	100.0*	Airport-Related Services

NAGOYA INTERNATIONAL SERVICE CO., LTD.	March 5, 1984	¥ 30 million	51.0*	Airport-Related Services
NEW TOKYO SERVICE CO., LTD.	August 24, 1974	¥ 10 million	100.0*	Airport-Related Services
OKINAWA AIRPORT SERVICE CO., LTD.	October 1, 1965	¥ 33 million	100.0*	Airport-Related Services
SERVICE CREATION INC.	December 25, 1989	¥ 30 million	95.0*	Airport-Related Services
TOA AIR SERVICE CO., LTD.	February 10, 1976	¥ 25 million	100.0*	Airport-Related Services
INTERNATIONAL CATERING LTD.	October 14, 1982	GBP 4 million	100.0*	Catering
INTERNATIONAL IN-FLIGHT CATERING CO., LTD.	July 20, 1971	US$ 2 million	56.7*	Catering
JAL ROYAL CATERING CO., LTD.	January 28, 1992	¥ 2,000 million	51.0*	Catering
NARITA DRY ICE CO., LTD.	August 25, 1981	¥ 50 million	100.0*	Catering
NIHON FOOD SERVICE CO., LTD.	April 5, 1973	¥ 60 million	100.0*	Catering
NIKKO INFLIGHT CATERING CO., LTD.	November 15, 1984	US$ 2 million	100.0*	Catering
TFK CORPORATION	December 9, 1959	¥ 497 million	50.7*	Catering
YAMATO SHOKUZAI CO., LTD.	June 25, 1986	¥ 50 million	100.0*	Catering
JAL ACADEMY CO., LTD.	June 10, 1985	¥ 240 million	100.0*	Cultural Activities and Publishing
JAL BRAND COMMUNICATIONS CO.,LTD.	March 8, 2004	¥ 100 million	100.0	Cultural Activities and Publishing
JAL BUSINESS CO., LTD.	November 8, 1979	¥ 100 million	100.0*	Cultural Activities and Publishing
JAL CULTURAL DEVELOPMENT CO., LTD.	August 1, 1988	¥ 100 million	100.0	Cultural Activities and Publishing
JAL LIVRE CO., LTD.	October 1, 2002	¥ 50 million	100.0	Cultural Activities and Publishing
JAL PLANNING CO., LTD.	March 1, 1985	¥ 72 million	100.0*	Cultural Activities and Publishing
JAL SUNLIGHT CO., LTD.	November 15, 1995	¥ 20 million	100.0*	Cultural Activities and Publishing
OFFICIAL FILING CO., LTD.	February 10, 1984	¥ 10 million	89.0*	Cultural Activities and Publishing
JAL CAPITAL CO., LTD.	July 25, 1988	¥ 3,500 million	100.0	Financial Services
JAL CAPITAL CORPORATION	September 4, 1992	US$ 20	100.0*	Financial Services
JALCARD INC.	October 30, 1984	¥ 400 million	100.0*	Financial Services
JLC INSURANCE COMPANY LIMITED	November 22, 2002	US$ 2 million	100.0*	Financial Services
ASIA CREATIVE TOURS CO., LTD.	October 14, 1975	¥ 50 million	100.0*	Hotel and Travel Services
BENKAY (U.S.A.), INC.	February 6, 1986	US$ 1,000	100.0*	Hotel and Travel Services
CHITOSE INTERNATIONAL HOTEL CO., LTD.	April 13, 1978	¥ 2,317 million	85.3*	Hotel and Travel Services
CREATIVE GREETING SERVICE, INC.	October 1, 1991	US$ 10,000	100.0*	Hotel and Travel Services
CREATIVE REISE GMBH	October 26, 1979	EUR 102,258	87.5*	Hotel and Travel Services
CREATIVE TOURS (EUROPE) B.V.	November 1, 1979	EUR 907,560	100.0*	Hotel and Travel Services
CREATIVE TOURS (SINGAPORE) PTE. LTD.	May 1, 1979	S$ 100,000	100.0*	Hotel and Travel Services
CREATIVE TOURS (SPAIN) S.A.	September 21, 1982	EUR 180,303	100.0*	Hotel and Travel Services
CREATIVE TOURS DUSSELDORF GMBH	April 1, 1991	EUR 127,822	100.0*	Hotel and Travel Services
CREATIVE TOURS LTD.	September 14, 1973	GBP 96,627	100.0*	Hotel and Travel Services
EURO CREATIVE TOURS (UK) LTD.	October 17, 1980	GBP 80,000	65.5*	Hotel and Travel Services
HAWAII HOTEL RESERVATION SYSTEM, INC.	October 1, 1997	US$ 10,000	100.0*	Hotel and Travel Services
HOTEL NEW NIKKO DE PARIS S.A.S.	June 5, 1996	EUR 1 million	100.0*	Hotel and Travel Services
HOTEL NIKKO (U.S.A.), INC.	July 18, 1984	US$ 1,000	100.0*	Hotel and Travel Services
HOTEL NIKKO ANNUPURI	November 5, 1984	¥ 2,200 million	70.5*	Hotel and Travel Services
HOTEL NIKKO OF SAN FRANCISCO, INC.	July 19, 1984	US$ 1,000	100.0*	Hotel and Travel Services
HOTEL NIKKO OSAKA CO., LTD.	December 10, 1980	¥ 100 million	100.0*	Hotel and Travel Services
HOTEL NIKKO SAIPAN, INC.	September 26, 1984	US$ 21 million	87.0*	Hotel and Travel Services
J INTER CO., LTD.	February 7, 1997	¥ 10 million	100.0*	Hotel and Travel Services
J PRO CO., LTD.	December 4, 1998	¥ 30 million	100.0*	Hotel and Travel Services
J SALES OKINAWA CO., LTD.	July 5, 2000	¥ 50 million	100.0*	Hotel and Travel Services
JAL HOTELS COMPANY LTD.	July 1, 1970	¥ 4,272 million	90.7*	Hotel and Travel Services
JAL SALES CO., LTD.	November 22, 1999	¥ 4,750 million	100.0	Hotel and Travel Services
JAL TOURS CO., LTD.	April 1, 1978	¥ 80 million	80.5*	Hotel and Travel Services
JAL TRAVEL CO.,LTD.	December 15, 1993	¥ 460 million	100.0*	Hotel and Travel Services
JAL TRAVEL HOKKAIDO CO.,LTD.	December 15, 1993	¥ 250 million	100.0*	Hotel and Travel Services
JAL TRAVEL KYUSHU CO.,LTD.	May 23, 1984	¥ 200 million	100.0*	Hotel and Travel Services
JAL TRAVEL NAGASAKI CO.,LTD.	April 1, 1977	¥ 10 million	73.0*	Hotel and Travel Services
JAL TRAVEL WESTERN JAPAN CO.,LTD.	November 18, 1994	¥ 240 million	100.0*	Hotel and Travel Services
JALPAK CO., LTD.	April 4, 1969	¥ 900 million	78.4*	Hotel and Travel Services
JALPAK DE MEXICO S.A. DE C.V.	April 1, 1987	MXN 2,273,639	100.0*	Hotel and Travel Services
JALPAK HOLDING U.S.A., INC.	April 1, 1999	US$ 100	100.0*	Hotel and Travel Services
JALPAK INTERNATIONAL (THAILAND) CO., LTD.	November 9, 2000	THB 6 million	100.0*	Hotel and Travel Services
JALPAK INTERNATIONAL AMERICA, INC.	July 29, 1970	US$ 2 million	100.0*	Hotel and Travel Services
JALPAK INTERNATIONAL ASIA PTE LTD.	February 4, 1997	S$ 100,000	100.0*	Hotel and Travel Services
JALPAK INTERNATIONAL HAWAII, INC.	April 1, 1990	US$ 1 million	100.0*	Hotel and Travel Services
JALPAK INTERNATIONAL HONG KONG CO., LTD.	May 31, 1974	HK$ 550,000	100.0*	Hotel and Travel Services

