



JAL Group Announces Consolidated Financial Results for the Nine Months Ended December 31, 2015

Tokyo January 29, 2016: JAL Group (JAL) today announced the consolidated financial results for the nine months of the fiscal year of 2015 - the period from April 1 to December 31, 2015. For the details, please refer to attached [**Consolidated Financial Results for the Nine Months Ended December 31, 2015**].

During the reporting period of consolidated financial results for the first nine months of the fiscal year (April 1 to December 31, 2015)(hereinafter referred to as the “third quarter”), Japan’s economy continued to recover moderately, though weakness was seen in some areas. Consumer spending generally remained robust. Overseas economies recovered in general with some exceptions, such as Asian emerging economies as China, where weakness was observed. On the other hand, the number of foreign visitors to Japan increased significantly by 47.1% year-on-year to 19,737 thousand in total from January to December 2015. Fuel prices, which greatly affect our fuel purchasing costs, international passenger revenue and international cargo revenue, declined from the previous year, but the Japanese yen remained weaker against the U.S. dollar.

Under these economic conditions, JAL Group strived to increase a sense of profitability amongst its employees through JAL Philosophy and the amoeba management system, realize greater management efficiencies, provide the finest service to its customers anchored in its strong commitment to flight safety, and thus achieve the targets in the JAL Group Medium Term Management Plan Rolling Plan 2015 announced on February 18, 2015.

As a result, operating revenues in the third quarter was 1,023.4 billion yen (up 0.1% year-on-year), operating expense was 853.3 billion yen (down 3.5% year-on-year), and consequently, operating income came to 170.0 billion yen (up 23.0% year-on-year), ordinary income was 170.4 billion yen (up 24.0% year-on-year), and net income attributable to owners of the parent was 143.6 billion yen (up 20.1% year-on-year).

(1) JAL Group Consolidated Results for the Period April 1 - December 31, 2015

| Unit: Billions of yen | Fiscal Year 2014 (Apr. 1 – Dec. 31, 2014) | Fiscal Year 2015 (Apr. 1 – Dec. 31, 2015) | Difference vs. Prior Year | % vs. Prior Year |
|------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|--------------------------------------|-----------------------------|
| Operating Revenues | 1,022.3 | 1,023.4 | + 1.0 | 100.1 |
| International Passenger | 345.9 | 345.9 | - 0.0 | 100.0 |
| Domestic Passenger | 373.0 | 384.1 | + 11.1 | 103.0 |
| Int. and Dom. Cargo | 63.1 | 60.4 | - 2.6 | 95.8 |
| Others | 240.2 | 232.7 | - 7.4 | 96.9 |
| Operating Expenses | 884.1 | 853.3 | - 30.7 | 96.5 |
| Operating Income | 138.2 | 170.0 | + 31.7 | 123.0 |
| Operating Margin | 13.5% | 16.6% | + 3.1 points | - |
| Ordinary Income | 137.4 | 170.4 | + 33.0 | 124.0 |
| Net Income attributable to owners of the parent | 119.6 | 143.6 | + 24.0 | 120.1 |

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

<More>



(2) Air Transportation Segment

International Passenger

In international passenger operations, passenger traffic increased as a result of capturing the robust demand from inbound travelers especially on North America, China and Southeast Asia routes.

In route operations, we launched four weekly services between Narita and Dallas/Fort Worth on November 30, 2015 using the newly revamped 787-8 called JAL SKY SUITE 787. Load factors have been high and flight frequency will be increased to daily services from March 20, 2016. Dallas/Fort Worth Airport is the main hub of our joint business partner, American Airlines (AA). By using AA's extensive network across the U.S. and Central and South America, customers are sure to enjoy their travels with greater convenience.

On the product side, we progressively introduced JAL SKY SUITE aircraft, installed with fully-flat seats in Business Class with unrestricted aisle access and "New Spacious Economy" seats offering more space than the standard economy seating.

In January 2016, JAL was recognized by FlightStats, a U.S. global flight tracker which analyzes on-time arrival rates of airlines, etc., as the best performing airline for on time arrivals of domestic and international flights from January to December 2015 in the Major International Airlines category. Furthermore, JAL placed first in the Asia-Pacific Major Airlines category, and also the Airline Alliance category as a member of the **oneworld®** alliance. As a result, JAL ranked first in all three applicable categories and became a Triple Crown winner for the fourth time after 2010*, 2012 and 2013.

