JAL Group Announces Consolidated Financial Results for Full Fiscal Year 2012

TOKYO April 30, 2013: JAL Group (JAL) today announces the consolidated financial results for the full fiscal year of 2012- the period from April 1, 2012 to March 31, 2013.For the details, please refer to attached [Consolidated Financial Results for Full Fiscal Year 2012].

During this consolidated fiscal year (April 1, 2012 ～March 31, 2013), post-quake restoration demand continued to drive the Japanese economy; however, the economic rebound was blunted by a slowdown in the global economy. Since the change of administration in Japan in December 2012, exports started to slowly decline, while capital investments and production resurged. Corporate earnings and employment have shown signs of improvement.

During this time, aviation demand stagnated temporarily due to territorial issues, but was generally robust. However, the entry of Japanese low cost carriers (LCC) into the market and the expansion in business scale of rival carriers, etc. produced an increase in supply.

In addition to rising fuel prices, the Japanese yen weakened and triggered a rise in fuel costs. As such, the JAL Group finds itself in a tough operating environment.

Under these circumstances, the JAL Group did its utmost to provide customers with unparalleled service on the premise of maintaining safe operations, heightened the profit consciousness of its employees through its code of conduct ‘JAL Philosophy’ and a divisional profitability management system that promoted autonomous management. These measures aim to achieve greater management efficiency, and ultimately the management targets set out in the Mid-Term Management Plan announced on February 15, 2012.

Consequently, consolidated operating revenue for the fiscal year 2012 was 1,238.8 billion yen, up 2.8 % compared with last fiscal year, while operating expenses increased 4.4% to 1,043.5 billion yen. Operating income at 195.2 billion yen was 4.7% less than last year, and ordinary income declined 6.0% to 185.8 billion yen. Total net income of 171.6 billion yen for the fiscal year 2012 represents an 8.0% decline from last year.

(1) JAL Group Consolidated Results for the Period April 1,2012 – March 31, 2013

Unit: Billions of yen	**Fiscal Year 2011 (Apr. 1,2011 – Mar. 31, 2012)**	**Fiscal Year 2012 (Apr. 1,2012 – Mar. 31, 2013)**	**Difference vs. prior year**	**% vs. prior year**
Total Operating Revenue	1,204.8	1,238.8	+ 34.0	102.8
International Passenger	385.2	406.6	+ 21.3	105.5
Domestic Passenger	481.1	485.2	+ 4.1	100.9
Int. and Dom. Cargo	78.8	75.5	- 3.2	95.9
Others	259.5	271.4	+ 11.8	104.5
Total Operating Expense	999.8	1,043.5	+ 43.7	104.4
Operating Income	204.9	195.2	- 9.6	95.3
Operating Margin	17.0%	15.8%	- 1.2 points	-
Ordinary Income	197.6	185.8	- 11.8	94.0
Net Income	186.6	171.6	- 14.9	92.0

Figures are rounded down to the nearest tenth of a billion yen while percentage points are rounded to the nearest tenth.

<More>

Journalists with media enquiries please contact the press office: jian.yang@jal.com /
Tel: +81-3-5460-3109 / www.jal.com/en/corporate/

(2) Air Transportation Segment

International Passenger

We stepped up measures to improve profitability, products and services in order to become the world's most preferred airline group by customers.

In route operations, we launched a nonstop service to Boston on April 22, 2012, our first transpacific destination in 13 years, and to San Diego on December 2, 2012. In addition to the convenience of being the sole nonstop service between Narita and Boston, we leveraged the sales network of joint business partner and **one**world alliance partner, American Airlines, to attract customers expansively from Asia and North America in order to maximize revenue, while deploying the mid-size Boeing 787 to improve cost-efficiency and profitability. Adjusting aircraft flexibly to meet demand, we swiftly reduced flights on China routes where demand weakened due to territorial issues, while increasing flights on Asian routes where demand thrives, such as Narita = Delhi (5 to 7 flights a week) and Narita = Singapore (from 7 to 14 flights a week). In these ways, we deployed our aircraft effectively and effectively to maximize revenue.

To improve our network within and to/from Europe, we commenced a joint business with British Airways on October 1, which includes joint fares and code-sharing between Tokyo (Haneda, Narita) and London, and to destinations beyond London. To improve our Russian route network as well as our Moscow flights, we launched code-share flights in January 2013 with Russia's domestic carrier S7 Airlines, which operates from Narita to Vladivostok and Khabarovsk. Between Japan and Asia, we launched code-share flights with Malaysia Airlines in January 2012, which was inducted into **one**world on February 1, 2013, and with Bangkok Airways in November 2012. By adding Kuala Lumpur and Bangkok as hubs in our Southeast Asia network, we improved connectivity to Asia and the Middle East, and increased opportunities to capture new demand.

Product-wise, we began offering JAL SKY Wi-Fi service, an in-flight Wi-Fi connection service that supports passengers' own smartphones, computers and other wireless LAN devices, between Narita and New York, Chicago, Los Angeles, and Jakarta. As JAL's unique service and the first of its kind in Japan, it has been well-received by passengers, and will be progressively expanded to other routes. In January 2013, we launched JAL SKY SUITE 777, which offers brand new products and services under the concept "quality a class above in every class." For example, Business Class passengers can enjoy direct access to the aisle from their full-flat seats and savor deliciously prepared meals created by the world's top Japanese chefs. Premium Economy is configured with the world's largest seat pitch, while seat pitch in Economy Class is about 10cm. wider than before.

Consequently, international supply for the consolidated fiscal year increased by 4.0% year-on-year when measured in available-seat-kilometer (ASK), demand, by 12.3% in terms of revenue-passenger-kilometer (RPI), load factor (L/F), by 5.6 points to 76.1%, and international passenger revenue increased by 5.5% to 406.6 billion yen.

