

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

THE HONOURABLE MR. ) WEDNESDAY, THE 8TH DAY  
JUSTICE C. CAMPBELL ) OF JUNE, 2011



IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF JAPAN AIRLINES  
CORPORATION, JAPAN AIRLINES INTERNATIONAL CO.,  
LTD., AND JAL CAPITAL CO., LTD.

Applicants

**FOREIGN PLAN RECOGNITION ORDER**

**THIS MOTION** made by the Applicants for the relief set out in the Notice of Motion dated June 1, 2011, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the affidavit of Eiji Katayama sworn May 10, 2011, the affidavits filed by and on behalf of the Information Officer, Deloitte and Touche Inc. ("**Deloitte**") regarding its fees and the fees of its counsel, Deloitte's reports to this Court dated July 30, 2010, September 24, 2010 and April 29, 2011, the report of the proposed substituted Information Officer, PricewaterhouseCoopers Inc. ("**PWC**"), and upon hearing submissions of counsel to the Applicants, Deloitte and PWC;

**SERVICE**

1. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service of this Motion, and of the date and time of the hearing held by this Court to consider this

Motion, such that the Motion is properly returnable today and further service thereof is dispensed with.

### **REORGANIZATION PLAN**

2. **THIS COURT ORDERS** that the decision of the Tokyo District Court, Civil Department No. 8 made November 30, 2010 (the "**Japan Confirmation Order**"), which provides for, *inter alia*, confirmation of the reorganization plan submitted by the Applicants (the "**Reorganization Plan**"), an English translation of the relevant portions of which is attached hereto as Schedule "A", be and is hereby recognized and approved and the Japan Confirmation Order and the Reorganization Plan shall be implemented and effective in Canada in accordance with their terms.

3. **THIS COURT ORDERS** that the Applicants are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to enter into or implement the Reorganization Plan in accordance with its terms, and enter into, implement and consummate all of the steps, transactions and agreements contemplated pursuant to the Reorganization Plan.

4. **THIS COURT ORDERS AND DECLARES** that as of November 30, 2010 (the "**Confirmation Date**"), the Reorganization Plan, including all compromises, arrangements, transactions, releases and discharges provided for therein and under the Corporation Reorganization Act of Japan (*Kaisha Kosei Ho*) (the "**JRA**"), shall inure to the benefit of and be binding and effective upon the Applicants' Canadian creditors (each a "**Canadian Creditor**"), and all other persons affected thereby, and on their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

5. **THIS COURT ORDERS** that, subject to the performance by the Applicants of their respective obligations under the Reorganization Plan, and effective on the Confirmation Date, all agreements to which the Applicants are a party shall be and remain in full force and effect, unamended, as at the Confirmation Date, and no person shall, following the Confirmation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations under, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

- (a) any event that occurred on or prior to the Confirmation Date that would have entitled any person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- (b) the fact that the Applicants have: (i) sought or obtained relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.-36 (the "**CCAA**"), the JRA or relief under similar legislation in the United States of America, the United Kingdom or Australia, or (ii) commenced or completed this proceeding, the proceeding commenced by the Applicants in Japan under the JRA before the Tokyo District Court, Civil Department No. 8 (the "**Japan Proceeding**") or any foreign proceedings in respect of the Applicants commenced in the United States, United Kingdom or Australia (each, an "**Other Foreign Proceeding**");
- (c) the implementation of the Reorganization Plan, or the completion of any of the steps, transactions or things contemplated by the Reorganization Plan; or
- (d) any compromises, arrangements, transactions, releases or discharges effected pursuant to the Reorganization Plan.

6. **THIS COURT ORDERS** that, from and after the Confirmation Date, all persons shall be deemed to have waived any and all defaults then existing or previously committed by the Applicants, or caused by the Applicants, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, instrument, credit document, guarantee, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto (each, an "**Agreement**"), existing between such person and the Applicants or any other person and any and all notices of default and demands for payment under any Agreement shall be deemed to be of no further force or effect; provided that nothing in this paragraph shall excuse or be deemed to excuse the Applicants from performing any of their obligations subsequent to the date of this proceeding, including, without limitation, obligations under the Reorganization Plan.

7. **THIS COURT ORDERS** that, as of the Confirmation Date, each Canadian Creditor shall be deemed to have consented and agreed to all of the provisions of the Reorganization Plan in their entirety and, in particular, each Canadian Creditor shall be deemed:

- (a) to have executed and delivered to the Applicants all consents, releases or agreements required to implement and carry out the Reorganization Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Canadian Creditor and the Applicants as of the Confirmation Date (other than those entered into by the Applicants on or after April 30, 2010) and the provisions of the Reorganization Plan, the provisions of the Reorganization Plan

take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

**RELEASES AND DISCHARGES**

8. **THIS COURT ORDERS** that, without limiting anything in this Order, including without limitation, paragraph 13 hereof, anything in the Reorganization Plan or under the JRA, all persons, on their own behalf and on behalf of their respective present or former employees, agents, officers, directors, principals, spouses, dependents, heirs, attorneys, successors, assigns and legal representatives, are permanently and forever barred, estopped, stayed and enjoined, on and after the Confirmation Date, with respect to all claims otherwise released pursuant to the Reorganization Plan and under the JRA, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Applicants or any of them or against any person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against the Applicants or any of them;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Applicants or any of them or the property of any of the Applicants;

- (c) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; and
- (d) taking any actions to interfere with the implementation or consummation of the Reorganization Plan.

**APPROVAL OF THE FIRST REPORT AND SECOND REPORT**

9. **THIS COURT ORDERS** that the reports of Deloitte, dated July 30, 2010, September 24, 2010 and April 29, 2011 are hereby approved.

**DISCHARGE OF INFORMATION OFFICER**

10. **THIS COURT ORDERS** that Deloitte shall be discharged from its duties as the Information Officer effective as of the date of this Order.

11. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of Deloitte as Information Officer, as disclosed in its reports to the Court from time to time, including, without limitation, the reports referred to in paragraph 9 above, are hereby approved and that Deloitte has satisfied all of its obligations up to and including the date of this Order, and that in addition to the protections in favour of the Information Officer as set out in the Order of this Court made on April 30, 2010 (the "**Recognition Order**"), Deloitte shall not be liable for any act or omission on the part of the Information Officer, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of duties under the Reorganization Plan or as requested by the Applicants or with respect to any other duties or obligations in respect of the implementation of the Reorganization

Plan, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of Deloitte as Information Officer.

12. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against Deloitte in any way arising from or related to its capacity or conduct as Information Officer except with prior leave of this Court and on prior written notice to Deloitte and upon further Order securing, as security for costs, the solicitor and his own client costs of Deloitte in connection with any proposed action or proceeding.

13. **THIS COURT ORDERS** that Deloitte, its affiliates, and their respective officers, directors, employees and agents, and counsel for Deloitte, are hereby released and discharged from any and all claims that any person or their respective officers, directors, employees and agents or any other persons may have or be entitled to assert against Deloitte as the Information Officer, Deloitte's affiliates, and their respective officers, directors, employees and agents, and counsel for Deloitte, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of issue of this Order in any way relating to, arising out of or in respect of this proceeding save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of Deloitte as the Information Officer.

**FEES**

14. **THIS COURT ORDERS** that the fees, disbursements and expenses of Deloitte from April 5, 2010 to June 8, 2011, in the amount of \$168,219.44 be and are hereby approved and fixed.

15. **THIS COURT ORDERS** that fees of \$33,360.00, disbursements of \$423.54 and applicable taxes of \$3,357.15 of Deloitte's counsel, Fasken Martineau DuMoulin LLP from April 5, 2010 to ~~June 8~~, 2011, in the total amount of \$37,140.69 be and are hereby approved and fixed. *April 29, 2011*

**APPOINTMENT OF SUBSTITUTED INFORMATION OFFICER**

16. **THIS COURT ORDERS** that PWC is hereby appointed as the Information Officer in respect of the Applicants as an officer of this Court to monitor the assets, businesses and affairs of the Applicants in Canada and the Japan Proceeding and the Other Foreign Proceedings and report thereon to this Court from time to time as it deems appropriate.

17. **THIS COURT ORDERS** that PWC (and its legal counsel, as applicable) shall have all rights, benefits and obligations granted to the Information Officer (and its legal counsel, as applicable) under the Recognition Order.

18. **THIS COURT ORDERS** that the first report of PWC dated June, 2011, and its activities described therein, are hereby approved.

**TERMINATION OF THE STAY OF PROCEEDINGS**

19. **THIS COURT ORDERS** that the stay of proceedings granted by this Court pursuant to the Recognition Order be terminated as of March 28, 2011, subject to further Order of this Court.

