Results of Japan Airlines Corporation and Consolidated Subsidiaries for the Half-year Ended September 30, 2009

Tokyo, November 13, 2009: The JAL Group (JAL) announced today, its consolidated financial results for the first half of FY2009 - the period of April 1, to September 30, 2009.

The operating environment of the JAL Group during this reporting period remained extremely severe. Within this reporting period, the unprecedented economic meltdown and the global outbreak of the H1N1 strain of influenza caused an economic sluggishness both internationally and domestically that adversely affected travel and air cargo transport demand. While operating expenses were successfully trimmed in almost all cost categories by 183.6 billion yen to 859.7 billion yen in comparison to previous year owing to no-holds-barred cost-cutting measures and cost structure reforms, consolidated operating revenues in the six-month period decreased by 309.6 billion yen from last year to 763.9 billion yen.

The JAL Group has been doing its utmost against this backdrop to improve profitability through ongoing route suspensions and frequency reductions, aircraft downsizing, cost-cutting in every possible area, and enhancement of product competitiveness. Despite these efforts, results for the first half of FY2009 eventually logged an operating loss of 95.7 billion yen, ordinary loss of 114.4 billion yen and a net loss of 131.2 billion yen compared to an operating income of 30.2 billion yen, ordinary income of 18.0 billion yen and a net income of 36.6 billion yen in the last reporting period.

Under such circumstances, on October 29, the JAL Group requested the Enterprise Turnaround Initiative Corporation of Japan that it initiates preliminary consultation to decide whether ETIC would support the restructuring of the JAL Group or not. Today, the JAL Group also applied for the "certified alternative dispute resolution procedure prescribed in the Act on Special Measures for Revitalization of Industrial Vitality and Innovation of Industrial Activities" (the "Turnaround ADR Procedure")**. The JAL Group will finalize, at the earliest time possible, the proposed business revitalization plan which will be accepted by the parties concerned, and shall put forth its best efforts for reconstructing the businesses of the JAL Group.

The JAL Group is currently formulating the proposed business revitalization plan with the intention of reconstructing the businesses of the JAL Group. However, as agreement regarding the proposed business revitalization plan has not yet been reached between the parties concerned, the proposed business revitalization plan, which will be the basis of the performance forecast, has not been finalized, and it is thus difficult to forecast future performance.

Therefore, we withdraw the full-year consolidated performance forecast for the fiscal year 2009 (from April 1, 2009 through March 31, 2010) which was announced at the announcement of the financial results for the first quarter of the fiscal year ending in March 2010 (August 7, 2009). Prompt disclosure is planned as soon as it becomes possible to forecast the future performance.

1. JAL Group First Half 2009 Consolidated Financial Results (Apr 1 - Sep 30, 2009)

Units: billion yen	First Half FY09 Apr 1- Sep 30, 2009	First Half FY08 Apr 1- Sep 30, 2008	Year-on-year Difference	Half year-on year Comparison
Operating revenue	**763.9**	**1,073.5**	**-309.6**	**71.2%**
International Passenger	225.4	393.8	-168.3	57.2%
Domestic passenger	310.7	352.5	-41.8	88.1%
International cargo	43.0	95.4	-52.3	45.1%
Others	184.7	231.8	-47.0	79.7%
Operating costs	**859.7**	**1,043.3**	**-183.6**	**82.4%**
Operating income (loss)	**-95.7**	30.2	-126.0	-
Ordinary income (loss)	**-114.4**	18.0	-132.4	-
Net income (loss)	**-131.2**	36.6	-167.8	-

* Figures rounded down to the nearest 100 million yen.

* Average exchange rate for the reporting period (April 1 through to September 30, 2009): US$1 = JPY 96.0 / EUR1 = JPY 131.7

2. Air Transport Business Segment

International Passenger Operations

In addition to the route suspension and flight frequency reductions, as well as progress in the plan to downsize aircraft, the Group pressed on with efforts to secure more revenue and to stimulate travel demand through sales campaigns and collaborations. Timely discount fare products were marketed and JAL also operated charter flights to Europe in partnership with several travel agencies. Furthermore, destinations such as Istanbul, Adelaide, Melbourne and Perth, were added to the Group’s international network through new code-share agreements with partner airlines like Air France and Qantas Airways.