JALPAK INTERNATIONAL MICRONESIA, INC.	April 1, 1986	US$ 1 million	99.9*	Hotel and Travel Services
JALPAK INTERNATIONAL OCEANIA PTY LIMITED	March 27, 1984	A$ 500,000	100.0*	Hotel and Travel Services
JALPAK MALAYSIA SDN. BHD.	September 19, 1970	MYR 466,000	100.0*	Hotel and Travel Services
JALPAK SERVICE INC.	July 1, 1987	¥ 125 million	100.0*	Hotel and Travel Services
JALPAK TOUR & TRAVEL (THAILAND) CO., LTD.	October 1, 1979	THB 6 million	73.3*	Hotel and Travel Services
JALTOUR GMBH	June 1, 1993	EUR 76,693	100.0*	Hotel and Travel Services
JCT INTERNATIONAL (FRANCE) S.A.	April 1, 1974	EUR 160,000	99.7*	Hotel and Travel Services
JDC GUAM INC.	April 26, 1994	US$ 1,000	100.0*	Hotel and Travel Services
MICRONESIAN HOSPITALITY, INC.	January 15, 1975	US$ 160,235	62.6*	Hotel and Travel Services
NANSEI TOURIST DEVELOPMENT CO., LTD.	May 1, 1981	¥ 3,000 million	76.7*	Hotel and Travel Services
NARITA NIKKO HOTEL CO., LTD.	November 24, 1977	¥ 470 million	100.0*	Hotel and Travel Services
NEW NIKKO HOTEL CO., LTD.	January 12, 1999	¥ 25 million	100.0*	Hotel and Travel Services
NIKKO HOTELS (U.K.) LTD.	May 24, 1985	GBP 21 million	100.0*	Hotel and Travel Services
OKUMA BEACH LAND CO., LTD.	June 12, 1978	¥ 1,080 million	94.4*	Hotel and Travel Services
ORIENT NETWORK (SINGAPORE) PTE. LTD.	April 9, 1979	US$ 122,002	100.0*	Hotel and Travel Services
ORIENT NETWORK JAPAN CO., LTD.	June 9, 1988	¥ 10 million	100.0*	Hotel and Travel Services
ORIENT NETWORK (INTERNATIONAL) PTE. LTD.	February 27, 1997	US$ 100,000	100.0*	Hotel and Travel Services
P.T. JALPAK INTERNATIONAL BALI	October 1, 2000	US$ 300,000	100.0*	Hotel and Travel Services
P.T. TAURINA TRAVEL JAYA	April 1, 1982	IDR 500 million	51.0*	Hotel and Travel Services
PACIFIC INVESTMENT HOLDINGS CORPORATION	April 5, 1990	US$ 59 million	100.0*	Hotel and Travel Services
REISEBURO CREATIVE TOURS GES. M.B.H	March 19, 1985	EUR 72,672	75.0*	Hotel and Travel Services
SATELLITE TOURS CO., LTD.	August 17, 1979	HK$ 750,000	100.0*	Hotel and Travel Services
SHURI KANKO CO., LTD.	December 10, 1969	¥ 1,116 million	57.9*	Hotel and Travel Services
TOUR CREATE, INC.	April 1, 1994	US$ 10,000	100.0*	Hotel and Travel Services
TRANS QUALITY, INC.	June 1, 1990	US$ 200,000	100.0*	Hotel and Travel Services
UNIVERSAL HOLIDAYS, INC.	February 21, 1978	PHP 6 million	88.9*	Hotel and Travel Services
AXESS INTERNATIONAL NETWORK, INC.	July 1, 1991	¥ 700 million	75.0*	Information Services
JAS ASAHIKAWA RESORT DEVELOPMENT CO., LTD.	February 26, 1990	¥ 300 million	90.0*	Leisure and Tourism Services
TOMAKOMAI RYOKKA KAIHATSU CO., LTD.	April 10, 1989	¥ 50 million	51.0*	Leisure and Tourism Services
GLOBAL BUILDING CO., LTD.	April 14, 1989	¥ 6,954 million	100.0*	Real Estate and Construction
JAL CONSTRUCTION CO., LTD.	June 1, 1976	¥ 180 million	91.0*	Real Estate and Construction
JAPAN AIRLINES MANAGEMENT CORP.	October 20, 1989	US$ 93	100.0*	Real Estate and Construction
PACIFIC BUSINESS BASE, INC.	October 20, 1989	US$ 400	100.0*	Real Estate and Construction
JAL/DFS DUTY FREE SHOPPERS CO., LTD.	July 1, 1992	¥ 300 million	60.0*	Trading
JALUX AMERICAS, INC.	April 26, 1982	US$5 million	100.0*	Trading
JALUX EUROPE LIMITED	April 13, 1972	GBP 1,500,000	100.0*	Trading
JALUX INC.	March 28, 1962	¥ 2,558 million	58.6*	Trading
JAS AIRCRAFT CO., LTD.	December 4, 1990	¥ 490 million	100.0*	Trading
JTA TRADING CO., LTD.	July 1, 1985	¥ 20 million	78.0*	Trading