**RECOGNITION AND ASSISTANCE**

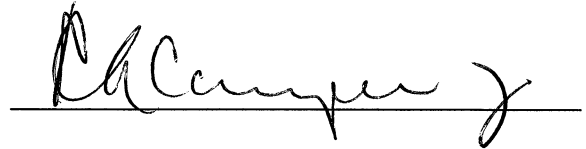
20. **THIS COURT ORDERS** and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any Court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative body or other court constituted pursuant to

the Parliament of Canada or the legislature of any province in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JUN 08 2011

PER/PAR:



**SCHEDULE "A"**

**ENGLISH TRANSLATION OF RELEVANT PORTIONS  
OF THE REORGANIZATION PLAN**

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### Chapter 3 Basic Policy of the Reorganization Plan

#### I Basic Idea of the Reorganization Plan

##### 1 Basic Policy for Reconstruction of the Three Debtor Companies

The domestic and international aviation business in which the JAL Group is engaged is an important infrastructure and a highly public business in Japan. It also has great influence in our country's growth strategy to maintain and enhance Japan's economic competitiveness in the international community.

The JAL Group must reconstruct itself in the aviation industry which faces increasing competition on a global basis.

Therefore, it is necessary for the JAL Group, in order to enhance its earning capacity, to continue a thorough implementation of the measures relating to the business reconstruction as discussed in Chapters 1 and 2 above, as well as to obtain discharge of debts and carry out other necessary modification of rights regarding Reorganization Claims, implement capital increase and reduction, and carry out financial restructuring.

In light of the public nature and importance of the JAL Group's business, the Trustees believe that, in order to successfully reconstruct the JAL Group including the Three Debtor Companies as soon as possible, on the premise that safety be ensured first and foremost, and by restoring credibility, enhancing sales power, and thoroughly reviewing profit structure, it is necessary to complete the reorganization proceedings at an early point and restart as a new Japan Airlines.

In this Reorganization Plan, with regards to repayment of Reorganization Claims, the principle is that installment payments will be made over seven years primarily; however, we intend to make efforts to achieve early lump-sum payment ahead of schedule by refinancing in March 2011, through continuous consultation with the financial institutions who are major creditors, and other financial institutions including those newly engaged in transactions with us.

##### 2 Merger of the Three Debtor Companies and Merging Subsidiaries

###### (1) Position of the Three Debtor Companies and Merging Subsidiaries

□Japan Airlines Corporation (JALS)

Holding company for the JAL Group

□Japan Airlines International, Co., Ltd. (JALI)

Core business entity for the JAL Group

□JAL Capital Co., Ltd. (JLC)

## TRANSLATION FOR REFERENCE PURPOSE ONLY

Subsidiary handling the financial divisions of the JAL Group  
□JALways Co., Ltd. (JAZ)

International aviation subsidiary for the JAL Group  
□JAL LIVRE Co., Ltd. (AAZ)

Subsidiary handling the accounting divisions of the JAL Group  
(2) Single Entity

JALS is a holding company for the JAL Group, and JLC and the merging subsidiaries are substantially one of the business departments of JALI.

Although the Three Debtor Companies and merging subsidiaries are formally separate corporations, and each corporation has a different asset and debt situation, they all have common names such as Japan Airlines or JAL as part of their corporate names, many of their officers and employees are dispatched from JALI, and their business had been carried out in the same business space as JALI. In addition, historically, the Three Debtor Companies and merging subsidiaries have mainly relied on the credibility of JALI when they obtain financing from financial institutions or when they intend to develop their businesses. This is clearly shown by the existence of an enormous amount of internal claims and overlapping claims.

Therefore, JALS, JLC, and merging subsidiaries are indivisibly-united with JALI in terms of capital relationship as well as personal relationship and organization, and are strongly bound, so by viewing them as one unit, the actual condition of the Three Debtor Companies can be properly grasped.

Because the Three Debtor Companies and merging subsidiaries are substantially a single entity, it is most reasonable and efficient to reorganize them as one unit. In addition, for the modification of rights for Reorganization Claims, treating Reorganization Claims for the Three Debtor Companies in an equal manner will bring about the fairest and the most equitable result to the interested parties.

In this view, it is necessary to design the Reorganization Plan so that it fits with the reality of the Three Debtor Companies being a single business entity.

(3) Merger and Equal Repayment

From this point of view, the Three Debtor Companies and merging subsidiaries will merge, with JALI as the surviving entity, and the repayment rate for the Reorganization Claims shall be the same for all companies (so-called par rate repayment).

### 3 Way of Raising Funds for Repayment

Funds for repayment shall be as follows:

(1) Cash and deposits, and operating revenue

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

- (2) Paid-in capital for issuance of new shares
- (3) Loans upon court approval
- (4) Proceeds from sale of assets

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### II Outline of the Reorganization Plan

#### 1 Merger and Modification of Rights

- (1) After absorbing and merging with the reorganizing companies JALS and JLC, JALI will acquire all outstanding shares gratis, and cancel all of its treasury shares. JALI will receive pay-in from the Enterprise Turnaround Initiative Corporation of Japan (ETIC) and issue shares for subscription.
- (2) JALI will absorb and merge with JAZ and AAZ.
- (3) All internal reorganization claims and other claims and obligations among the Three Debtor Companies will extinguish with the merger (extinguishment of internal claims).
- (4) Merger will take effect on the day following the day of confirmation of the Reorganization Plan.
- (5) Modification of rights for Reorganization Claims will take place on the day following the day of confirmation of the Reorganization Plan following the merger of the Three Debtor Companies.

#### 2 Handling of Overlapping Claims

##### (1) Definition of Overlapping Claims

In cases where holders of secured reorganization claims or holders of unsecured reorganization claims have fixed secured reorganization claims or fixed unsecured reorganization claims against more than one of the Three Reorganization Companies, if the multiple claims are either (i) principal claims and guarantee claims (including rights to enforce security) or (ii) joint and several claims, where the purpose thereof is the receipt of the same benefit, and where a repayment for one claim extinguishes the other claim, such multiple claims are referred to as overlapping claims.

When the amounts of the multiple claims differ from one another, the overlapping portion will be referred to as the overlapping claim.

##### (2) Treatment of Overlapping Claims

(A) If one is a secured reorganization claim and the other is an unsecured reorganization claim, the secured reorganization claim will be subject to repayment, and the unsecured reorganization claim will be discharged.

(B) If both of the overlapping claims are unsecured reorganization claims, the claim for principal obligation will be subject to repayment, and the claim for performance of the guarantee obligation will be discharged. If the relationship of the overlapping unsecured reorganization claims is either joint liability claims or

## TRANSLATION FOR REFERENCE PURPOSE ONLY

quasi-joint liability claims, only one will be subject to repayment, and the other will be discharged.

(C) If one is a claim consisting of a secured reorganization claim and an unsecured reorganization claim, and the other is an unsecured reorganization claim, (A) will be applied to the extent of the secured reorganization claim, and for any portion exceeding this, (B) will be applied.

(D) If one is a claim consisting of a secured reorganization claim and an unsecured reorganization claim, and the other is a secured reorganization claim, and if a part of these claims are overlapping claims, first, one secured reorganization claim will be subject to repayment, and next, (A) will be applied for the other secured reorganization claim.

### 3 Secured Reorganization Claims

#### (1) Principles on Modification of Rights and Repayment Method

Fixed secured reorganization claims shall be repaid in full, by means of equal installment payments, once a year every year between 2012 and 2018 on the last day of March.

However, with court approval, the Trustees can make lump-sum payments, even during the term of equal installment payments.

In the case where an early lump-sum payment ahead of schedule is made, if there are holders of secured reorganization claims who have agreed with Trustees not to receive accelerated repayment, Trustee may choose not to make accelerated repayment just to such holders of secured reorganization claims.

#### (2) Provisions on Collateral Assets subject to Disposal Price-Linked Repayment Method

If Trustees execute a purchase and sale agreement or other disposal agreement by March 10, 2011, for the collateral assets slated for disposal, repayment shall be made as follows:

(A) If the actual proceeds exceed the secured reorganization claim, actual proceeds will be paid in full. In this case, the difference between the actual proceeds and the secured reorganization claim shall be considered to be additionally repaid to the holder of the secured reorganization claim.

(B) If the actual proceeds fall short of the secured reorganization claim, actual proceeds will be paid in full. As for the portion of the secured reorganization claim exceeding the amount of actual proceeds, the modification of rights and repayment method for unsecured reorganization claims shall be applied.

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

### **4 Preferred Reorganization Claims**

#### **(1) Taxes**

After receiving a waiver of overdue taxes, the amount remaining after the waiver will be paid either within one month from the day of confirmation of the Reorganization Plan or on January 19, 2011, whichever comes first.

#### **(2) Labor Claims**

Fixed labor claims will be paid in full within three months from the day of confirmation of the Reorganization Plan.