Capacity on international routes during this reporting period was reduced by 11.9% year-on-year, measured by available seat-kilometers. In terms of demand, leisure passenger demand originating from Japan was initially negatively impacted by the spread of H1N1 influenza in the first quarter. However, the substantial lowering of the fuel surcharge which was removed for three months from July to September 2009, and the yen's appreciation, generated an overall increase in leisure passenger demand originating from Japan compared to a year earlier. On the contrary, business demand originating from Japan once again registered a considerable decline against the same period last year as companies curb business trips during this economic downturn. Demand for travel into Japan was additionally affected by the persistent strength of the yen. The net result showed that overall demand declined by 11.3% in terms of revenue passenger kilometers. As a result, passenger load factor went up by 0.4 percentage points against last year, to 67.8%.

Revenues were cuffed by reductions in the collection of fuel surcharge, changes in class-mix caused by stagnant business demand and increased trends to downgrade, and the strong yen. Consequently, there was a 35.5% decline in passenger yield versus that of last year and a 42.8% decline in revenue to 225.4 billion yen.

Domestic Passenger Operation

On the domestic network, route suspension and flight frequency reductions were carried out while smaller-sized regional jets such as the Embraer 170 were introduced. Sales campaigns together with timely and targeted discount fare products were also actively introduced to stimulate domestic travel.

Despite these initiatives which contributed to a cut in seat supply on JAL Group domestic routes by 3.1% year-on-year during the first half in terms of available seat-kilometers, the weakness in the economy prevailed, causing individual and group travel demand to remain frail. Demand was down by a larger margin at 10.1% in terms of revenue passenger kilometers. Consequently, passenger load factor decreased by 4.7 percentage points year-on-year to 59.9%.

Revenues are 11.9%, or 310.7 billion yen, less than previous year, as a shift to lower fares also caused passenger yield to slide by 1.9% year-on-year.

International Cargo

While the rate of decline in export and import demands, in particular to and from China, showed signs of slowing down, they remain weak under the pressures of the global economic downturn and the strength of the yen.

The Group endeavored to flexibly adjust the use of large and medium-sized freighters and cargo space on passenger flights in order to more closely match capacity with demand. Furthermore to strengthen its competitiveness, JAL expanded its alliance strategy by commencing code-share cargo flights with Nippon Cargo Airlines (NCA) in March 2009, and by entering into a business alliance with Mitsui & Co., Ltd. in May 2009, aimed at maximizing the complementary functions and capabilities of a trading company and an airline.

The total capacity for international air cargo transportation was reduced by 23.8% against last year in terms of available cargo ton-kilometers, while demand logged a 29.1% decline when measured in revenue cargo ton-kilometers as a result of capacity cuts and deteriorating business conditions. International cargo revenue went down by 54.9% to 43.0 billion yen. Despite exertions to increase yield through sales promotion of J PRODUCTS and an increase in the ratio of short-haul routes, the decrease in fuel surcharge collected, intensifying competition and the strong yen were key factors that caused cargo yield to decline by 36.4% year-on-year.

Operating Costs

Fuel cost, which represents the largest proportion of costs in the air transportation segment, totaled 188.2 billion yen after taking exchange-rate factors into account. This is a year-on-year decline of 62.7 billion yen in cost owing to various independent fuel-saving measures as well as the capacity cuts outlined above. With regard to other costs, year-on-year reductions were successfully achieved in almost all categories, including personnel costs and general expenses primarily due to the strict implementation of ongoing cost-cutting measures in which nothing is treated as off-limits and the extensive reformation of the Group's cost structure.

3. Consolidated Financial Position

	FY 2009 first half (Apr 1 – Sep 30, 2009)	FY2008 (year ended Mar 31, 2009)
Total Assets	1,682.7	1,750.6
Net assets excluding minority interests	137.5	174.6
Equity ratio excluding minority interests	8.2%	10.0%

* Figures rounded down to the nearest 100 million yen.

4. Forecast of results for the full year ending March 31, 2010

The JAL Group is currently formulating the proposed business revitalization plan with the intention of reconstructing the businesses of the JAL Group. However, as agreement regarding the proposed business revitalization plan has not yet been reached between the parties concerned, the proposed business revitalization plan, which will be the basis of the performance forecast, has not been finalized, and it is thus difficult to forecast future performance.

Therefore, we withdraw the full-year consolidated performance forecast for the fiscal year ending in March 2010 (from April 1, 2009 through March 31, 2010) which was announced at the announcement of the financial results for the first quarter of the fiscal year ending in March 2010 (August 7, 2009). Prompt disclosure is planned as soon as it becomes possible to forecast the future performance.