** Includes holdings of the parent company and those of subsidiaries and affiliates.*

Notes:
The name AIRPORT ENGINEERING & SERVICE CO.,LTD. has been changed to JAL AIRTECH CO.,LTD.
The name KBK CORPORATION has been changed to JAL TECHNO SERVICE CO.,LTD.
The name ABC SKY-PARTNERS INC. has been changed to JAL ABC,INC.
The name FUKUOKA ACS CO.,LTD. has been changed to JAL NAVIA FUKUOKA CO.,LTD.
The name JAL PLUS CO.,LTD. has been changed to JAL NAVIA OSAKA CO.,LTD.
The name JLCOS COMPANY, LTD. has been changed to JAL NAVIA TOKYO CO.,LTD.
The name FUKUSHIMA INTERNATIONAL SERVICE CO.,LTD. has been changed to JALSKY FUKUSHIMA COMPANY, LTD.
The name JAL SKY HAKODATE CO.,LTD. has been changed to JALSKY HAKODATE COMPANY, LTD.
The name KANAZAWA AIR SYSTEM CO.,LTD. has been changed to JALSKY KANAZAWA COMPANY, LTD.
The name JAL WING CO.,LTD. has been changed to JALSKY KANSAI COMPANY, LTD.
The name JAL KYUSHU SERVICE CO.,LTD. has been changed to JALSKY KYUSHU COMPANY, LTD.
The name AVIX NAGASAKI CO.,LTD. has been changed to JALSKY NAGASAKI COMPANY, LTD.
The name JAL SKY OSAKA CO.,LTD. has been changed to JALSKY OSAKA COMPANY, LTD.
The name JAL SKY SAPPORO CO.,LTD. has been changed to JALSKY SAPPORO COMPANY, LTD.
The name JAL TOHOKU INTERNATIONAL SERVICE CO.,LTD. has been changed to JALSKY SENDAI COMPANY, LTD.
The name JAL FRONTIER CO.,LTD. has been changed to JALSKY TOKYO COMPANY, LTD.
The name J-TRAVEL TOKYO CO.,LTD. has been changed to JAL TRAVEL CO.,LTD.
The name J-TRAVEL HOKKAIDO CO.,LTD. has been changed to JAL TRAVEL HOKKAIDO CO.,LTD.
The name JAPAN TOUR SYSTEM KYUSHU CO.,LTD. has been changed to JAL TRAVEL KYUSHU CO.,LTD.
The name NAGASAKI AIR SYSTEM CO.,LTD. has been changed to JAL TRAVEL NAGASAKI CO.,LTD.
The name J-TRAVEL OSAKA CO.,LTD. has been changed to JAL TRAVEL WESTERN JAPAN CO.,LTD.

(As of March 31, 2004)

Air Transport
JAPAN AIRLINES CO., LTD.
JAPAN AIR SYSTEM CO., LTD.
HARLEQUIN AIR CO., LTD.
HOKKAIDO AIR SYSTEM CO., LTD.
J-AIR CO., LTD.
JAL EXPRESS CO., LTD.
JALWAYS CO., LTD.
JAPAN AIR COMMUTER CO., LTD.
JAPAN ASIA AIRWAYS CO., LTD.
JAPAN TRANS OCEAN AIR CO., LTD.
RYUKYU AIR COMMUTER CO., LTD.

Air Cargo
CARGO COMMUNITY SYSTEM JAPAN CO., LTD.
DATA & JUPITER FREIGHT (BEIJING) CO.,LTD.
F.B. ON BOARD COURIER SERVICES INC.
FACT INC.
FAIRWAY EXPRESS CO., LTD.
FLEETPAK ENTERPRISES PTE. LTD.
FUKUOKA AIR CARGO TERMINAL CO., LTD.
GLOBAL LOGISTICS SYSTEM ASIA PACIFIC CO., LTD.
GLOBAL LOGISTICS SYSTEM WORLDWIDE GMBH
INTEGRATED EXPRESS LIMITED
JAL CARGO SALES CO., LTD.
JAL KANSAI AIRCARGO SYSTEM CO., LTD.
JAL LOGISTICS INC.
JALTOS CO., LTD.
JALTRANS, INC.
JAPAN AIR MAIL CO., LTD.
J-TRANS
JUPICOM COMPANY LIMITED
JUPITER AIR (CANADA) LTD.
JUPITER AIR (CHINA) LIMITED
JUPITER AIR (HONG KONG) LIMITED
JUPITER AIR (UK) LIMITED
JUPITER AIR OCEANIA LIMITED
JUPITER AIR SERVICES (MALAYSIA) SDN. BHD.
JUPITER GLOBAL LIMITED
JUPITER JAPAN CO., LTD.
JUPITER LOGISTICS PHILIPPINES, INC.
JUPITER PACIFIC FORWARDING JOINT VENTURE CO., LTD.
JUPITER SINGAPORE PTE. LTD.
MERCURY INTERNATIONAL CO., LTD.
MICOM AMERICA, INC.
NARITA LOGISTIC TERMINAL CO.,LTD.
NISHINIHON AIR CARGO SERVICE COMPANY LIMITED
OSAKA AIR MAIL CO., LTD.
PAN JUPITER TRANSPORT CO., LTD.
SHANGHAI JUPITER INTERNATIONAL FORWARDING CO.,LTD.
SKY SUPPORT HANEDA COMPANY,LIMITED
SUREPLUS LIMITED
TOKYO AIR CARGO CITY TERMINAL CO., LTD.
TRENDY AIR SERVICES SDN. BHD.
U-FREIGHT JAPAN CO., LTD.
WHOLESALE COURIER (S) PTE. LTD.

Aircraft Fuels
CENTRAIR FUELING FACILITIES CO.,LTD.
CHITOSE AIRPORT FUELLING FACILITIES COMPANY, LTD.
FUKUSHIMA AIRPORT FUELLING FACILITIES CO., LTD.
HIROSHIMA AIRPORT FUELLING FACILITIES COMPANY, LTD.
JAMAL INC.
JAPAN AIRPORT FUELING SERVICE CO., LTD.
JAPAN FUEL TRADING CO., LTD.
KAGOSHIMA AIRPORT FUELLING FACILITIES CO., LTD.
KOKUSAI AVIATION FUELING CO., LTD.
OKINAWA FUELING FACILITIES CO., LTD.
OOITA AIRPORT FUELLING FACILITIES CO., LTD.
OSAKA HYDRANT CO., LTD.
PACIFIC AIRCRAFT & AIRPORT SERVICE CO., LTD.
PACIFIC FUEL TRADING CORPORATION

Aircraft Maintenance
AIR COMPONENT MAINTENANCE COMPANY
CENTRAIR GSE SERVICE CO.,LTD.
JAL AIRTECH CO.,LTD.
JAL AIRTECH FUKUOKA CO.,LTD.
JAL AIRTECH NARITA CO.,LTD.
JAL AVIATION TECHNOLOGIES CO., LTD.
JAL ENGINE TECHNOLOGIES CO., LTD.
JAL MAINTENANCE SERVICE CO., LTD.
JAL NARITA AIRCRAFT MAINTENANCE CO., LTD.
JAL SIMULATOR ENGINEERING CO.,LTD.
JAL TECHNO SERVICE CO.,LTD.
JAL TOKYO AIRCRAFT MAINTENANCE CO., LTD.
JAMCO CORPORATION
JAPAN TURBINE TECHNOLOGIES CO., LTD.
JAS MAINTENANCE SUPPORT CO., LTD.
KANTO KIGYO CO., LTD.
NIHON SERVICE CO., LTD.
NITTO AIRCRAFT MAINTENANCE CO., LTD.
OAS MAINTENANCE CO., LTD.

