

***JAL Group to Announce Consolidated Financial Results for Full Fiscal Year 2014***

**TOKYO April 30, 2015:** JAL Group (JAL) today announced the consolidated financial results for the full fiscal year of 2014 - the period from April 1, 2014 to March 31, 2015. For the details, please refer to attached [Consolidated Financial Results for the Year Ended March 31, 2015].

During the reporting period of consolidated financial results for the fiscal year ended March 31, 2015 (April 1, 2014 ~ March 31, 2015, hereinafter “reporting period”), the Japanese economy continued to recover moderately, while consumer spending bottomed out in general. Overseas economies partly weakened, but are on the recovery track in general including the U.S. economy. Exchange rate fluctuations, which affect company profits, remained stable until August, but the Japanese yen weakened sharply from September and aviation fuel prices dropped dramatically from October.

Under these economic conditions, we strived to increase management efficiency and provide customers with unparalleled service with safety as our top priority, in order to achieve our targets set out in Rolling Plan 2014 for the Medium Term Management Plan announced on March 26, 2014.

As a result of the above, during the reporting period, consolidated operating revenue was increased on-year by 2.7% to 1,344.7 billion yen, operating expenses, increased on-year by 2.0% to 1,165.0 billion yen, operating income, increased on-year by 7.7% to 179.6 billion yen, ordinary income, increased on-year by 11.2% to 175.2 billion yen, and net income for the full year was declined on-year by 10.3% to 149.0 billion yen.

**(1) JAL Group Consolidated Results for the Period April 1, 2014 – March 31, 2015**

Unit: Billions of yen	Fiscal Year 2013 (Apr. 1, 2013 – Mar. 31, 2014)	Fiscal Year 2014 (Apr. 1, 2014 – Mar. 31, 2015)	Difference vs. prior year	% vs. prior year
<b>Total Operating Revenues</b>	1,309.3	1,344.7	+ 35.3	102.7
International Passenger	437.5	454.8	+ 17.2	103.9
Domestic Passenger	487.4	487.5	+ 0.1	100.0
Int. and Dom. Cargo	79.6	84.5	+ 4.9	106.2
Others	304.6	317.7	+ 13.0	104.3
<b>Total Operating Expenses</b>	1,142.5	1,165.0	+ 22.4	102.0
<b>Operating Income</b>	166.7	179.6	+ 12.8	107.7
<b>Operating Margin</b>	12.7%	13.4%	+ 0.6 points	-
<b>Ordinary Income</b>	157.6	175.2	+ 17.6	111.2
<b>Net Income</b>	166.2	149.0	- 17.2	89.7

**Note:** Figures are rounded down to the nearest tenth of a billion yen while percentages are rounded off to the first decimal place.

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## (2) Air Transportation Segment

### International Passenger

We expanded our route network and enhanced our products and services such as newly configured aircraft to maximize revenue and strived to capture international visitors and transit passengers amid robust passenger traffic growth.

In route operations, we launched new daytime services between Tokyo (Haneda) and London/Paris/Singapore/Bangkok and late-night and early morning services between Haneda and Ho Chi Minh City using new international flight slots at Haneda Airport. At Narita Airport, we increased services from 7 to 14 weekly flights between Tokyo (Narita) and New York (March 30, 2014 ~) and, between Narita and Jakarta (June 13, 2014 ~) to capture passenger traffic between the U.S and Asia with expectations of future growth. We also launched new services between Nagoya (Chubu) and Bangkok (December 20, 2014 ~) and Osaka (Kansai) and Los Angeles (March 20, 2015 ~) to expand our network in regions outside the Tokyo metropolitan area.

On the product side, we completed retrofitting 13 Boeing 777-300 aircraft and 9 Boeing 767-300ER with JAL SKY SUITE cabin interiors, and introduced a newly configured Boeing 787-8 called SKY SUITE 787 between Narita and Frankfurt in December 2014, Narita and New York (JL004/JL003) in January 2015, and Narita and Paris in March 2015. As with JAL SKY SUITE 777 and SKY SUITE 767, SKY SUITE 787 is installed with fully-flat Business Class seats with direct access to the aisle, and “New Spacious Economy” seats with more legroom. The Boeing 787-8 offers 8-abreast economy seating, while the industry norm is a 9-abreast layout, to offer greater comfort and space.

As a result, international supply during the reporting period increased by 3.2% year-on-year in terms of ASK (available-seat-kilometer), demand increased by 2.0% year-on-year in terms of RPK (revenue-passenger-Kilometer), the L/F (load factor) decreased by 0.8 points year-on-year to 75.7%, and international passenger revenue came to 454.8 billion yen, up 3.9% from the year before.

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## Domestic Passenger

In route operations, we increased flights between Haneda and Osaka (Itami)/Okayama/Kita-Kyushu, etc., and between Haneda and Yamagata using “contest slots” designed for local governments and airlines to jointly improve regional routes, and resumed seasonal services on six of the regional routes which had been suspended. We also increased flights between Itami and Naha and other routes with expectations of growth in demand to increase the customers’ convenience.

