

***JAL Group to Announce Consolidated Financial Results for Full Fiscal Year 2015***

TOKYO April 28, 2016: JAL Group (JAL) today announced the consolidated financial results for the full fiscal year of 2015 - the period from April 1, 2015 to March 31, 2016. For the details, please refer to attached [Consolidated Financial Results for the Year Ended March 31, 2016].

During the reporting period of consolidated financial results for the fiscal year ended March 31, 2016, the Japanese economy maintained its moderate recovery and personal consumption remained robust in general. Overseas economics including the U.S. economy recovered in general, although weakness was observed in some areas such as China and emerging countries in Asia. On the other hand, the number of international visitors to Japan, which affects our passenger revenue, totaled 21,359 thousand in FY2015, representing a significant increase of 45.6% over the previous year. Fuel prices, which impact our fuel purchasing costs, international passenger revenue and international cargo revenue, were lower than they were the year before, but the JPY/USD foreign exchange rate continued to show weakness in the yen.

Under these economic conditions, the JAL Group strived to increase profit consciousness through efforts based on JAL Philosophy and the amoeba management system, realize greater management efficiencies, provide the finest service to its guests anchored in a firm 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 of the above, during the consolidated fiscal year, consolidated operating revenue decreased by 0.6% year-on-year to 1,336.6 billion yen, operating expenses decreased by 3.2% year-on-year to 1,127.4 billion yen, operating income increased by 16.4% year-on-year to 209.1 billion yen, ordinary income increased by 19.4% year-on-year to 209.2 billion yen and net income attributable to owners of the parent increased by 17.1% year-on-year to 174.4 billion yen.

(1) JAL Group Consolidated Results for the Period April 1, 2015 – March 31, 2016

Unit: Billions of yen	Fiscal Year 2014 (Apr. 1, 2014 – Mar. 31, 2015)	Fiscal Year 2015 (Apr. 1, 2015 – Mar. 31, 2016)	Difference vs. prior year	% vs. prior year
Total Operating Revenues	1,344.7	1,336.6	- 8.0	99.4
International Passenger	454.8	448.7	- 6.0	98.7
Domestic Passenger	487.5	501.2	+ 13.7	102.8
Int. and Dom. Cargo	84.5	77.6	- 6.9	91.8
Others	317.7	308.9	- 8.7	97.3
Total Operating Expenses	1,165.0	1,127.4	- 37.5	96.8
Operating Income	179.6	209.1	+ 29.5	116.4
Operating Margin	13.4%	15.7%	+ 2.3 points	-
Ordinary Income	175.2	209.2	+ 33.9	119.4
Net Income attributable to owners of the parent	149.0	174.4	+ 25.4	117.1

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



(2) Air Transportation Segment

International Passenger

The number of boarded passengers increased substantially due to strong outbound corporate demand and robust inbound demand mainly on North American, China and Southeast Asian routes.

In route operations, we launched four weekly flights between Narita and Dallas/Fort Worth from November 30, 2015 operated by the fully revamped 787-8 named JAL SKY SUITE 787, and increased services to daily flights from March 20, 2016. Dallas/Fort Worth International Airport is the largest hub of our joint business partner American Airlines. Leveraging its expansive network encompassing destinations within the U.S. and Latin America, passenger convenience has improved significantly and load factors have been high. From October 25, 2015, we launched services between Haneda and Shanghai (Pudong), and between Haneda and Guangzhou, increased flight frequency between Haneda and Beijing, and thus improved our China route network in and out of Haneda.

On the product side, we progressively introduced JAL SKY SUITE aircraft, offering fully-flat Business Class seats with unobstructed aisle access for every seat and “New Spacious Economy” seats offering more space than the standard. On introducing JAL SKY SUITE 787 on the Moscow route in February 2016, all flights in our European network are now operated with JAL SKY SUITE aircraft.