Airport-Related Services
AGP CORPORATION
AGP DEVELOPMENT CO., LTD.
AGP HOKKAIDO CO., LTD.
AGP KANSAI CO., LTD.
AGP KYUSHU CO., LTD.
AGS AIR CARGO SERVICE COMPANY, LIMITED
AGS SKYSUPPORT COMPANY, LIMITED
AIRPORT AVIATION SERVICE CO., LTD.
AIRPORT FACILITIES CO., LTD.
AIRPORT GROUND SERVICE CO., LTD.
ASAHIKAWA AIRPORT TERMINAL BUILDING CO., LTD.
CHITOSE AIRPORT MOTOR SERVICE CO., LTD.
FUKUOKA AIRPORT BUILDING CO., LTD.
FUKUOKA TAS CORPORATION
FUKUSHIMA AIRPORT BUILDING CO., LTD.
GROUND AIR SERVICE CO., LTD.
HOKKAIDO AIR SERVICE CO., LTD.
IWATE PREFECTURE AIRPORT TERMINAL BUILDING CO., LTD.
IZUMO AIRPORT TERMINAL BUILDING CO., LTD.
J SOUTHERN SKY SERVICE CO., LTD.
JAL ABC SERVICE,INC.
JAL ABC,INC.
JAL AVIATION CONSULTING INCORPORATED
JAL HAWAII, INCORPORATED
JAL NAVIA FUKUOKA CO.,LTD.
JAL NAVIA OSAKA CO.,LTD.
JAL NAVIA SAPPORO CO.,LTD.
JAL NAVIA TOKYO CO.,LTD.
JAL PASSENGER SERVICES AMERICA INCORPORATED
JAL PLAZA CO., LTD.
JAL SKY SERVICE CO., LTD.
JAL WAVE CO., LTD.
JALSKY FUKUSHIMA COMPANY, LTD.
JALSKY HAKODATE COMPANY, LTD.
JALSKY KANAZAWA COMPANY, LTD.
JALSKY KANSAI COMPANY, LTD.
JALSKY KYUSHU COMPANY, LTD.
JALSKY NAGASAKI COMPANY, LTD.
JALSKY OSAKA COMPANY, LTD.
JALSKY SAPPORO COMPANY, LTD.
JALSKY SENDAI COMPANY, LTD.
JALSKY TOKYO COMPANY, LTD.
JAPAN SECURITY SUPPORT CO., LTD.
JUPITER GROUND SERVICE LIMITED
KANSAI AIRPORT GROUND SERVICE CO., LTD.
KOKUNAISEN DOTCOM CO., LTD.
KUSHIRO AIRPORT TERMINAL BUILDING CO., LTD.
KYUSHU AIRPORT SERVICE CO., LTD.
LAO-JAPAN AIRPORT TERMINAL SERVICES CO., LTD.
MATSUMOTO AIRPORT TERMINAL BUILDING CO., LTD.
MEMANBETSU AIRPORT BUILDING CO., LTD.
MISAWA AIRPORT TERMINAL CO., LTD.
NAGASAKI GRAND AIR SERVICE INC.
NAGOYA GROUND SERVICE CO., LTD.
NAGOYA INTERNATIONAL SERVICE CO., LTD.
NAHA AIRPORT GROUND SERVICE CO., LTD.
NAHA AIRPORT PASSENGER SERVICE CO., LTD.
NANKI-SHIRAHAMA AIRPORT TERMINAL BUILDING CO., LTD.
NEW CHITOSE AIRPORT SERVICE CO., LTD.
NEW TOKYO SERVICE CO., LTD.
NISHINIHON AIRPORT SERVICE CO., LTD.
NISHINIHON PASSENGER SERVICE CO., LTD.
OBIHIRO AIRPORT TERMINAL BUILDING CO., LTD.
ODATE NOSHIRO AIRPORT BUILDING CO., LTD.
OKINAWA AIRPORT SERVICE CO., LTD.
OKINOERABU AIRPORT TERMINAL BUILDING CO., LTD.
RYUKYU AIR SYSTEM CO., LTD.
SANEI MAINTENANCE CO., LTD.
SERVICE CREATION INC.
SHIMOJISHIMA AIRPORT FACILITY CO., LTD.
TABINI HOLDINGS, INC.
TOA AIR SERVICE CO., LTD.
TOKUNOSHIMA AIRPORT BUILDING CO., LTD.
TOKUSHIMA AIR TERMINAL BUILDING CO., LTD.
TOKYO AIRPORT HEATING & COOLING CO., LTD.
TOKYO CITY AIR TERMINAL CO., LTD.
TSURUYA KOGYO CO., LTD.

Catering
INTERNATIONAL CATERING LTD.
INTERNATIONAL IN-FLIGHT CATERING CO., LTD.
JAL ROYAL CATERING CO., LTD.
NAGOYA AIR CATERING CO., LTD.
NARITA DRY ICE CO., LTD.
NIHON FOOD SERVICE CO., LTD.
NIKKO INFLIGHT CATERING CO., LTD.
TFK CORPORATION
TFK DEVELOPMENT CO., LTD.
TFK INTERNATIONAL (N,Z) LIMITED
YAMATO SHOKUZAI CO., LTD.

Cultural Activities and Publishing
AIR FLITE JAPAN CORPORATION
JAL ACADEMY CO., LTD.
JAL BRAND COMMUNICATIONS CO., LTD.
JAL BUSINESS CO., LTD.
JAL CULTURAL DEVELOPMENT CO., LTD.
JAL LIVRE CO., LTD.
JAL PLANNING CO., LTD.
JAL SUNLIGHT CO., LTD.
OFFICIAL FILING CO., LTD.
SINO ASIA CULTURE ENTERPRISE CORPORATION
TOURISM ESSENTIALS INC.
WINDS PUBLICATIONS CO., LTD.

Financial Services
ACRES LEASING CO., LTD.
AILERON LEASING CO., LTD.
AIMS LEASING CO., LTD.
ALIVE INSURANCE PTE., LTD.
AVIONET LEASING LTD.
BLADE LEASING CO., LTD.
CAMBER LEASING CO., LTD.
FAIRING LEASING CO., LTD.
FANS LEASING CO., LTD.
FILLET LEASING CO., LTD.

