August 31, 2010

Debtor Company: Japan Airlines Corporation
Debtor Company: Japan Airlines International, Co., Ltd.
Debtor Company: JAL Capital Co., Ltd.
Trustee: Enterprise Turnaround Initiative Corporation of Japan
Hideo Seto, Representative
Akitoshi Nakamura, Representative
Trustee: Eiji Katayama

Report by the Compliance Investigation Committee

We hereby announce that on August 26, 2010, the Trustees received a report on the results of investigation from the Compliance Investigation Committee. The Committee came to the conclusion that while there were problems in managerial judgment and corporate governance in respect to the management of the Debtor Companies, it would be difficult to find former managers legally liable under criminal or civil laws; in light of these results from the Committee, the Trustees have determined that no grounds exist to demand compensatory damages from the former managers.

The Compliance Investigation Committee was established by the Trustees on March 2, 2010, comprising five external members: Chiharu Saiguchi, Esq. (former Supreme Court justice) as chairman, Tatsuo Kainaka, Esq. (former Supreme Court justice) as vice chairman, and Shinsuke Kubo, Esq. (CPA), Masaya Miyama, Esq. (attorney-at-law), and Kyoko Uemura, Esq. (attorney-at-law) as members. The Trustees asked the Committee to investigate the reasons that the Debtor Companies became insolvent, material past compliance problems and other managerial problems.

The Compliance Investigation Committee gathered and analyzed internal materials, and interviewed roughly 85 officers and employees in total, including Japan Airlines Corporation's past three presidents. Contact information was also provided to the public to enable the provision of information by mail or e-mail, and the information provided was investigated or used as the start of the investigations.

Based on the results of these investigations, the Compliance Investigation Committee examined whether the former managers were legally liable in regards to their past management. The Committee also pointed out various problems besetting the Debtor Companies, including a bloated organization, a weak corporate culture and weak corporate finances, a structure of interdependence with bureaucrats, closed sectionalism, a wide gulf in awareness between corporate planning divisions and on-location staff, lack of responsible initiatives and managerial judgment by top management, and a company-wide lack of risk awareness, etc. The Committee also came to the conclusion that while there were problems in managerial judgment and corporate governance in respect to the management of the Debtor Companies, it would be difficult to find former managers legally liable under criminal or civil laws.

[End]