In January 2016, JAL was named the world’s best airline in the Major International Airlines category for operational performance of domestic and international flights operated between January and December 2015 by FlightStats of the U.S., which analyzes the on-time arrival rate by airline, amongst others. Furthermore, we took first place in the Asia-Pacific Major Airlines category, and **oneworld**, of which JAL is a member, was the best alliance for on-time flights. As a result, JAL ranked first in all three categories for which it qualifies for the fourth time after 2010, 2012 and 2014.

As a result of the above, capacity on international routes measured in Available Seat Kilometers (ASK) increased by 1.3% year-on-year, demand measured in Revenue Passenger Kilometers (RPK) increased by 5.4% year-on-year, the Load Factor (L/F) was 78.8% (up 3.1 percentage points year-on-year) and international passenger revenue was 448.7 billion yen, declining 1.3% from the year before.



Domestic Passenger

In route operations, we continued seasonal services on six of the regional routes which we had suspended. From April 1, 2015, we launched new code-share flights with Amakusa Airlines between Amakusa and Fukuoka, between Amakusa and Kumamoto, and between Kumamoto and Osaka (Itami) to increase customer convenience and contribute to the development of regional economies.

To provide easy, convenient and simple services at the airport and in the air under the concept of “JAL Smart Style,” we introduced “JAL Express Tag Service” at Tokyo (Haneda) Airport (domestic) to reduce passenger waiting times at counters in March 2015, and expanded this service to Sapporo (New Chitose), Osaka (Itami), Fukuoka and Okinawa (Naha) airports in March 2016.

As a result of the above, capacity on domestic routes measured in Available Seat Kilometers (ASK) decreased by 1.2% year-on-year, demand measured in Revenue Passenger Kilometers (RPK) increased by 1.5% year-on-year, the Load Factor (L/F) was 67.9% (up 1.8 percentage points year-on-year), and domestic passenger revenue was 501.2 billion yen, an increase of 2.8% from the year before.

International and Domestic Cargo

In international cargo operations, amid sluggish overall shipments in and out of Japan, we efficiently captured trilateral shipments via Japan in order to steadily secure shipments and maximize revenues. As a result of the above, the volume of international cargo carried measured in Revenue Cargo Ton Kilometers (RCTK) decreased by 1.7% year-on-year and international cargo revenue was 54.2 billion yen, down 10.0% from the year before.

In domestic cargo operations, despite the reduction in capacity, we were able to capture more shipments than in the previous year through aggressive sales activities and innovative ways of managing cargo space to utilize limited space effectively. As a result of the above, the volume of domestic cargo carried when measured in Revenue Cargo Ton Kilometers (RCTK) increased by 1.8% year-on-year, and domestic cargo revenue decreased by 3.8% year-on-year to 23.3 billion yen.

(3) JAL Group Consolidated Financial Position

	FY2014 (as of Mar. 31, 2015)	FY2015 (as of Mar. 31, 2016)	Difference
Total assets (billion yen)	1,473.3	1,578.9	+ 105.5
Net assets (billion yen)	800.7	870.5	+ 69.8
Equity ratio ^{*1}(%)	52.7	53.4	+ 0.7 points
Interest-bearing debt (billion yen)	100.5	92.6	- 7.9
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) Dividend Policy**

JAL intends 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 the consolidated financial results for the full fiscal year 2015, the airline expects to pay a year-end dividend of 120 yen per share.

	Dividends per Share	
	Year-end	Annual
Fiscal Year 2015	120.00 yen	120.00 yen
Fiscal Year 2014	104.00 yen	104.00 yen

(5) Forecast of JAL Group Consolidated Financial Results for FY 2016

The consolidated earnings forecast remains the same as the full-year forecast announced in the JAL Group Medium Term Management Plan Rolling Plan 2016 on February 18, 2016.

Unit: Billions of yen	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of the parent
Forecast for the full fiscal year ending March 31, 2017	1,343.0	201.0	193.0	192.0

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.

END