Regarding domestic products, we launched JAL SKY NEXT with updated cabin interiors using the Boeing 777/767 from May 2014 mainly on hub routes such as Haneda=Fukuoka/Itami/Sapporo, and have progressively launched JAL SKY NEXT using the Boeing 737 since October 2014 between Haneda and regional cities.

Furthermore, JAL became the foremost airline to provide domestic an inflight Internet service called JAL SKY Wi-Fi for enjoying inflight entertainment or accessing the Internet via personal Wi-Fi enabled smartphones, computers, etc. Through these innovations, we sought to create a luxurious ambience through totally coordinated cabin interiors and cabin service with enhanced quality, which was favorably recognized by many customers. Incidentally, JAL SKY NEXT was awarded Good Design Best 100 for FY2014 (sponsored by Japan Institute of Design Promotion).

In airport services, we started JAL Express Tag Service at Haneda Airport domestic counters on March 31, 2015 to allow customers to check in their baggage more speedily and conveniently. We will continue to embrace the challenge of offering “Simple, Convenient and Speedy” services under the concept of JAL Smart Style.

As a result, domestic supply during the reporting period decreased by 2.1% year-on year in terms of ASK, demand increased by 1.0 % year-on-year in terms of RPK, the L/F increased by 2.1 points year-on-year to 66.1%, and domestic passenger revenue came to 487.5 billion yen, up approx. 100 million yen from the year before.

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**International and Domestic Cargo**

In international cargo operations, we aggressively captured automobile shipments, etc. from Japan spurred by the growth in exports especially to North America and efficiently captured transit shipments to maximize revenue.

In sales, we improved our system at Haneda Airport, where flight frequency has increased, expanded connection services between domestic and international flights (J-LINK), and transported shipments on other airlines' aircraft under airline charter agreements on minimizing risks. As a result, the volume of international cargo handled during the reporting period in terms of RCTK (revenue cargo ton-kilometer) increased by 16.0% year-on-year, and revenue increased by 11.2% to 60.3 billion yen.

In International mail operations, by capturing shipments of individual mail orders, which have shown steady growth, we achieved demand surpassing the result set last fiscal year. As a result, the volume of international mail handled during the reporting period in terms of RMTK (mail ton-kilometer) increased by 6.1% year-on-year, and international mail revenue increased by 14.9% year-on-year to 10.3 billion yen.

Domestic cargo operations were affected by a modal shift from surface transportation to air transportation due to a shortage of trucks. However due to the decrease in supply, the volume of domestic cargo handled during the reporting period when measured in RCTK decreased by 2.8% year-on-year, and revenue decreased by 4.5% year-on-year to 24.2 billion yen .

**(3) JAL Group Consolidated Financial Position**

	<b>FY2013</b> <b>Apr. 1, 2013 – Mar. 31, 2014</b>	<b>FY2014</b> <b>Apr. 1, 2014 - Mar. 31, 2015</b>	<b>Difference</b>
<b>Total assets (billion yen)</b>	1,340.1	1,473.3	+ 133.1
<b>Net assets (billion yen)</b>	711.0	800.7	+ 89.6
<b>Shareholder's equity (billion yen)</b>	690.2	776.4	+ 86.1
<b>Equity ratio <sup>*1</sup>(%)</b>	51.5	52.7	+ 1.2 points
<b>Interest-bearing debt (billion yen)</b>	134.2	100.5	- 33.6
<b>Debt/Equity Ratio <sup>*2</sup></b>	0.2	0.1	- 0.1

Figures are rounded down to the nearest tenth of a billion yen while percentages are rounded off to the first decimal place.

**Note:** 1. Shareholders' equity is total net assets excluding minority interests.

2. Debt-to-equity ratio is interest-bearing debt divided by shareholders equity.

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#### (4) Forecast of JAL Group Consolidated Financial Results for FY 2015

Unit: Billions of yen	Operating Revenues	Operating Income	Ordinary Income	Net Income
<b>Forecast for the full fiscal year ending March 31, 2016</b>	1,328.0	172.0	169.0	144.0

**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

We previously announced our policy to allocate approximately 20% of consolidated net income after deducting Income Taxes-deferred to our dividend source. Taking into account our steady progress in improving our financial foundation, from this fiscal year, we will change the dividend payout ratio to 25% of our net income after deducting Income Taxes-deferred.

With regard to dividends for FY2014, we will **pay 104.00 yen per share**, taking into account financial results and financial conditions for the full year, and the future business environment on the whole.

	Dividends per Share	
	Year-end	Annual
<b>Fiscal Year 2014</b>	<b>104.00 yen</b>	<b>104.00 yen</b>
<b>Fiscal Year 2013</b>	160.00 yen	160.00 yen

**Note:** JAL undertook a two-for-one stock split of its common shares as of October 1, 2014. As for FY2013 (the year ended March 31, 2014), the actual amount of Dividend before the stock split is described.

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