FLAP LEASING CO., LTD.
GEAR LEASING CO., LTD.
HIGH SKY LEASING CO., LTD.
HONEYCOMB LEASING CO., LTD.
HORIZONTAL LEASING CO., LTD.
JAL CAPITAL CO., LTD.
JAL CAPITAL CORPORATION
JAL FSC LESSEE (CHI) COMPANY, LTD.
JAL FSC LESSEE (NC) COMPANY, LTD.
JAL FSC LESSEE (NC2) COMPANY, LTD.
JAL FSC LESSEE (PB) COMPANY, LTD.
JAL FSC LESSEE (PB2) COMPANY, LTD.
JAL LEASING (NETHERLANDS) B.V.
JALCARD INC.
JET LINER LEASING CO., LTD.
JF CARIB A.E.C.
JL AIRCRAFT LEASING CO., LTD.
JLC INSURANCE COMPANY LIMITED
JLMC AVIATION SERVICE CO., LTD.
KEEL LEASING CO., LTD.
LIFT LEASING CO., LTD.
NACELLE LEASING CO., LTD.
PITOT LEASING CO., LTD.
PLY LEASING CO., LTD.
PNEUMATIC LEASING CO., LTD.
PULSEJET LEASING CO., LTD.
PYLON LEASING CO., LTD.
RAM JET LEASING CO., LTD.
REDOME LEASING CO., LTD.
RIB LEASING CO., LTD.
RUDDER LEASING CO., LTD.
SCRUM JET LEASING CO., LTD.
SELCAL LEASING CO., LTD.
SLAT LEASING CO., LTD.
SPAR LEASING CO., LTD.
SPINNER LEASING CO., LTD.
STABILIZER LEASING CO., LTD.
STAR JET LEASING CO., LTD.
STATOR LEASING CO., LTD.
STRINGER LEASING CO., LTD.
SUBSONIC LEASING CO., LTD.
TAB LEASING CO., LTD.
TILLER LEASING CO., LTD.
TOGA LEASING CO., LTD.
TRANSPONDER LEASING CO., LTD.
TRIM LEASING CO., LTD.
TRIPLE A LIMITED
TWIN CRANE LEASING CO., LTD.
WINGLET LEASING CO., LTD.

Hotel and Travel Services

AIRPORT HOTEL MANAGEMENT CO., LTD.
AMERASIA REPRESENTACIONES C.A.
ASAHI RYOKOUKAI CO., LTD.
ASIA CREATIVE TOURS CO., LTD.
ASIA CREATIVE TOURS HONGKONG LTD.
BENKAY (U.S.A.), INC.
CARGO CREATIVE SERVICE CO., LTD.
CHITOSE INTERNATIONAL HOTEL CO., LTD.
CREATIVE GREETING SERVICE, INC.
CREATIVE REISE GMBH
CREATIVE TOURS (EUROPE) B.V.
CREATIVE TOURS (SINGAPORE) PTE. LTD.
CREATIVE TOURS (SPAIN) S.A.
CREATIVE TOURS DUSSELDORF GMBH
CREATIVE TOURS LTD.
CREATIVE TRAVEL (TAIWAN) LTD.
EURO CREATIVE TOURS (UK) LTD.
HAWAII HOTEL RESERVATION SYSTEM, INC.
HOKKAIDO TOUR SYSTEM CO., LTD.
HOTEL NEW NIKKO DE PARIS S.A.S.
HOTEL NIKKO (U.S.A.), INC.
HOTEL NIKKO ANNUPURI
HOTEL NIKKO OF SAN FRANCISCO, INC.
HOTEL NIKKO OSAKA CO., LTD.
HOTEL NIKKO SAIPAN, INC.
HOTELES NIKKO S.A. DE C.V.
HUAYA DEVELOPMENT CO., LTD.
IMPERIAL TRAVEL SERVICE CO., LTD.
INCONTRA, INC.
INDO JAPAN AIR SERVICES PVT. LTD.
J INTER CO., LTD. *UNOFFICIAL
J PRO CO., LTD.
J SALES OKINAWA CO., LTD.
JAL HOTELS COMPANY LTD.
JAL HOTELS GMBH DUSSELDORF
JAL SALES CO., LTD.
JAL TOURS CO., LTD.
JAL TRAVEL CO.,LTD.
JAL TRAVEL EHIME CO.,LTD.
JAL TRAVEL HOKKAIDO CO.,LTD.
JAL TRAVEL KYUSHU CO.,LTD.
JAL TRAVEL NAGASAKI CO.,LTD.
JAL TRAVEL WESTERN JAPAN CO.,LTD
JALPAK CO., LTD.
JALPAK DE MEXICO S.A. DE C.V.
JALPAK HOLDING U.S.A., INC.
JALPAK INTERNATIONAL (CHINA) CO.,LTD.
JALPAK INTERNATIONAL (THAILAND) CO., LTD.
JALPAK INTERNATIONAL AMERICA, INC.
JALPAK INTERNATIONAL ASIA PTE LTD.
JALPAK INTERNATIONAL HAWAII, INC.
JALPAK INTERNATIONAL HONG KONG CO., LTD.
JALPAK INTERNATIONAL MICRONESIA, INC.
JALPAK INTERNATIONAL OCEANIA PTY LIMITED
JALPAK MALAYSIA SDN. BHD.
JALPAK SERVICE INC.
JALPAK TOUR & TRAVEL (THAILAND) CO., LTD.
JALTOUR GMBH
JAPAN AIR SYSTEM HONG KONG CO., LTD.
JAPAN COUPON SERVICE CO., LTD.
JAPAN TOURS SYSTEM CO., LTD.
JCT INTERNATIONAL (FRANCE) S.A.
JDC (PACIFIC) LTD.
JDC GUAM INC.
JIMNA PTY LIMITED
JPI TOUR SERVICE, INC.
HAKUSAN OGUCHI MANAGEMENT ASSOCIATION
MICRONESIAN HOSPITALITY, INC.
MTJ DEVELOPMENT SDN. BHD.
NANSEI TOURIST DEVELOPMENT CO., LTD.
NARITA NIKKO HOTEL CO., LTD.
NEW NIKKO HOTEL CO., LTD.
NIKKO CREATIVE SERVICE S.A.
NIKKO HOTEL MANAGEMENT (THAILAND) CO., LTD.
NIKKO HOTELS (U.K.) LTD.
OKUMA BEACH LAND CO., LTD.
ORIENT NETWORK (SINGAPORE) PTE LTD.
ORIENT NETWORK JAPAN CO., LTD.
ORIENT NETWORK (INTERNATIONAL) PTE. LTD.
P.T. JALPAK INTERNATIONAL BALI
P.T. TAURINA TRAVEL JAYA
PACIFIC AIR SERVICE
PACIFIC INVESTMENT HOLDINGS CORPORATION
PARIS LIMOUSINE SERVICE S.A.R.L.
REISEBURO CREATIVE TOURS GES. M.B.H
SATELLITE TOURS CO., LTD.
SHURI KANKO CO., LTD.
STS ENTERPRISES, INC.
SUN INTERNATIONAL TRAVEL, INC.
SUN TRAVEL CO., LTD.
TNN GUAM INC.
TOKYO HUMANIA ENTERPRISE INC.
TOUR CREATE, INC.
TRANS QUALITY, INC.
TROPICAL LAUNDRY AND LINEN SUPPLY COMPANY, LTD.
UNIVERSAL HOLIDAYS, INC.
VIEW WORLD COMPANY LIMITED
WING ON JAS NICEWING LTD.