*In 2010, the Alliance category was not established. JAL was winner in the Asia Regional Airlines category (does not exist currently).

As a result of the above, the capacity of international flights in the third quarter when measured in Available Seat Kilometers (ASK) increased by 1.1% year-on-year, demand when measured in Revenue Passenger Kilometers (RPK) increased by 6.1% year-on-year, the Load Factor (L/F) was 79.1%, up 3.7 percentage points year-on-year, and international passenger revenue came to 345.9 billion yen, down 0.0% from the previous year.

Domestic Passenger

In airport services, we introduced "JAL Express Tag Service" at Haneda Airport domestic counters aimed to save time to check in baggage, under the concept of "JAL Smart Style" to provide simple, convenient and speedy services.

Taking part in the project to revitalize regional Japan through the joint efforts of central and local governments, we launched regional revitalization promotions using "Furusato discounts (*)" to do our part in inspiring more customers to see different parts of Japan.

(*) A common name used for creating travel products, which deduct a certain amount through a subsidy as part of "Urgent Assistance Grant for Regional Citizens, Daily Life, etc."

As a result of the above, capacity of domestic flights during the reporting period decreased by 1.1% year-on-year when measured in Available Seat Kilometers (ASK), demand increased by 1.2% in terms of Revenue Passenger Kilometers (RPK), while the Load Factor (L/F) increased by 1.5 percentage points year-on-year to 68.0%. Domestic passenger revenue increased by 3.0% year-on-year to 384.1 billion yen.

International and Domestic Cargo

In international cargo operations, we continued to promote sales of "J TEMP^o," a temperature-controlled transport service using special equipment, and "J SOLUTIONS PHARMA," a specialized transport service for pharmaceuticals.

<More>



As a result, cargo volume for the reporting period when measured in Revenue Cargo Ton Kilometers (RCTK) increased by 2.3% year-on-year and revenue was 42.4 billion yen, down 4.1% year-on-year due to a decrease in fuel surcharge, etc.

In domestic cargo operations, we secured shipments exceeding the previous year through aggressive sales, despite the decrease in JAL's capacity. Cargo volume for the reporting period when measured in Revenue Cargo Ton Kilometers (RCTK) increased by 1.7% year-on-year, but revenue was 17.9 billion yen, decreased by 4.3% due to changes in the route structure and such.

(3) JAL Group Consolidated Financial Position

| | FY2014 As of March 31, 2015 | The Third Quarter of FY2015 As of December 31, 2015 | Difference |
|--------------------------------------------|--------------------------------|--------------------------------------------------------|--------------|
| Total Assets (billion yen) | 1,473.3 | 1,545.7 | + 72.4 |
| Net Assets (billion yen) | 800.7 | 894.6 | + 93.9 |
| Equity Ratio ^{*1}(%) | 52.7 | 56.2 | + 3.5 points |
| Interest-bearing Debt (billion yen) | 100.5 | 79.8 | - 20.7 |
| Debt/Equity Ratio ^{*2} | 0.1 | 0.1 | - 0.0 |

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.

(4) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2016

The consolidated earnings forecast remains the same as the full-year forecast announced in "Consolidated Financial Results for the Six Months Ended September 30, 2015" on October 30, 2015.

| Unit: Billions of yen | Operating Revenues | Operating Income | Ordinary Income | Net Income attributable to owners of the parent |
|--------------------------------------------------------------|--------------------|------------------|-----------------|-------------------------------------------------|
| Previous Forecast (Announced on October 30, 2015) | 1,347.0 | 204.0 | 202.0 | 172.0 |

(5) Dividend Policy

We intend to pay 25% of net income for the fiscal year belonging to parent after adjusting income tax deferred to our shareholders as dividends. According to our full-year consolidated earnings forecast, we expect to pay a year-end dividend of 119 yen per share.

| | Dividends per Share | |
|-------------------------|---------------------|-------------------|
| | Fiscal Year End | Total |
| Fiscal Year 2015 | 119.00 yen | 119.00 yen |
| Fiscal Year 2014 | 104.00 yen | 104.00 yen |

END