Retirement pension claims and loss-of-license pension claims will be repaid on the days prescribed by the relevant regulations.

### **5 Unsecured Reorganization Claims**

#### **(1) Details of the Modification of Rights and the Principle of Repayment Method**

##### **(A) Modification of Rights**

For fixed unsecured reorganization claims, exclusive of interest etc. accrued after commencement of the corporate reorganization proceedings which will be discharged in its entirety (hereinafter "Unsecured Principal Claims"), after deduction of extinguishing overlapping claims, 87.5% will be discharged on the day following the day of confirmation of the Reorganization Plan (repayment rate 12.5%).

##### **(B) Repayment Method**

For the amount remaining after the discharge, equal installment payments will be made once a year between 2012 and 2018 on the last day of March.

However, with court approval, the Trustees can make lump-sum payments, even during the term of equal installment payments.

In the case where an early lump-sum payment ahead of schedule is made, if there are holders of unsecured reorganization claims who have agreed with Trustees not to receive accelerated repayment, Trustee may choose not to make accelerated repayment just to such holders of unsecured reorganization claims.

#### **(2) Provisions on Rights to Demand Performance of Guarantee Liabilities**

As for the right to demand performance of guarantee liabilities by the Three Debtor Companies other than for overlapping claims, as long as the primary debtor continues to make the stipulated repayments, modification of rights and repayment are suspended. In the event that the acceleration clause is invoked against the primary debtor, on the day Trustees receive notice, the balance remaining after deducting the

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

amount the primary debtor paid by such day from the fixed unsecured reorganization claim amount is deemed the fixed unsecured reorganization claim amount, and in the same manner as that described for unsecured reorganization claims in (1) above, modification of rights and repayment will be carried out.

### **(3) Provisions concerning Pension Fund Claims**

To ensure consistency with the reduction of pension benefits as set forth in "Chapter 1, Section 3, Part II, 5 (11)," modification of rights and repayment method for pension fund claims shall be as follows:

#### **(A) Modification of Rights**

(i) On the day following the day of confirmation of the Reorganization Plan, premium rate on No. 1 pension (company payment portion) relating to premiums for JAL Corporate Pension Fund shall be modified from 49‰ to 43‰.

(ii) On the day following the day of confirmation of the Reorganization Plan, premium rate on special premiums relating to premiums for JAL Corporate Pension Fund shall be modified from 196‰ to 161‰.

#### **(B) Repayment Method**

(i) Premiums that are overdue on the day of confirmation of the Reorganization Plan

A lump-sum payment will be made within three months from the day of confirmation of the Reorganization Plan.

(ii) Premiums that are not yet due on the day of confirmation of the Reorganization Plan

To be paid as stipulated in [Appendix 12-1 Summary of Amended Pension System] "Part II, 2."

### **(4) Provisions concerning the Repayment Method for Domestic Corporate Bond Claims**

A lump-sum payment will be made within three months from the day of confirmation of the Reorganization Plan.

## **6 Interest, etc. Accrued after Commencement of the Corporate Reorganization Proceedings**

To be discharged in its entirety.

## **7 Interests and Damages**

Repayments made under the Reorganization Plan by the respective due dates shall be free of interests and damages.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**8 Modification of Rights for Shares, etc.**

After merging with JALS and JLC, JALI will acquire all outstanding shares gratis, and cancel all of its treasury shares. JALI will receive pay-in from ETIC and issue shares for subscription.

The amounts of new stated capital, etc. of the post-merger JALI are as follows:

Stated capital: 175 billion yen

Capital reserves: 175 billion yen

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 4      Modification of Rights and  
Methods of Repayment and Payment of Reorganization Claims**

**Section 1      Modification of Rights of Overlapping Claims against the Three  
Debtor Companies**

**I            Definition of Overlapping Claims**

In cases where holders of secured reorganization claims or holders of unsecured reorganization claims have fixed secured reorganization claims or fixed unsecured reorganization claims against more than one of the Three Debtor Companies, if the multiple claims are either (i) principal claims and guarantee claims, etc. (including rights to enforce security) or (ii) joint and several claims, where the purpose thereof is the receipt of the same benefit, and where a repayment for one claim extinguishes the other claim, such multiple claims are referred to as overlapping claims.

When the amounts of the multiple claims differ from one another, the overlapping portion will be referred to as the overlapping claim.

**II          Treatment of Overlapping Claim**

1          If one is a secured reorganization claim and the other is an unsecured reorganization claim, the secured reorganization claim will be subject to repayment, and the unsecured reorganization claim will be discharged.

2          If both of the overlapping claims are unsecured reorganization claims, the claim for principal obligation will be subject to repayment, and the claim for performance of the guarantee obligation will be discharged. If the relationship of the overlapping unsecured reorganization claims is either joint liability claims or quasi-joint liability claims, only one will be subject to repayment, and the other will be discharged.

3          If one is a claim consisting of a secured reorganization claim and an unsecured reorganization claim, and the other is an unsecured reorganization claim, Item 1 will be applied to the extent of the secured reorganization claim, and for any portion exceeding this, Item 2 will be applied.

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

4 If one is a claim consisting of a secured reorganization claim and an unsecured reorganization claim, and the other is a secured reorganization claim, and if a part of these claims are overlapping claims, first, one secured reorganization claim will be subject to repayment, and next, Item 1 will be applied for the other secured reorganization claim.

### **III Details of Modification of Rights**

Details of claims enforceable under Part II above shall be as set forth in the column "Enforceable Claims" in [Appendix 8 List of Overlapping Claims], and claims to be discharged in their entirety shall be as set forth in the column "Extinguishing Claims" in the same list.

The Extinguishing Claims will be discharged in their entirety on the day following the day of confirmation of the Reorganization Plan.

TRANSLATION FOR REFERENCE PURPOSE ONLY

Section 2 Secured Reorganization Claims

I Modification of Rights of Secured Reorganization Claims

1 Fixed Secured Reorganization Claims

(1) JALI

(unit: yen)

Type of Collateral	Number of Items	Amount of Fixed Secured Reorganization Claims	Appendix
Aircraft	106	200,134,848,220	15-1□16-1
Real Estate	109	9,391,000,488	15-2□16-2
Spare Motors	44	23,420,215,505	15-3□16-3
Mechanical Equipments	34	3,311,921,275	15-4□16-4
Inventory Goods	10	9,447,386,758	15-5□16-5
Listed Securities	9	16,983,789,386	15-7□16-6
Non-listed Securities	20	18,854,078,003	15-8□16-7
Lease	1	4,320,750	15-6
Deposits	9	9,895,108,836	17
Total	□	291,442,669,221	—

(2) JALS

(unit: yen)

Type of Collateral	Number of Items	Amount of Fixed Secured Reorganization Claims	Appendix
Listed Securities	5	3,742,220,000	16-6

(3) JLC

(unit: yen)

Type of Collateral	Number of Items	Amount of Fixed Secured Reorganization Claims	Appendix
Aircraft	1	800,415,000	15-1

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

(4) Three Debtor Companies in Total

(unit: yen)

Total	□	295,985,304,221	—
-------	---	-----------------	---

**2 Principles on Modification of Rights and Repayment Method**

**(1) Modification of Rights and Repayment Method**

The fixed secured reorganization claims set forth in the Appendixes of Item 1 above shall be repaid in full by means of equal installment payments, once a year every year between 2012 and 2018 on the last day of March, as set forth in the same Appendixes.

However, Part II shall be applied to secured reorganization claims relating to collateral assets slated for disposal, and Part III shall be applied to secured reorganization claims relating to deposits.

**(2) Lump-sum Payment ahead of Schedule**

Notwithstanding the provisions set forth in Paragraph (1) above, with court approval, the Trustees can make repayments of installment debt ahead of schedule.

However, in the case where an early lump-sum payment ahead of schedule is made, if there are holders of secured reorganization claims who have agreed with Trustees not to receive accelerated repayment, Trustee may choose not to make accelerated repayment just to such holders of secured reorganization claims.

**(3) Sale of Collateral Assets for Secured Reorganization Claims**

Upon prior consultation with holders of secured reorganization claims, and with court approval, the Trustees may sell the collateral assets for secured reorganization claims, even if they are not assets slated for disposal with respect to which Part II would be applied, or even after the applicable period of Part II.

Upon the Trustee's written request, secured parties shall provide to the Trustees within two weeks of such request the documents that are necessary to cancel the relevant security interest.

In selling such collateral assets, for secured parties holding interest in such collateral, the Trustees shall convert the relevant security interest into a pledge of fixed-term deposits in the name of Trustees, the amount being the remaining amount of "amount of fixed secured reorganization claims". Thereafter, the security interest remains on the relevant deposits.