Information Services

AVICOM JAPAN CO., LTD.
AVIONET (THAILAND) COMPANY LTD.
AXESS INTERNATIONAL NETWORK, INC.
E-MILENET LTD.
JAL AVIONET ASIA LIMITED
JAL AVIONET EUROPE LIMITED
JAL AVIONET USA
JAL INFORMATION TECHNOLOGY CO., LTD.
JTA INFORMATION & COMMUNICATION CO., LTD.

Leisure and Tourism Services

ASIA WINDS DEVELOPMENT CO., LTD.
HIROKAWA RESORT TOWN CO., LTD.
JAS ASAHIKAWA RESORT DEVELOPMENT CO., LTD.
TOMAKOMAI RYOKKA KAIHATSU CO., LTD.

Limousine Services

AIRPORT TRANSPORT SERVICE CO., LTD.
AZUMA KOTSU CO., LTD.
KANSAI AIRPORT TRANSPORTATION ENTERPRISE
OSAKA AIRPORT TRANSPORT CO., LTD.
SOUTHERN AIRPORT KOTSU CO., LTD.

Real Estate and Construction

ANTARES INTERNATIONAL LIMITED
BLANCO VENDE, LTD.
GLOBAL BUILDING CO., LTD.
JAL CONSTRUCTION CO., LTD.
JAPAN AIRLINES MANAGEMENT CORP.
KOKEN CO., LTD.
NAHA GENERAL BUILDING SERVICE CO., LTD.
PACIFIC BUSINESS BASE, INC.
SHEEN CHART LIMITED
TERMINAL ONE MANAGEMENT INC.
TOKYO FLIGHT KITCHEN RESTAURANTES LTDA.

Trading

INTERNATIONAL AIRPORT CLEANING CO., LTD.
JAL/DFS DUTY FREE SHOPPERS CO., LTD.
JALUX AIRPORT, INC.
JALUX AMERICAS, INC.
JALUX ASIA LTD.
JALUX EUROPE LIMITED
JALUX HAWAII, INC.
JALUX INC.
JAS AIRCRAFT (U.S.A.) CORP.
JAS AIRCRAFT CO., LTD.
JAS AIRCRAFT S.A.
JAS TRADING HONG KONG LTD.
JET FRESH THAILAND CO., LTD.
JTA TRADING CO., LTD.
KANTO TRADING CO., LTD.
MARUYOSHI CO., LTD.
NJS COMPANY, LTD.
NORDIS CO., LTD.
TOKYO BAY RESTAURANT CO., LTD.
TOKYO KINAI YOHIN CO., LTD.
TOKYO KOKU CLEANING CO., LTD.

AMSTERDAM
Office Centre Bldg. 2nd Floor
Jozef Israelskade 48e
1072 SB Amsterdam, THE NETHERLANDS
Phone: 0205-829-488 (Reservations & Information)

ANCHORAGE
3830 International Airport Road, Anchorage International Airport, Anchorage, Alaska 99502, U.S.A.
Phone: 907-243-1551

ATLANTA
Swissport Bldg. D, Room 215, 4200 South Cargo Drive, Atlanta, GA30337, U.S.A.
Phone: 404-530-2225

AUCKLAND
Jalpak International Oceania Pty. Ltd.
12th Floor, Westpac Tower,
120 Albert Street,
Auckland, NEW ZEALAND
Phone: (09)3799-906

BANGKOK
JAL Bldg., 254/1 Ratchadaphisek Road
Huaykwang, Bangkok, 10320, THAILAND
Phone: (02)692-5151~62 (Reservations)

BEIJING
1st Floor, Chang Fu Gong Office Bldg.,
Jianguo Menwai Dajie,
Beijing, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

BRISBANE
Jalpak International Oceania Pty. Ltd.
Level 14, Waterfront Place 1 Eagle St.,
Brisbane, QLD.4000, AUSTRALIA
Phone: (07)3229-9916

BUSAN
Kookje Bldg., #1602, 69, 6-Ka
Jungang-Dong, Jung-Ku,
Busan, KOREA
Phone: (051)469-1215 (Reservations & Ticketing)

CAIRO
1, El Saleh Ayoub St., Zamalek
Cairo, EGYPT
Phone: (02)738-1422

CHICAGO
Terminal 5, Chicago O'Hare
International Airport,
Chicago Illinois 60666, U.S.A.
Phone: 1-800-525-3663 (Reservations)

DALIAN
14th Floor Senmao Bldg.,
147 Zhongshan Road,
Xigang District, Dalian, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

DENPASAR
P.T. Kayanmas Bali
JL. Bypass I Gusti Ngurah Rai 100X, Tuban,
Denpasar 80030 Bali, INDONESIA
Phone: (0361)757077, 764733

FRANKFURT
Rossmarkt 15,
60311 Frankfurt/Main 1, GERMANY
Phone: 01802228700 (Reservations & Information)
(069)13600 (Administration)

GUAM
Guam International Airport,
Guam, U.S.A.
Phone: 642-6425~6 (Reservations & Ticketing)

GUANGZHOU
China Hotel A-201, Liu Hua Lu, Guangzhou 510015, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

HANGZHOU
1st Floor, Sofitel Westlake Hangzhou, 333 Westlake Avenue, Hangzhou 310002, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

HANOI
O.S.C. Travel (S.M.I Group) Co. Ltd.
5th Floor, 63 Ly Thai To Bldg.
63 Ly Thai To St., Hanoi, VIETNAM
Phone: (4)8266693

HO CHI MINH CITY
O.S.C Travel (S.M.I Group) Co. Ltd.
3rd Floor, Sheraton Saigon Hotel & Towers
Ho Chi Minh City, 88 Dong Khoi St.Dist.1
Ho chi minh City, VIETNAM
Phone: (8)8219098

HONG KONG
30th Floor, Tower 6,
The Gateway, Harbour City,
9 Canton Road, Tsim Sha Tsui, Kowloon,
Hong Kong S.A.R., P.R. of CHINA
Phone: 2523-0081 Chinese/English (Reservations & Information)

HONOLULU
Honolulu International Airport,
300 Rodgers Blvd.,
Honolulu, Hawaii 96819, U.S.A.
Phone: 1-800-525-3663, (808)521-1441 (Reservations)

JAKARTA
Kyoei Prince Building Ground Floor, JL.,
Jenderal Sudirman, Kav. 3-4,
Jakarta, 10220, INDONESIA
Phone: (021)572-3211 (Reservations)

KAOHSIUNG
Japan Asia Airways
Kaohsiung Chung-Cheng Bldg. 4F 2,
Chung-Cheng 3rd., Kaohsiung, Taiwan
Phone: 0800-065151

KONA
KONA INTERNATIONAL AIRPORT AT KEAHOLE
P.O. Box 3300, Kailua-Kona, Hawaii 96745 U.S.A.
Phone: 1-800-525-3663

KUALA LUMPUR
Suite 20·03 Level 20 Menara citibank 165
Jalan Ampang, 50450 Kuala Lumpur, MALAYSIA
Phone: (03)2161-1722~6 (Reservations)

KUNMING
WU JIA BA INTERNATIONAL AIRPORT
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

