

## JAL Group Announces First Quarter Consolidated Results for Financial Year 2005

**Tokyo, Friday July 29:** Today the JAL Group announced consolidated financial results for the first quarter (April through June 2005) of the current financial year (ending March 31 2006).

Total operating revenues for the three-month period were 503.3 billion yen, 24 billion yen (+5.0%) more than last year. Operating expenses were, 535.4 billion yen, resulting in an operating loss of 32 billion yen. Ordinary income resulted in a loss of 37.4 billion yen and the first quarter net result was a 38.3 billion yen loss.

Over the past 12 years, the first quarter result generally shows a loss, with the loss being made up and profits earned in the second quarter.

### JAL Group First Quarter Consolidated Results for FY05

<i>Units: billions of yen</i> <i>(Figures rounded down to one decimal place.)</i>	First Quarter FY 2005 (April 1 – June 30, 2005)	First Quarter FY 2004 (April 1 – June 30, 2004)	Previous Year % Comparison
Total operating revenue	503.3	479.3	105.0%
International passenger	159.6	150.0	106.4%
Domestic passenger	150.3	150.0	100.2%
International cargo	41.1	40.4	101.6%
Operating income	- 32.0	- 30.2	-
Ordinary income	- 37.4	- 35.7	-
First quarter net income	- 38.3	- 40.7	-

### AIR TRANSPORT SEGMENT DETAILS

**International passenger traffic:** Demand was steady on long haul routes to North America and Europe but slower in picking up on Southeast Asia and Oceania routes. China route traffic demand was down on last year due to the effects of anti-Japanese demonstrations. Because of increased fares and surcharges introduced to cope with higher fuel prices there was growth in yield. Revenue passenger numbers grew by 1.6% to 3,390,003 on the same period last year. Revenue passenger kilometers rose by 1.2% and revenue grew by 9.5 billion yen (6.4%) to 159.6 billion yen.

**Domestic passenger traffic:** Group tour traffic demand was good but due to a series of safety-related incidents the number of individual passengers was down slightly. Use of a new business class, Class J, increased and more people made use of JAL's "Touch and Go" IC check in system. The domestic revenue passenger total was up by 0.3% to 10,542,344, with a corresponding growth in revenue passenger kilometers of 0.2% - basically no change on the year before. Revenue rose slightly by 0.3 billion yen (+0.2%), to a total of 150.3 billion yen, very little change on the previous year, same period.

**International cargo traffic:** Demand out of some overseas markets was good, notably out of China, but demand from the USA and Europe was soft, as was demand out of Japan to Southeast Asia and China. Traffic measured in revenue cargo ton kilometers was down 5.2% but yield rose 7.1%. Revenue was up by 632 million yen (+1.6%) to 41.1 billion yen. Tonnage carried in the quarter totaled 187,807 tons, -5.4% on the same period last year.

**Fuel:** This year's first quarter fuel costs rose to an average of US\$66.7 per barrel of Singapore Kerosene, compared to an average price of US\$41.0 in the same period last year. This added 21.9 billion yen to the total fuel bill for the quarter of 87.3 billion yen, after taking into account fuel cost hedging and currency exchange rate effects.

**Foreign exchange:** Foreign currency exchange rates, notably the US\$=Yen rate averaging US\$1.00=¥106.7, had a positive effect on operating income of 3.2 billion yen (first quarter FY2004, US\$=Yen rate 110.0 yen per dollar).

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Forecast for the consolidated results for the year ending March 31, 2006 is unchanged on the forecast made on May 9, 2005.

## JAL Group Consolidated Traffic Statistics First Quarter

	First Quarter FY2005 (April 1 – June 30 2005)	First Quarter FY2004 (April 1 - June 30 2004)	Change % Or points
<b>INTERNATIONAL</b>			
Passenger number	3,390,003	3,337,752	101.6%
Revenue passenger Kilometers (000)	16,219,477	16,024,965	101.2%
Available seat Kilometers (000)	24,854,560	24,290,190	102.3%
Revenue seat load factor	65.3%	66.0%	-0.7
Revenue cargo ton Kilometers (000)	1,086,497	1,146,051	94.8%
Mail ton kilometers (000)	37,669	34,015	110.7%
Revenue ton Kilometers (000)	2,628,343	2,671,699	98.4%
Available ton kilometers	4,122,269	4,050,834	101.8%
Revenue weight load factor	63.8%	66.0%	-2.2
<b>DOMESTIC</b>			
Passenger number	10,542,344	10,507,613	100.3%
Revenue passenger Kilometers (000)	7,786,396	7,774,433	100.2%
Available seat Kilometers (000)	12,732,734	13,058,600	97.5%
Revenue seat load factor	61.2%	59.5%	1.7
Revenue cargo ton Kilometers (000)	91,801	94,889	96.7%
Mail ton kilometers (000)	19,028	16,566	114.9%
Revenue ton Kilometers (000)	693,591	694,183	99.9%
Available ton kilometers	1,493,280	1,543,124	96.8%
Revenue weight l/factor	46.4%	45.0%	1.4
<b>TOTAL</b>			
Passenger number	13,932,347	13,845,365	100.6%
Revenue passenger Kilometers (000)	24,005,873	23,799,398	100.9%
Available seat Kilometers (000)	37,587,294	37,348,790	100.6%
Revenue seat load factor	63.9%	63.7%	0.2
Revenue cargo ton Kilometers (000)	1,178,298	1,240,940	95.0%
Mail ton kilometers (000)	56,697	50,581	112.1%
Revenue ton Kilometers (000)	3,321,934	3,365,882	98.7%
Available ton Kilometers (000)	5,615,549	5,593,958	100.4%
Revenue weight l/f	59.2%	60.2%	-1.0

International results include data from JAL, Japan Asia Airways and JALways. Domestic results include data from JAL, Japan Transocean Air, JAL Express, Japan Air Commuter, Hokkaido Air System and J-Air.. Domestic results for the 1<sup>st</sup> quarter FY2005 also includes data from Ryukyu Air Commuter.

## Consolidated Financial Forecast for the Year Ending March 31, 2006 (As of May 9, 2005)

<i>Units: millions of yen</i>	FY 2005 - Year ended March 31, 2006	Difference on FY2004 Year ended March 31, 2005
<b>(1) Consolidated operating revenues:</b>	2,209,000	+79,100
International passenger revenue	(720,000)	(+48,700)
Domestic passenger revenue	(685,000)	(+10,200)
International cargo revenue	(175,000)	(+3,600)
<b>(2) Consolidated operating income</b>	60,000	+3,800
<b>(3) Consolidated ordinary income</b>	29,000	(- 40,800)
<b>(4) Consolidated net income</b>	17,000	(- 13,000)

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