However, such conversion into a pledge shall not affect the modification of rights and repayment method for the secured reorganization claims.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**II Provisions in cases where Collateral Assets are Disposed**

**1 Definitions**

**(1) Collateral Assets Slated for Disposal**

“Collateral Assets Slated for Disposal” shall mean the collateral assets for secured reorganization claims set forth in the following Appendixes.

[Appendix 16-1 List of Collateral Assets Slated for Disposal (Aircraft)]

[Appendix 16-2 List of Collateral Assets Slated for Disposal (Real Estate)]

[Appendix 16-3 List of Collateral Assets Slated for Disposal (Movable Property (Spare Motors))]

[Appendix 16-4 List of Collateral Assets Slated for Disposal (Movable Property (Mechanical Equipments))]

[Appendix 16-5 List of Collateral Assets Slated for Disposal (Movable Property (Inventory Goods))]

[Appendix 16-6 List of Collateral Assets Slated for Disposal (Listed Securities)]

[Appendix 16-7 List of Collateral Assets Slated for Disposal (Non-listed Securities)]

**(2) Actual Proceeds**

“Actual Proceeds” shall mean the amount obtained by deducting the costs (excluding consumption tax and local consumption tax) set forth in the List of Costs to be Deducted below from the sale price or the minimum sale guaranteed amount (excluding consumption tax and local consumption tax) for consignment sale with minimum sale price guarantee (only for inventory goods) of each collateral asset.

For costs that are not fixed as of March 10, 2011, the amount estimated by the Three Debtor Companies shall be deducted.

**[List of Costs to be Deducted]**

Real Estate	Aircraft	Spare Motors	Inventory Goods	Mechanical Equipments	Securities
Survey Cost	Sale Maintenance Cost	Transportation Cost	Commission for Payout and Packing	Packing Cost	Commission
Soil Investigation Cost	Maintenance Material Cost	Packing Cost	Transportation Cost	Transportation Cost	Other Sale Costs
Registration	Conservation	Customs	Customs	Cost for	

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

Procedure Cost	and Maintenance Cost	Clearance Commission	Clearance Commission	Carrying-out from Installed Facilities	
Property Transfer Cost	Additional Sale Maintenance Cost	Business Management Commission	Business Management Commission	Customs Clearance Commission	
Building Demolition Cost	Ferry Cost	Agent's Commission	Storage Commission	Agent's Commission	
Property Tax City Planning Tax (*1, *2)	Parking Charge after Line-out	Other Sale Costs	Agent's Commission	Other Sale Costs	
Real Estate Maintenance Cost (*2)	Registration Application Fee		Other Sale Costs		
Agent's Commission	Customs Clearance Commission				
Other Sale Costs	Agent's Commission				
	Other Sale Costs				

\*1 From the day of confirmation of the Reorganization Plan until the day before the closing day of transaction.

\*2 Tax for the period during which the Three Debtor Companies actually used the real estate shall not be deducted and will be borne by the Three Debtor Companies.

(3) Sale, etc.

“Sale, etc.” shall mean sale or consignment sale with minimum sale price guarantee.

(4) Holders of Secured Reorganization Claims having Direct Interest

“Holders of Secured Reorganization Claims having Direct Interest” shall mean, holders of secured reorganization claims whose secured reorganization claim’s amount (hereinafter, the “relevant secured reorganization claim amount”) should have been

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

reduced if the evaluation amount of the collateral assets (hereinafter, the "relevant evaluation amount") were equal to the Actual Proceeds, in situations where the Actual Proceeds from Sale, etc. of Collateral Assets Slated for Disposal fall short of the relevant asset evaluation amount.

(5) **Shortfall of Secured Reorganization Claims**

"Shortfall of Secured Reorganization Claims" shall mean the difference between the relevant evaluation amount and Actual Proceeds, in situations where the Actual Proceeds from Sale, etc. of Collateral Assets Slated for Disposal fall short of the relevant evaluation amount.

(6) **Modified Secured Reorganization Claim Amount**

"Modified Secured Reorganization Claim Amount" shall mean the remaining amount obtained by deducting Shortfall of Secured Reorganization Claims from the relevant secured reorganization claim amount, in situations where the Actual Proceeds from Sale, etc. of Collateral Assets Slated for Disposal fall short of the relevant valuation amount.

(7) **Holders of Unsecured Reorganization Claims having Direct Interest**

"Holders of Unsecured Reorganization Claims having Direct Interest" shall mean, holders of unsecured reorganization claims whose unsecured reorganization claim's amount should have been regarded as secured reorganization claims, if the relevant evaluation amount were equal to the Actual Proceeds, in situations where the Actual Proceeds from Sale, etc. of Collateral Assets Slated for Disposal exceed the relevant evaluation amount.

(8) **Modified Unsecured Reorganization Claim Amount**

"Modified Unsecured Reorganization Claim Amount" shall mean, the amount of unsecured reorganization claims which should have been regarded as secured reorganization claims, if the relevant valuation amount were equal to the Actual Proceeds, in situations where the Actual Proceeds from Sale, etc. of Collateral Assets Slated for Disposal exceed the relevant valuation amount.

## **2 Method of Sale, etc.**

If the Trustees execute a sale and purchase agreement or a consignment sale agreement for Collateral Assets Slated for Disposal upon obtaining court approval by March 10, 2011, the Sale, etc. shall be made as follows:

(1) **In cases where Actual Proceeds exceed the relevant evaluation amount.**

If Collateral Assets Slated for Disposal are Sold, etc., modification of rights and the repayment method for the secured reorganization claims relating to such Collateral

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

Assets Slated for Disposal shall be subject to “3”, Paragraphs (1), (3), and (4) below.

- (2) In cases where Actual Proceeds fall short of the relevant evaluation amount.
  - (E) In cases where Actual Proceeds fall short of the relevant evaluation amount, the Actual Proceeds shall be notified to such holders of security interests before execution of the sale and purchase agreement or the consignment sale agreement (i.e. consignment sale with minimum sale price guarantee as described in “Chapter 4, Section 2, Part II, 1, Paragraph (2)”).
  - (F) Within one (1) month after receipt of the notification above, if the holders of security interests make an offer to the Trustees that the holders themselves or another third party purchase the relevant collateral assets under the sale conditions wherein the price is higher than the Actual Proceeds as set forth in Sub-paragraph (A) under the delivery conditions as designated by the Trustees, the Trustees may sell the objects under the offered conditions.
  - (G) The offer made by the holders of security interests under Sub-paragraph (B) shall specify the collateral assets to be sold, the purchase price, and delivery conditions.
  - (H) If there is no offer under Sub-paragraph (B), the Trustees shall sell the objects at the price of Actual Proceeds set forth in Sub-paragraph (A).
  - (I) If the relevant collateral assets are Sold, etc., modification of rights and the repayment method for the secured reorganization claims relating to such collateral assets shall be subject to “3”, Paragraphs (2), (3), and (4).

### **3 Principles on Modification of Rights and Repayment Method**

- (1) Modification of rights in cases where Actual Proceeds exceed the relevant evaluation amount.
  - (A) In cases where Actual Proceeds exceed the relevant evaluation amount, in addition to the relevant evaluation amount, a “Modified Unsecured Reorganization Claim Amount” shall be repaid to “Holders of Unsecured Reorganization Claims having Direct Interest.”

In this situation, the effect of discharge for unsecured reorganization claims held by “Holders of Unsecured Reorganization Claims having Direct Interest” shall be cancelled to the extent of the “Modified Unsecured Reorganization Claim Amount.” The effect of discharge shall be cancelled in the order of the principle, interests accrued before commencement, and damages, among the secured claims of such secured reorganization claims.
  - (B) In the case of (A), if “Holders of Unsecured Reorganization Claims having

## TRANSLATION FOR REFERENCE PURPOSE ONLY

Direct Interest” have already received repayments for the portion of the “Modified Unsecured Reorganization Claim Amount” as repayment for unsecured reorganization claims, such already-repaid amount shall be deducted from the amount to be additionally repaid. If “Holders of Unsecured Reorganization Claims having Direct Interest” receive additional repayments, repayments for unsecured reorganization claims shall not be made in relation to such portion of “Modified Unsecured Reorganization Claim Amount.”

(2) Modification of rights in cases where Actual Proceeds fall short of the relevant evaluation amount.

(A) In cases where Actual Proceeds fall short of the relevant evaluation amount, secured reorganization claims held by “Holders of Secured Reorganization Claims having Direct Interest” shall be divided into the portion of “Modified Secured Reorganization Claim Amount” and the portion of “Shortfall of Secured Reorganization Claims,” and the repayments shall be made pursuant to Sub-paragraph (B).

(B) “Modified Secured Reorganization Claim Amount” shall be paid in full. As for “Shortfall of Secured Reorganization Claims,” installment payments shall be made for the amount after discharge in accordance with the modification of rights for unsecured reorganization claims set forth in “Chapter 4, Section 4, Part II.”