<More>

Journalists with media enquiries please contact the press office: jian.yang@jal.com /
Tel: +81-3-5460-3109 / www.jal.com/en/corporate/

Domestic Passenger

We strove to improve profitability by enforcing measures to stimulate demand and adjusting capacity according to demand.

In the first-half of the fiscal year, we increased flights and deployed larger aircraft on Haneda flights, where passenger demand resurged after the post-quake slump the year before, and on Tohoku routes where post-quake restoration demand was strong. To improve our route network, we resumed scheduled services between Fukuoka-Hanamaki and Sapporo=Niigata. In the second-half of the fiscal year, we increased flights between Haneda=Izumo, Sapporo=Senda, and Fukuoka=Miyazaki based on seasonal demand, and strove to maximize revenue.

Our sales promotions included an additional discount fare to the lineup of Sakitoku and Super Sakitoku fares, which offers greater savings by purchasing tickets 55 days in advance. We also sold Sakitoku and Super Sakitoku fare tickets during New Year's holidays (December 29~January 3) for the first time, and they were widely used many customers to return to their hometown or to travel during the holidays. We also strove to hoist leisure demand by strengthening sales promotion of Tokyo Sky Tree tours as an Official Partner.

In response to the advancement of mobile terminals such as smartphones, we launched various new applications for the smartphone, such as a booking and purchasing service for JAL Dynamic Packages, JAL Airport Navi to navigate customers to the boarding gate over the best route, and JAL Touch & Go which eliminates check-in procedures at the airport. In this way, we strove to comprehensively improve our web channels.

On the product side, in addition to increasing the number of flights offering JAL's popular First Class service, we expanded First Class service to flights between Haneda=Okinawa from August 2012. Class J seats, which are popular among corporate customers, were increased for the customers' convenience.

Consequently, domestic supply for the consolidated fiscal year increased by 2.6% year-on-year when measured in available-seat-kilometer (ASK), demand, by 3.4% in terms of revenue-passenger-kilometer (RPK), the load factor, by 0.5 points to 63.1%, and domestic passenger revenue increased by 0.9% to 485.2 billion yen.

International and Domestic Cargo

International cargo operations experienced sluggish inbound and outbound demand on the whole, but sales sections responded flexibly such as seeking new customers, improving services to existing customers, and capturing transit cargo in order to maximize revenue. In our sales activities, we leveraged Hamada's convenient location to aggressively capture perishables and express cargo, and transport temperature-sensitive consignments such as pharmaceuticals using our J SOLUTIONS service.

The volume of international cargo increased by 4.9% year-on-year on a revenue-cargo-ton-kilometer basis (RCTK), however, revenue declined by 6.1% to 50.4 billion yen due to tough competition, etc.

Domestic cargo operations encountered sluggish demand from the second-half of the fiscal year, but we strove to capture perishables and home delivery parcels by improving customer relations. We also operated extra flights flexibly to meet the needs of our customers. Volume increased by 1.2% year-on-year in terms of revenue-cargo-ton-kilometer (RCTK), and revenue increased by 0.2% to 25.0 billion yen.

<More>

3) JAL Group Consolidated Financial Position

	FY2011 Apr. 1, 2011 – Mar. 31, 2012	FY2012 Apr. 1, 2012 - Mar. 31, 2013	Difference
Total assets (billion yen)	1,087.6	1,216.6	+ 128.9
Net assets (billion yen)	413.8	583.1	+ 169.3
Equity ratio [*1](%)	35.7	46.4	+ 10.7 points
Interest-bearing debt (billion yen)	208.4	160.1	- 48.3
Debt/Equity Ratio [*2]	0.5	0.3	- 0.3

Figures are rounded down to the nearest tenth of a billion yen while percentage points are rounded up to the nearest tenth.

Note:

1. Shareholders' equity is total net assets excluding minority interests
2. Debt-to-equity ratio is interest-bearing debt divided by shareholders equity

(4) Forecast of JAL Group Consolidated Financial Results

With the launching of a nonstop service to Helsinki on its international route, and for its domestic route, increasing the flight frequencies on Itami route, through adjusting aircraft flexibly to meet demand, hence, consolidated revenue for the full fiscal year 2013 is expected to increase by 33.1 billion yen compared to the fiscal year 2012.

The expansion of ASK will push the fuel costs, the landing fees and other rent upward. Though the consideration of the possible change in fuel and Foreign Exchange Assumptions, therefore, consolidated operating expenses are expected to increase by 88.4 billion yen from the last fiscal year.

Consolidated operating income for the full fiscal year 2013 reflecting the above is seen to 140.0 billion yen, decrease by 55.2 billion yen compared to the fiscal year 2012.

Unit: Billions of yen	Operating Revenue	Operating Income	Ordinary Income	Net Income
Forecast for the full fiscal year ending March 31, 2014	1,272.0	140.0	127.0	118.0

Note: The forecast above represents estimates of future results based on the information available at the time of release and the company's reasonable judgment on this information. They are inherently subject to risks which may result in a divergence in the actual result from the forecasts and estimates contained herein.

(5) Dividend Policy

Passing on benefits to our shareholders is one of our biggest targets of management. We aim to achieve stable revenues and pay dividends to our shareholders. As consolidated net income for the full fiscal year 2013 is 171.6 billion yen, we have decided to pay dividends of 190.0 yen per share, which is 10.0 yen increase from our previous announcement and equivalent to approximately 20.0% of consolidated net income.

END

Journalists with media enquiries please contact the press office: jian.yang@jal.com /
Tel: +81-3-5460-3109 / www.jal.com/en/corporate/