Unit: Japanese yen (￥) billions	FY 2009 Initial Forecast (Year ending March 31, 2010)	FY 2009 Revised Forecast (Year ending March 31, 2010)
Total operating revenues	**1,748.0**	
International passenger	575.0	
Domestic passenger	651.0	
International cargo	116.0	
Total operating expenses	**1,807.0**	
Operating income	**-59.0**	
Ordinary income	**-108.0**	
Net income	**-63.0**	

****About Turnaround ADR Procedures**

The Turnaround ADR Procedure is an out-of-court workout procedure for corporate turnaround specially certified in the Act on Special Measures for Revitalization of Industrial Vitality and Innovation of Industrial Activities. Under the Turnaround ADR Procedures, discussions and negotiations with certain financial institutions or other creditors specified in the application will be conducted to formulate an applicant's business revitalization plan.

APPENDICES

A. JAL Group 2009 2nd Quarter Consolidated Financial Results

Units: billions of yen	2nd Quarter FY09 (Jul 1 - Sep 30, 2009)	2nd Quarter FY08 (Jul 1 - Sep 30, 2008)	Previous Year Comparison	Previous Year % Comparison
Total operating revenue	**429.0**	**583.2**	**-154.2**	**73.6**
International passenger	128.1	213.3	-85.2	60
Domestic passenger	179.5	198.8	-19.2	90.3
International cargo	23.1	49.9	-26.8	46.3
Other	98.2	121.0	-22.8	81.1
Total operating expenses	**438.7**	**556.8**	**-118.1**	**78.8**
Operating income (loss)	**-9.6**	**26.4**	**-36.0**	**-**
Ordinary income (loss)	**-20.4**	**17.3**	**-37.7**	**-**
1st quarter net income (loss)	**-32.1**	**40.1**	**-72.2**	**-**

B. JAL Group 2009 1st Quarter Consolidated Financial Results

Units: billions of yen	1st Quarter FY09 (Apr 1 - Jun 30, 2009)	1st Quarter FY08 (Apr 1 - Jun 30, 2009)	Previous Year Comparison	Previous Year % Comparison
Total operating revenue	**334.8**	**490.3**	**- 155.4**	**68.3%**
International passenger	97.3	180.4	- 83.1	53.9%
Domestic passenger	131.1	153.7	- 22.5	85.3%
International cargo	19.9	45.4	- 25.5	43.8%
Other	86.4	110.7	- 24.2	78.1%
Total operating expenses	**421.0**	**486.4**	**- 65.4**	**86.6%**
Operating income (loss)	**- 86.1**	**3.9**	**- 90.0**	**-**
Ordinary income (loss)	**- 93.9**	**0.7**	**- 94.7**	**-**
1st quarter net income (loss)	**- 99.0**	**- 3.4**	**- 95.6**	**-**

For more details on the JAL Group consolidated financial information, please refer to:

http://www.jal.com/en/ir/finance/tanshin.html

C. JAL Group Consolidated Traffic Statistics

	First Half 2009	First Half 2008	Change% -Or points
INTERNATIONAL			
Passenger number	5,470,825	6,075,858	90.0%
Revenue passenger kms (000)	24,382,784	27,493,085	88.7%
Available seat kms (000)	35,978,799	40,815,887	88.1%
Revenue seat load factor	67.8%	67.4%	0.4
Revenue cargo ton kms (000)	1,440,448	2,030,594	70.9%
Mail ton kilometers (000)	85,162	95,259	89.4%
Revenue ton kms (000)	3,787,384	4,673,386	81.0%
Available ton kms (000)	5,903,928	7,289,231	81.0%
Revenue weight load factor	64.2%	64.1%	0.1
DOMESTIC			
Passenger number	19,151,154	21,402,602	89.5%
Revenue passenger kms (000)	14,631,754	16,283,460	89.9%
Available seat kms (000)	24,443,680	25,215,238	96.9%
Revenue seat load factor	59.9%	64.6%	- 4.7
Revenue cargo ton kms (000)	208,266	234,540	88.8%
Mail ton kilometers (000)	11,356	15,384	73.8%
Revenue ton kms (000)	1,316,080	1,470,212	89.5%
Available ton kms (000)	2,910,265	3,004,082	96.9%
Revenue weight load factor	45.2%	48.9%	- 3.7
TOTAL			
Passenger number	24,621,979	27,478,460	89.6%
Revenue passenger kms (000)	39,014,538	43,776,545	89.1%
Available seat kms (000)	60,422,479	66,031,125	91.5%
Revenue seat load factor	64.6%	66.3%	- 1.7
Revenue cargo ton kms (000)	1,648,714	2,265,134	72.8%
Mail ton kilometers (000)	96,518	110,643	87.2%
Revenue ton kms (000)	5,103,464	6,143,598	83.1%
Available ton kms (000)	8,814,193	10,293,313	85.6%
Revenue weight load factor	57.9%	59.7%	- 1.8

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