In this case, the difference between “Shortfall of Secured Reorganization Claims” and repayment amount shall be discharged upon the first repayment of such repayment amount after discharge.

(3) Repayment Method and Timing (principle)

If Collateral Assets Slated for Disposal are Sold, etc, Actual Proceeds (in the case of Paragraph (1) (B), the remaining amount after deducting the already-paid amount from Actual Proceeds) shall be paid in full to holders of secured reorganization claims holding interest in such collateral assets within one (1) month after a purchase price or a minimum guaranteed amount in a consignment sale is fully paid (if delivery of the collateral asset is earlier than payment, after delivery).

(4) Principles concerning Repayment Timing for Secured Reorganization Claims relating to Inventory Goods and Spare Motors

For inventory goods and spare motors subject to a floating lien of secured reorganization claims, if a sale and purchase agreement or a consignment sale agreement is executed by March 10, 2011, Actual Proceeds shall be repaid within one (1) month after the purchase price, etc. is paid (if delivery of the object is earlier than payment, after delivery). If a sale and purchase agreement or a consignment sale agreement is not

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

executed by March 10, 2011, fixed secured reorganization claims shall be repaid pursuant to "Section 2, Part I, 2."

**4 Treatment in cases of Failure of Sale, etc.**

In cases where a sale and purchase agreement or a consignment sale agreement for the collateral assets for secured reorganization claims is not executed by March 10, 2011, or despite of execution of a sale and purchase agreement, etc., the transaction thereof is not carried out, fixed secured reorganization claims shall be repaid pursuant to "Section 2, Part I, 2."

In the event that a sale and purchase agreement is executed but the transaction thereof is not carried out, at the installment due date coming first after the date on which the failure of transaction becomes definite, the installment payments already overdue shall also be repaid in addition to the installment for that due date.

**5 In cases where there is more than one secured reorganization claim of the same order of priority**

In cases where there is more than one secured reorganization claim of the same order of priority, the amount calculated by proportionally dividing Actual Proceeds in accordance with maximum secured amounts, etc. (for revolving mortgages, the maximum secured amount or amount of secured claim, whichever is the lower, and for normal mortgages, the amount of secured claim. Hereinafter the same.) of each holder of secured reorganization claim holding interest in the relevant collateral shall be considered as the amount to be repaid to each holder of secured reorganization claim.

**6 In cases where there are secured reorganization claims of different orders of priority**

In cases where there are secured reorganization claims of different orders of priority, Actual Proceeds shall be allocated, in accordance with such order, up to the "maximum secured amount, etc." (in cases where there is more than one secured reorganization claim of the same order of priority, the total amount of "maximum secured amount, etc." of each holder of secured reorganization claim) of each holder of secured reorganization claim, and such allocated amount (in cases where there are holders of more than one secured reorganization claim of the same order of priority, the amount proportionally allocated to each holder of secured reorganization claim pursuant to Item 5) shall be considered as the amount to be repaid to each holder of secured reorganization claim.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**III Special Provisions on Secured Reorganization Claims relating to Deposits**

**1 In cases where the security interests were converted into pledges of deposits before fixation of the amount of secured reorganization claims.**

Fixed amount of secured reorganization claims shall be paid in full within one (1) month from the day of confirmation of the Reorganization Plan (if the approximate costs to be deducted are not yet fixed as of the day of confirmation of the Reorganization Plan, either the day of fixation or March 10, 2011, whichever comes earlier).

**2 In cases where the security interests are converted into pledges of deposits after fixation of the amount of secured reorganization claims but before confirmation of the Reorganization Plan**

If the collateral for secured reorganization claims at the time of commencement of the corporate reorganization proceedings are properties other than deposits, and the security interests are converted into pledges of deposits upon disposal of such property after fixation of the amount of such secured reorganization claims, the secured reorganization claims shall be modified and repayment shall be made in accordance with the provisions provided for in "Section 2, Part II, 3 (1) or (2)." In this case, the term "Actual Proceeds" in the same provisions shall be deemed to be replaced with "the amount of deposits as the pledged collateral."

In cases where disposal of properties and conversion of security interests are carried out after submission of the Reorganization Plan but before confirmation of the Reorganization Plan, the principles above shall apply only if the collateral is Collateral Assets Slated for Disposal, and if the collateral is other property, modification of rights and repayment shall be carried out in accordance with the provisions provided for in "Section 2, Part I, 2 (3)."

**3 Adjustment of approximate costs to be deducted**

In cases of 1 or 2 above, in converting security interests into pledges of deposits, if the deposit amount is the sale price of the collateral deducted by the approximate amount of costs necessary to make a sale, the costs shall be adjusted at the time of repayment of secured reorganization claims. If the fixed amount of costs falls short of the approximate amount of costs, the difference shall be additionally repaid in accordance with the repayment of such secured reorganization claims. If the fixed amount of costs exceeds the approximate amount of costs, the difference shall be deducted from the

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

amount to be repaid for such secured reorganization claims. However, if the amount of costs necessary to make a sale is not fixed by March 10, 2011, the costs shall not be adjusted.

TRANSLATION FOR REFERENCE PURPOSE ONLY

Section 3 Preferred Reorganization Claims

I Taxes

1 Fixed Reorganization Claims [Three Debtor Companies in Total]

(unit: yen)

Number of Creditors	Amount of Filed Claim	Breakdown		Appendix
		Principal Tax, etc.	Overdue Tax, etc. *	
116	3,362,174,540 plus undetermined amount	3,357,621,840 plus undetermined amount	4,538,100 plus undetermined amount	10-1

\* Overdue taxes, etc. accrued until the day before the day of commencement of corporate reorganization proceedings, and overdue taxes, etc. accrued on and after the day of commencement of corporate reorganization proceedings.

2 Modification of Rights

For the taxes set forth in the Appendix of 1 above, overdue taxes, etc. accrued up to the period of one (1) year starting from the day of commencement of corporate reorganization proceedings, and overdue taxes accrued until full payment is made from the day of confirmation of the Reorganization Plan, shall be discharged in full on the day following the day of confirmation of the Reorganization Plan.

3 Method of Payment

The amount after discharge pursuant to the preceding paragraph shall be paid in full either within one (1) month from the day of confirmation of the Reorganization Plan or on January 19, 2011, whichever comes first.

II Labor Claims

1 Fixed Reorganization Claims [Three Debtor Companies in Total]

(unit: yen)

Number of Creditors	Amount of Filed Claim	Appendix
2,089	3,928,599,864 plus undetermined amount	10-1

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### 2 Modification of Rights

For retirement lump sum grants (claims with File Number 8-1 to 8-352 set forth in [Appendix 10-2 Table of Repayment Plan for Preferred Reorganization Claims (Labor Claims)]), retirement pension claims (claims with File Number 9-1 to 11-598 set forth in [Appendix 10-2 Table of Repayment Plan for Preferred Reorganization Claims (Labor Claims)]), and loss-of-license pension claims (claims with File Number 12-1 to 12-51 set forth in [Appendix 10-2 Table of Repayment Plan for Preferred Reorganization Claims (Labor Claims)]), fixed reorganization claims shall be paid in full. However, interest etc. accrued after commencement of the corporate reorganization proceedings shall be discharged in its entirety on the day following the day of confirmation of the Reorganization Plan.

### 3 Repayment Method

(1) For retirement lump sum grants, lump-sum payment of the full amount of fixed reorganization claims shall be made within three (3) months from the day of confirmation of the Reorganization Plan.

(2) For retirement pension claims, monthly pension shall be paid on the due dates set forth in "Employee Retirement Pension Rules," "Crew Pension Rules," and "Ground Managers' Rules for 2<sup>nd</sup>- and 3<sup>rd</sup>-Level Career Choice System" (See [Appendix 10-2]\*1).

However, for retirement pension claims which are already due on the day of confirmation of the Reorganization Plan, a full payment shall be made within three (3) months from the day of confirmation of the Reorganization Plan.

In cases where some payment has already been made in relation to retirement pension claims before the day of confirmation of the Reorganization Plan, such already-paid amount shall be deducted from the amount to be paid pursuant to the preceding sentence.

(3) For loss-of-license pension claims, monthly pension shall be paid on the due date set forth in "Rules for Loss-of-license Pension Insurance System" (See [Appendix 10-2]).