LAS VEGAS
MCCARRAN INTERNATIONAL AIRPORT
P.O. Box 11185, Las Vegas,
Nevada 89111-1185, U.S.A.
Phone: 1-800-525-3663 (Reservations)

LONDON
Hanover Court, 5 Hanover Square,
London W1S 1JR, U.K.
Phone: (0845)7-747-700 (Reservations & Information)

LOS ANGELES
300 N. Continental Blvd., Suite 400,
El Segundo CA 90245, U.S.A.
Phone: 1-800-525-3663 (Reservations & Ticketing)

MADRID
Calle Principe de Vergara,
111 Dpo. 1-Derecha,
28002, Madrid, SPAIN
Phone: 9011-74770 (Reservations & Information)
(91)594-0299 (Sales)

MANILA
2nd Floor 6788 Ayala Avenue, Oledan Square,
Makati City, (Manila), PHILIPPINES
Phone: (02)886-6868 (Reservations)

MEXICO CITY
Paseo de la Reforma, 295,
06500 Mexico City, D.F. MEXICO
Phone: (555)242-0150

MILAN
Via San Clemente 1, 20122 Milan, ITALY
Phone: 8-488-74700 (Reservations & Information)

MOSCOW
4th Floor, GALS Tower, 1st Tverskaya
Yamskaya St.5, Moscow, 125047, RUSSIA
Phone: (095)730-3070

NEW DELHI
Chandralok Bldg. 36, Janpath,
New Delhi-110 001, INDIA
Phone: (011)23327104, 23327108

NEW YORK
461 5th Ave., 6th Floor, New York,
New York 10017, U.S.A.
Phone: 1-800-525-3663 (Reservations)

PARIS
4, Rue Ventadour 75001 Paris, FRANCE
Phone: 0810-747-700 (Reservations & Information)
0144355525 (Administration)

QINGDAO
3rd Floor, Crowne Plaza Qingdao, 76,
Xiang Gang Zhong Lu, 266071 Qingdao,
P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

ROME
Rome Leonardo Da Vinci International Airport,
00050, Fiumicino, Rome, ITALY
Phone: 8-488-74700 (Reservations & Information)

SAIPAN
P.O. Box 469, Saipan, MP 96950, U.S.A.
Phone: (670)234-6553~4 (Reservations & Ticketing)

SAN FRANCISCO
5th Floor, Hotel Nikko San Francisco,
222 Mason St., Suite 508
San Francisco, California 94102, U.S.A.
Phone: 1-800-525-3663 (Reservations)

SÃO PAULO
Av. Paulista 542 2ND FLOOR
São Paulo-SP., BRAZIL
Phone: (011)251-5222 (Reservations)

SEOUL
Paiknam Bldg., 188-3, Eulchi-Ro,
1-Ka Chung-Ku, Seoul, KOREA
Phone: (02)757-1711 (Reservations)

SHANGHAI
Room 435, Mall, Plaza 66, No. 1266,
Nanjing West Road, Shanghai, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

SINGAPORE
16 Raffles Quay #03-01,
Hong Leong Bldg., Singapore 048581
Phone: 62210522

SYDNEY
14th Floor Darling Park, 201 Sussex Street,
Sydney, NSW 2000, AUSTRALIA
Phone: (02)9272-1111 (Reservations)
(02)9272-1100 (Sales)

TAIPEI
Japan Asia Airways
IBM Bldg., No. 2, Tun Hua S. Rd.,
Taipei, Taiwan
Phone: (02)8771-6003, 0800-065151

TIANJIN
1st Floor, Tianjin International Bldg.,
75 Nanjing Road, Tianjin, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

VANCOUVER
25th Floor, 1075 West Georgia St., Vancouver,
B.C., CANADA, V6E3C9
Phone: 1-800-525-3663 (Reservations)

VIENNA
Kaerntnerstrasse 11/4 Stock Eingang:
Weihburggasse 2, A-1010 Vienna, AUSTRIA
Phone: (01)5029-18888 (Reservations & Information)
(01)512-7522 (Ticketing)

XIAMEN
1st Floor, The Bank Centre,
No. 189 Xiahe Road, Xiamen,
Fujian, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

XI'AN
Xi'an Xian Yang International Airport Termnal
Bldg., Two 0B048 Xian Yang, Shannxi,
712035, P.R. of CHINA
Phone: 800(810)5551 Japanese/Chinese (Reservations & Information)
800(810)5553 Cantonese/English (Reservations & Information)

ZURICH
Sihlstrasse 55, 8001
Zurich, SWITZERLAND
Phone: 0844-888-700 (Reservations & Information)

JAPAN
Japan Airlines
2-4-11, Higashi-Shinagawa, Shinagawa-ku,
Tokyo 140-8605, JAPAN
0120-25-5931 (International)
0120-25-5971 (Domestic)

Kitami
Asahikawa
Kushiro
Obihiro
Sapporo
Hakodate
Aomori
Morioka
Akita
Sendai
Yamagata
Fukushima
Tokyo
Niigata
Nagano
Nagoya
Kanazawa
Toyama
Osaka
Wakayama
Okayama
Hiroshima
Takamatsu
Tokushima
Matsuyama
Kochi
Yamaguchi • Kitakyushu
Sanin
Fukuoka
Nagasaki
Kumamoto
Oita
Miyazaki
Kagoshima
Amami
Okinawa