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Section 4 Unsecured Reorganization Claims**

**I Fixed Reorganization Claims [Three Debtor Companies in Total]**

Number of Creditors	Amount of Fixed Claims	Amount of Fixed Remaining Claims	Appendix
215	1,356,060,792,878 JPY plus undetermined amount	553,046,345,222 JPY plus undetermined amount	11-1 to 11-4
	811,831,558.38 USD plus undetermined amount	811,831,558.38 USD plus undetermined amount	
	1,796,949 KRW plus undetermined amount	1,796,949 KRW plus undetermined amount	

**II Modification of Rights and Repayment Method**

**1 Remaining Fixed Claims**

“Remaining Fixed Claims” shall mean unsecured reorganization claims after deducting the amount of overlapping claims against the Three Debtor Companies which are extinguished pursuant to “Chapter 4, Section 1” from the amount of fixed unsecured reorganization claims.

**2 Principles on Modification of Rights**

Of Remaining Fixed Claims, 87.5% of Unsecured Principal Claims shall be discharged on the day following the day of confirmation of the Reorganization Plan.

Of Remaining Fixed Claims, interest etc. accrued after commencement of the corporate reorganization proceedings shall be discharged in its entirety on the day following the day of confirmation of the Reorganization Plan.

**3 Repayment Method**

For the amount remaining after the discharge, equal installment payments shall be made once a year between 2012 and 2018 on the last day of March.

**4 Accelerated Lump-sum Repayment**

Notwithstanding the preceding paragraph 3, with court approval, the Trustees may make a payment for unpaid claims ahead of schedule.

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

In the case where an early lump-sum payment ahead of schedule is made, if there are holders of unsecured reorganization claims who have agreed with Trustees not to receive accelerated repayment, Trustee may choose not to make accelerated repayment just to such holders of unsecured reorganization claims.

### **III Provisions on Rights to Demand Performance of Guarantee Liabilities**

Rights to demand performance of guarantee liabilities set forth in [Appendix 11-2 Table of Repayment Plan for Reorganization Claims (Guarantee Claims)] shall be treated as follows:

1 As long as the primary debtor continues to make the stipulated repayments, modification of rights and repayment pursuant to "Section 4, Part 2" are suspended. In the event that the acceleration clause is invoked against the primary debtor, on the day the Trustees receive notice, the balance remaining after deducting the amount paid by the primary debtor until such day from the fixed unsecured reorganization claim amount is deemed the fixed unsecured reorganization claim amount, and "Section 4, Parts 2 and 3" shall be applied. If there are installment payments already overdue on the day the Trustees receive notice, the amounts already due shall be additionally paid on the first installment due date that comes after such day.

2 In the event that the holders of unsecured reorganization claims receive payments from third parties such as the primary debtor or a guarantor other than the respective Debtor Companies, and the sum of repayments received from such primary debtors, etc., and from the Debtor Companies reaches the amount of fixed claims, payments thereafter shall be discharged.

3 If the same holder of unsecured reorganization claims has a right to demand performance of guarantee liabilities for which the primary debtor continues to make the stipulated repayments and also a right to demand performance of guarantee liabilities for which the acceleration clause has been invoked against the primary debtor, Items 1 and 2 shall be applied on a pro-rata basis based on the principal amount of the respective the primary obligations.

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### IV Provisions concerning JAL Corporation Pension Fund Claims

#### 1 Modification of Rights

To ensure consistency with the reduction of pension benefits as set forth in "Chapter I, Section 3, Part II, 5 (11)," modification of rights shall be carried out with regards to claims set forth in [Appendix 11-4 Table of Repayment Plan for Reorganization Claims (JAL Corporation Pension Fund)] as follows:

- (1) On the day following the day of confirmation of the Reorganization Plan, premium rate on No. 1 pension (company payment portion) relating to premiums for JAL Corporate Pension Fund shall be modified from 49‰ to 43‰.
- (2) On the day following the day of confirmation of the Reorganization Plan, premium rate on special premiums relating to premiums for JAL Corporate Pension Fund shall be modified from 196‰ to 161‰.

#### 2 Repayment Method

- (1) Premiums that are overdue on the day of confirmation of the Reorganization Plan

A lump-sum payment will be made within three months from the day of confirmation of the Reorganization Plan.

- (2) Premiums that are not yet due on the day of confirmation of the Reorganization Plan

To be paid as stipulated in [Appendix 12-1 Summary of Amended Pension System] "Part II, 2."

#### 3 Supplemental Explanation relating to Modification of Rights

According to the estimation as of March 25, 2010, the balance of undepreciated past service claims, which are obligations of JALI to the JAL Corporation Pension Fund (special premiums income cost in the fund finance), shall be (1) increased by approximately 175 billion yen by reducing the planned rate, which is the basis for the calculation of premiums, from the current rate of 4.5% per annum to the rate of 1.5% per annum, but (2) the balance of undepreciated past service claims after the increase pursuant to (1) above shall be reduced by approximately 221 billion yen by modification of rights pursuant to "1" (reduction rate approximately 67%).

As a result of such modification of planned rate and modification of rights, the balance of undepreciated past service claims shall be reduced by 46 billion yen (reduction rate approximately 30%) in comparison to before modification of rights under the

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

Reorganization Plan (See [Appendix 12-2 Amendments of Pension System] 2. How the modification of rights under the Reorganization Plan affects the balance of undepreciated past service claims (special premiums income cost in the fund finance)).

### **V Provisions concerning the Repayment Method for Domestic Corporate Bond Claims**

For domestic corporate bond claims set forth in [Appendix 11-3 Table of Repayment Plan for Reorganization Claims (Domestic Bond)], a lump-sum payment shall be made within three months from the day of confirmation of the Reorganization Plan.

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### Section 5 Other Matters relating to Repayment

#### 1 Place, etc. of Repayment and Payment

Repayment under the Reorganization Plan shall be made at the head office of the respective Three Debtor Companies at the time of repayment.

However, if the holders of Reorganization Claims desire in writing to receive repayments by remittance to their domestic bank and postal savings accounts, the Trustees may make repayments by such way of remittance. In this case, transfer fees shall be borne by the respective Three Debtor Companies.

If the due dates are a bank holiday, repayments shall be made on the following business day.

#### 2 Treatment of Waiver or Withdrawal of Reorganization Claims, etc.

In the event that Reorganization Claims are partially waived or withdrawn, the provisions concerning modification of rights and repayment method in the Reorganization Plan shall be applied based on the remaining claim amount.

#### 3 Treatment of Assignment of Claims

In the event that secured reorganization claims and/or unsecured reorganization claims are assigned or transferred, the provisions concerning modification of rights and repayment method in the Reorganization Plan shall be applied based on the claim amount before such assignment or transfer.

In the event that secured reorganization claims and/or unsecured reorganization claims are partially assigned or transferred, both of the assigning or transferring party and the receiving party shall be responsible for discharge on a pro-rata basis in accordance with their claim amount.

#### 4 Deduction from Amount to be Repaid

If payments for Reorganization Claims are partially made based on repayment approval, etc. of the court, such paid amount shall be deducted from the amount to be repaid under the Reorganization Plan.

#### 5 Treatment of Fractions

Fractions of less than one (1) yen (in the case of foreign currency claims, less than the unit set forth in the column "Minimum Monetary Circulation" in the table in Item 6 below) of the claim amount after discharge, which arise due to the modification of

## TRANSLATION FOR REFERENCE PURPOSE ONLY

rights of Reorganization Claims, shall be rounded down.

Fractions which arise due to equal installment payments shall be rounded down from the first installment payment to the sixth installment payment. At the seventh installment payment, it shall be added.

### 6 Repayment for Foreign Currency Claims

For foreign currency claims, the amount after modification of rights shall be repaid pursuant to the Reorganization Plan either in such foreign currency or in yen converted at the rate on the day that the order to commence reorganization proceedings was rendered as set forth in the table below, at the Trustees' option.

Fractions of less than one (1) yen which arise due to conversion shall be rounded down.

Foreign Currency	Rate on the day that the order to commence reorganization proceedings was made	Minimum Monetary Circulation
1 EUR	130.63000 yen	cent
1 HKD	11.69000 yen	cent
1 KRW	0.08090 yen	KRW
1 THB	2.76000 yen	satang
1 USD	90.75000 yen	cent
1 GBP	148.88000 yen	pence

### 7 Interests and Damages

Repayments made under the Reorganization Plan by the respective due dates shall be free of interests and damages.

## TRANSLATION FOR REFERENCE PURPOSE ONLY

### Chapter 5 Treatment of Unfixed Reorganization Claims, etc.

#### I Pending Motion for Examination of Reorganization Claims

##### 1 Reorganization Claims for which a motion for succession was made

In relation to unsecured reorganization claims set forth in [Appendix 14-1 List of Unfixed Unsecured Reorganization Claims (Motion for Succession)], since the Trustees denied the amount set forth in the column “Denied Amount” in the same Appendix, a motion for succession was filed with regard to the suspended legal proceedings. Those cases are still pending.

##### 2 Reorganization Claims for which a motion for examination of reorganization claims, etc. was made

In relation to Reorganization Claims set forth in [Appendix 13 List of Unfixed Secured Reorganization Claims ] and [Appendix 14-2 List of Unfixed Unsecured Reorganization Claims (Motion for Examination)], since the Trustees denied the amount set forth in the column “Denied Amount” in the same Appendixes, a motion for examination of reorganization claims was filed. Those cases are still pending.

##### 3 Sum of Unfixed Reorganization Claims

###### (1) Secured Reorganization Claims

1,927,361,501 JPY

###### (2) Unsecured Reorganization Claims

□632,563,432 JPY

□1,908,261.21 USD

□223,927.74 GBP

□662,543.00 HKD

Plus undetermined amount.

#### II Treatment of Unfixed Reorganization Claims

##### 1 Unfixed Secured Reorganization Claims

With regards to creditors set forth in [Appendix 13 List of Unfixed Secured Reorganization Claims], if such creditors’ unfixed secured reorganization claims are fixed, the provisions set forth in “Chapter 4, Section 2” shall be applied to the amount

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

fixed as secured reorganization claims, and the provisions set forth in “Chapter 4, Section 4” shall be applied to the amount fixed as unsecured reorganization claims. In this situation, if there are unpaid installments that are already overdue, they shall also be repaid in addition to the installment at the installment due date falling first after the fixation.

### **2 Unfixed Unsecured Reorganization Claims**

With regards to creditors set forth in [Appendix 14-1 List of Unfixed Unsecured Reorganization Claims (Motion for Succession)] and [Appendix 14-2 List of Unfixed Unsecured Reorganization Claims (Motion for Examination)], if such creditors’ unfixed unsecured reorganization claims are fixed, the provisions set forth in “Chapter 4, Section 4” shall be applied to the amount fixed as unsecured reorganization claims. In this case, if there are unpaid installments that are already overdue, they shall also be repaid in addition to the installment at the installment due date falling first after the fixation.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 6 Treatment of Security Interests, etc.**

**Section 1 Treatment of Security Interests**

**I Remaining Security Interests**

**1 Collateral Assets for Continued Holding, etc.**

Secured reorganization claims set forth in the following Appendixes shall remain the same as before, even after the confirmation of the Reorganization Plan, by modifying the amount of secured claims to the amount set forth in the column "Fixed Amount of Secured Reorganization Claims" in the respective Appendixes.

[Appendix 15-1 List of Collateral Assets for Continued Holding (Aircraft)]

[Appendix 15-2 List of Collateral Assets for Continued Holding (Real Estate)]

[Appendix 15-3 List of Collateral Assets for Continued Holding (Movable Property (Spare Motors))]

[Appendix 15-4 List of Collateral Assets for Continued Holding (Movable Property (Mechanical Equipments))]

[Appendix 15-5 List of Collateral Assets for Continued Holding (Movable Property (Inventory Goods))]

[Appendix 15-7 List of Collateral Assets for Continued Holding (Listed Securities)]

[Appendix 15-8 List of Collateral Assets for Continued Holding (Non-listed Securities)]

[Appendix 17 List of Pledged Deposits]

**2 Collateral Assets Slated for Disposal**

Secured reorganization claims set forth in the following Appendixes shall remain the same as before, even after the confirmation of the Reorganization Plan, by modifying the amount of secured claims to the amount set forth in the column "Fixed Amount of Secured Reorganization Claims" in the respective Appendixes.

However, at the time of closing of a sale and purchase agreement or a consignment sale agreement which the Trustees have executed with court approval under the provisions set forth in "Chapter 4, Section 2, Part II," such secured reorganization claims shall be extinguished.

In this situation, upon the Trustees' prior written request, holders of such security interests shall provide the Trustees with all documents which are necessary for the

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

procedure for deregistration of a security interest and other cancellation of a security interest, by the day of the execution of such sale and purchase agreement or such consignment sale agreement.

[Appendix 16-1 List of Collateral Assets Slated for Disposal (Aircraft)]

[Appendix 16-2 List of Collateral Assets Slated for Disposal (Real Estate)]

[Appendix 16-3 List of Collateral Assets Slated for Disposal (Movable Property (Reserved Motors))]

[Appendix 16-4 List of Collateral Assets Slated for Disposal (Movable Property (Mechanical Equipments))]

[Appendix 16-5 List of Collateral Assets Slated for Disposal (Movable Property (Inventory Goods))]

[Appendix 16-6 List of Collateral Assets Slated for Disposal (Listed Securities)]

[Appendix 16-7 List of Collateral Assets Slated for Disposal (Non-listed Securities)]

### **3 Security Interests on Leased Properties**

Security interests relating to the lease set forth in [Appendix 15-6 List of Collateral Assets for Continued Holding (Lease Properties)] shall remain even after the confirmation of the Reorganization Plan, by modifying the amount of secured claims to the amount set forth in the column "Fixed Amount of Secured Reorganization Claims" in the same Appendix.

Security interests relating to the lease shall be extinguished at the time of completion of repayments under "Chapter 4, Section 2, Parts I and II."

### **II Extinguishing Security Interests**

Except for security interests set forth in Appendixes 15 through 17, all security interests attached on the Three Debtor Companies' assets shall be extinguished on the day of the confirmation of the Reorganization Plan.

### **III Treatment of Fire Insurance, etc.**

1 Among the buildings set forth in Appendixes 15-2 and 16-2 and the aircraft set forth in Appendixes 15-1 and 16-1, for those aircrafts, etc. which have been marked "Positive" in the column "Security Attached to Claims for Insurance Proceeds" therein, fire insurance contracts and damage insurance contracts which have been executed by the

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

Trustees at the time of the confirmation of the Reorganization Plan shall be renewed even after the period of insurance has lapsed, so that the insurance level remains the same as the prior contracts. The Trustees shall establish a pledge on claims for insurance proceeds under such renewed insurance contracts or assign such claims for security purpose, for the holders of the security interests set forth in the respective appendixes above.

2 In the event an insurance accident happens in relation to the buildings or aircraft which are insured by the insurance contracts set forth in 1 above, at the Trustees' discretion, the insurance proceeds may be used for the purpose of restoration of damaged buildings, etc. or for obtaining replacements thereof. In this situation, if the Trustees choose to obtain a replacement, they shall establish on such replacement the same security interest as the one established on the buildings, etc. that suffered the insurance accident. The Trustees shall also establish a security interest on the claims for insurance proceeds under the new insurance contracts or assign such insurance claims for security purposes in the same manner as before. If the insurance proceeds are not used either for restoration of damaged buildings, etc. or for obtaining replacements thereof, the Trustees shall carry out the conversion of the security interest into a pledge of a fixed-term deposit in the name of Trustees. Thereafter, the security interest remains on the relevant deposits.

### **Section 2 Treatment in cases where Assets are Disposed**

#### **I Disposal of the Objects of Secured Reorganization Claims**

##### **1 Collateral Assets for Continued Holding**

Upon prior consultation with holders of secured reorganization claims, and with court approval, the Trustees may sell the collateral for secured reorganization claims set forth in the following Appendixes.

Secured reorganization claims set forth in the following Appendixes shall be extinguished at the time of closing of a sale and purchase agreement or a consignment sale agreement which the Trustees have executed with court approval.

[Appendix 15-1 List of Collateral Assets for Continued Holding (Aircraft)]

[Appendix 15-2 List of Collateral Assets for Continued Holding (Real Estate)]

[Appendix 15-3 List of Collateral Assets for Continued Holding (Movable Property (Spare Motors))]

## TRANSLATION FOR REFERENCE PURPOSE ONLY

[Appendix 15-4 List of Collateral Assets for Continued Holding (Movable Property (Mechanical Equipments))]

[Appendix 15-5 List of Collateral Assets for Continued Holding (Movable Property (Inventory Goods))]

[Appendix 15-7 List of Collateral Assets for Continued Holding (Listed Securities)]

[Appendix 15-8 List of Collateral Assets for Continued Holding (Non-listed Securities)]

In this case, upon the Trustees' prior written request, holders of such security interests shall provide the Trustees with all documents which are necessary for the procedure for deregistration of a security interest and other cancellations of a security interest, by the day of the execution of such sale and purchase agreement or such consignment sale agreement.

### **2 Disposal of Collateral Assets Slated for Disposal after the Applicable Period of the Provision has Lapsed**

The collateral assets for secured reorganization claims set forth in the following Appendixes may be sold in the same manner as 1 above, even after March 10, 2011, which is after the applicable period of "Chapter 4, Section 2, Part II".

Secured reorganization claims set forth in the following Appendixes shall be extinguished at the time of closing of a sale and purchase agreement or a consignment sale agreement which the Trustees execute with court approval.