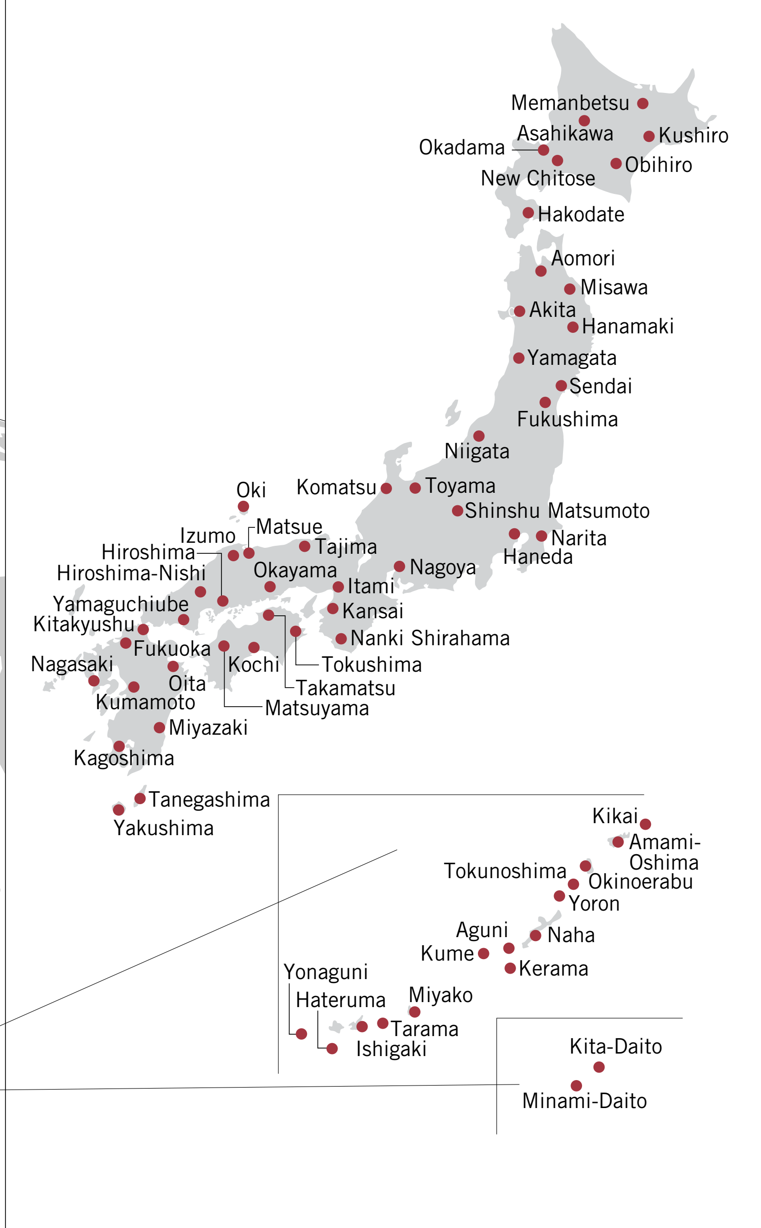
As of July 31, 2004

Aero Mexico	Iberia
Air France	Lufthansa Cargo AG
Air New Zealand	Northwest Airlines
Alitalia	Qantas Airways
American Airlines	Scandinavian Airlines System
British Airways	Singapore Airlines Cargo
Cathay Pacific Airways	Swiss International Air Lines
China Eastern Airlines	Thai Airways International
China Southern Airlines	Turkish Airlines
Emirates Airline	Vietnam Airlines

● Above cities include code-sharing destinations with these airline companies.

International Routes

Domestic Routes



MEMBER OF THE BOARD OF DIRECTORS

Assignments as of June 25, 2004

Isao KANEKO
JAL Group CEO
Chairman
Chairman, CSR Committee

Toshiyuki SHINMACHI
President
Chairman, Flight safety committee
Chairman, Corporate compliance & business risk management committee

Hidekazu NISHIZUKA
Executive Vice President
Senior Vice President, General Manager Corporate Management
Senior Vice President, Human Resources Planning
Senior Vice President, Corporate Compliance

Takenori MATSUMOTO
Senior Managing Director
Senior Vice President, Corporate Safety
Senior Vice President, Purchasing

Nobuyoshi SERA
Senior Vice President, General Manager, Finance
Senior Vice President, General Manager Investor Relations
Senior Vice President, Public Relations

Fumio TSUCHIYA
Senior Vice President, Deputy General Manager Corporate Management
Senior Vice President, Brand Management
Senior Vice President, CSR committee

Mitsuo KOMATSUBARA
Senior Vice President

Katsuo HANEDA
Senior Vice President

Toshiki OKAZAKI
Senior Vice President

Shunji KONO
Senior Vice President

Ken MOROI
Senior Vice President

Shinobu SHIMIZU
Senior Vice President

EXECUTIVE OFFICERS

Assignments as of June 25, 2004

Satoshi ENDO
Senior Executive Officer, Environmental Affairs
Senior Executive Officer, IT Strategy and Planning
Chairman, Environmental Affairs CSR committee

Sumio YASUNAGA
Senior Executive Officer, General Manager Corporate Affairs

Hideyuki KANENARI
Senior Executive Officer, Marketing Strategy & Research
Senior Executive Officer, Corporate Affairs
Senior Executive Officer, Corporate Management

Haruka NISHIMATSU
Executive Officer, Finance
Executive Officer, Investor Relations

Kimio HIROIKE
Executive Officer, Associated Business

AUDITORS

Assignments as of June 25, 2004

Yasunaka FURUKAWA
Senior Corporate Auditor of the Board

Toshiyuki SAKAI
Senior Corporate Auditor of the Board

Shigeo MATSUI
Corporate Auditor of the Board

Seiso NEO
Corporate Auditor of the Board

Yoshihisa AKIYAMA
Corporate Auditor of the Board

Masao NISHIMURA
Corporate Auditor of the Board

Company Name: Japan Airlines Corporation (*)
(Japan Airlines Group Holding Company)

*Japan Airlines System Corporation, the holding company of the JAL group, was renamed Japan Airlines Corporation on June 26, 2004.

Date of Foundation: October 2, 2002

Head Office: 2-4-11, Higashi-shinagawa, Shinagawa-ku, Tokyo 140-8605, Japan
Phone: 81-3-5769-6097 Fax: 81-3-5769-6492

Paid-in Capital: ¥100,000,000,000

Number of Shares:

Authorized	7,000,000,000 shares
Issued	1,980,465,250 shares (**)

**Number of shares issued and outstanding came to 2,045,465,250 as of April 1, 2004 as a result of a share exchange with its subsidiary Japan Asia Airways.

Floating Stock: 35.97%

Number of Shareholders: 278,295 including 436 non-Japanese

Major Shareholders:

Name	Number of Shares Held/ Ratio of shareholding
Tokyu Corporation	80,397,171/4.05
Eitaro Itoyama	70,000,000/3.53
The Master Trust Bank of Japan, Ltd. (trust account)	66,752,000/3.37
Japan Trustee Services Bank, Ltd. (trust account)	54,744,000/2.76
Mizuho Corporate Bank, Ltd.	53,603,486/2.70
The Tokyo Fire & Marine Insurance Co., Ltd.	52,390,939/2.64
Nissay Dowa General Insurance Co., Ltd.	44,960,253/2.27
Nippon Life Insurance Company	41,392,227/2.09
Fukoku Mutual Life Insurance Company	39,365,000/2.00
JAL Group Employees' Stockholding	35,975,411/1.81

Stock Listings: Tokyo, Osaka, and Nagoya stock exchanges; American Depositary Receipts traded through the OTC (U.S.A.)

Fiscal Year-End: March 31

General Meeting of Stockholders: June

Stock Transfer Agent: UFJ Trust Bank, Limited

Share Handling Office: 10-11, Higashi-Suna 7-chome, Koto-ku, Tokyo 137-8081, Japan

Date for Confirmation of Stock Ownership: March 31

Statutory Minimum Equity Interest Unit: 1,000

Media for Public Notices: Nihon Keizai Shimbun issued in Tokyo area and our website (http://www.jal.jp/en/ir/index_report.html)

Auditor: Shin Nihon & Co.

(As of March 31, 2004)

Japan Airlines Corporation
(Japan Airlines Group Holding Company)

2-4-11, Higashi-shinagawa, Shinagawa-ku,
Tokyo 140-8605, Japan
URL: http://www.jal.jp

Printend in Japan
Printed on recycled paper

PRINTED WITH SOY INK ™