[Appendix 16-1 List of Collateral Assets Slated for Disposal (Aircraft)]

[Appendix 16-2 List of Collateral Assets Slated for Disposal (Real Estate)]

[Appendix 16-3 List of Collateral Assets Slated for Disposal (Movable Property (Spare Motors))]

[Appendix 16-4 List of Collateral Assets Slated for Disposal (Movable Property (Mechanical Equipments))]

[Appendix 16-5 List of Collateral Assets Slated for Disposal (Movable Property (Inventory Goods))]

[Appendix 16-6 List of Collateral Assets Slated for Disposal (Listed Securities)]

[Appendix 16-7 List of Collateral Assets Slated for Disposal (Non-listed Securities)]

In this case, upon the Trustees' prior written request, holders of such security interests shall provide the Trustees with all documents which are necessary for the procedure for de registration of a security interest and other cancellations of a security

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

interest, by the day of execution of such sale and purchase agreement or such consignment sale agreement.

### **II Conversion into Pledges of Deposits**

If it becomes necessary to sell or otherwise dispose of the respective collateral set forth in Part 1, due to reasons such that they are no longer necessary, the Trustees shall, for secured parties holding interest in such collateral, convert the relevant security interest into a pledge against fixed-term deposits in the name of Trustees, the amount being the remaining amount of "amount of fixed secured reorganization claims". Thereafter, the security interest remains on the relevant deposits.

However, such conversion into a pledge shall not affect the modification of rights and repayment method for the secured reorganization claims.

### **III Withdrawal from Pledged Deposits**

1 In order to make repayments under "Chapter 4" to holders of secured reorganization claims having pledges on pledged deposits, the trustees may withdraw the same amount from the pledged deposits.

2 In the case of 1 above, the pledge shall be extinguished to the extent of the amount to be withdrawn, when the Trustees notify the holders of such secured reorganization claims such withdrawal from the pledged deposit in order to make repayments to such holders of secured reorganization claims.

### **Section 3 Burden of Expense**

Expenses such as registration and license tax, etc. which are necessary for registration procedures under this chapter shall be borne by the respective Three Debtor Companies.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 7      Way of Raising Funds for Repayment**

**I      Raising Funds for Repayment**

Funds for Repayment of Secured Reorganization Claims and Reorganization Claims shall be as follows:

- (i)      Cash and deposits, and operating revenue
- (ii)     Paid-in capital for issuance of new shares
- (iii)    Loans upon court approval
- (iv)    Proceeds from sale of assets

**II     Use of Proceeds Exceeding Expectation**

Should any proceeds exceeding expectation arise during the course of implementation of the Reorganization Plan, as a general rule, such proceeds shall be used to pay for costs needed for the implementation of the Reorganization Plan, working capital needed for operation of company (including reserve fund in case of an emergency), or payments of common benefit claims, etc. or repayment of loans, upon court approval.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 8      Repayment of Common Benefit Claims**

**I      Paid Common Benefit Claims**

Common benefit claims paid by the Debtor Companies from the day on which the order to commence reorganization proceedings was rendered until May 31, 2010 are as set forth in [Appendix 19 Payment Figures of Common Benefit Claims and Table of Outstanding Balance].

**II      Unpaid Common Benefit Claims**

Unpaid common benefit claims of the Debtor Companies as of May 31, 2010 are as set forth in [Appendix 19 Payment Figures of Common Benefit Claims and Table of Outstanding Balance].

**III      Repayment Method for Common Benefit Claims**

Unpaid common benefit claims and common benefit claims which emerge on or after June 1, 2010 up to the completion of the reorganization proceedings shall be repaid on an as needed basis.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 9      Repayment of Small Claims**

Small claims paid by the Three Debtor Companies under Article 47, Paragraph (5) latter clause of the Corporate Reorganization Act with court approval are as set forth in [Appendix 18 List of Paid Reorganization Claims].

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 10 Treatment concerning Rights in Dispute**

For rights in dispute relating to the Three Debtor Companies, the Trustees shall carry out litigation, settlement, or arbitration, etc. until the completion of the reorganization proceedings. In cases where it becomes necessary to make settlement or arbitration, the Trustees shall do so by obtaining court approval (including comprehensive approval).

After completion of the reorganization proceedings, the three companies shall seek for reasonable and proper resolution for themselves.

TRANSLATION FOR REFERENCE PURPOSE ONLY

Chapter 11 Treatment of Companies

Section 1 Merger of the Three Debtor Companies

I Terms and Conditions of Merger

The Three Debtor Companies shall carry out an absorption and merger under the following terms and conditions:

(1) Name and Address of the Company Surviving after Absorption and Merger

JALI shall survive after absorbing JALS and JLC, and JALS and JLC shall be extinguished.

The name of JALI is *Kabushiki Kaisha Nihon Koukuu International* (after amendment of articles of incorporation under "Chapter 11, Section 7," the name will be *Nihon Koukuu Kabushiki Kaisha*, and the English name will be "Japan Airlines Co., Ltd."), and the address is 2-4-11, Higashi-shinagawa, Shinagawa-ku, Tokyo.

(2) Name and Address of the Company Extinguishing after Absorption and Merger

The names of JALS and JLC, which shall extinguish due to merger, are *Kabushiki Kaisha Nihon Koukuu* and *Kabusiki Kaisha JAL Capital*, respectively. The address of both companies is 2-4-11, Higashi-shinagawa, Shinagawa-ku, Tokyo.

(3) Succession of Rights and Obligations

JALI shall be successor to all rights and obligation, such as assets and debts, of JALS and JLC.

(4) Merger Consideration for Holders of Secured Reorganization Claims, etc. and Shareholders, etc.

(i) In carrying out merger, JALI shall distribute to shareholders holding common shares in JALS (excluding JALS, itself) and shareholders holding A-class shares in JALS one common share in JALI for each common share and A-class share. Shareholders of JALS shall not be required to submit certificates. Certificates shall not be distributed in relation to JALI's common shares distributed hereunder, and such shares shall be immediately acquired gratis and cancelled by JALI pursuant to "Chapter 11, Section 2, Part I."

(ii) Except as provided in the preceding paragraph, in carrying out the merger, JALI shall not deliver shares, money, or any other properties to holders of secured reorganization claims, holders of unsecured reorganization claims, shareholders, and holders of new share subscription rights against JALS and JLC.

## TRANSLATION FOR REFERENCE PURPOSE ONLY

(5) **Effective Date of Merger**

The effective date of the merger shall be the day following the day of confirmation of the Reorganization Plan.

Provided, however, that the Trustees may change the effective date with court approval.

(6) **Matters regarding the Amount of Capital and Reserve of JALI**

JALI shall not increase the amount of its capital and reserve by the merger. If the amount of other shareholders' equity changes by the merger, it shall be dealt with in accordance with reasonable accounting standards in Japan.

## **II Extinguishment of Internal Claims Associated with the Merger**

All internal reorganization claims and other claims and obligations among the Three Debtor Companies shall extinguish when the merger of the Three Debtor Companies under Part I takes effect (extinguishment of internal claims). Extinguished reorganization claims (all are unsecured reorganization claims) among the Three Debtor Companies shall be as set forth in [Appendix 7 List of Internal Claims].

### **Section 2 Modification of Shareholder's Rights, etc.**

#### **I Modification of Rights of JALI's Shareholders**

##### **1 Acquisition of Shares**

After merger of the Three Debtor Companies and extinguishment of internal claims under "Chapter 11, Section 1," JALI shall acquire all of its outstanding shares gratis, under the following terms and conditions:

(1) **Class of Share to be Acquired and Number by Class**

Common Shares 3,343,049,273 shares (all of outstanding common shares excluding treasury shares)

(2) **Day on which the shares set forth in the preceding paragraph shall be acquired.**

Day following the day of confirmation of the Reorganization Plan

Provided, however, that the Trustees may change the acquisition date with court approval.

##### **2 Cancellation of Shares**

JALI shall, at the same time as the acquisition of shares under Item 1, cancel all its

## **TRANSLATION FOR REFERENCE PURPOSE ONLY**

treasury shares including shares acquired under 1 above.

### **3 Reduction of Capital and Capital Reserve and Disposition of Capital Surplus**

After acquisition and cancellation of shares under 1 and 2 above, JALI shall reduce its capital and capital reserve, and dispose its capital surplus under the following terms and conditions:

(1) **Amount of Capital and Capital Reserve to be Reduced and Capital Surplus to be Disposed**

200 billion yen (full amount of capital)

125 billion yen (full amount of capital reserve)

Full amount of other capital surplus

Full amount of special depreciation reserve

(2) **Day on which the reduction of capital and capital reserve and the disposition of capital surplus take effect**

Day following the day of confirmation of the Reorganization Plan

Provided, however, that the Trustees may change the effective date with court approval.

### **4 Other Matters**

Other capital surplus which arises due to the reduction of amount of capital and capital reserve, as well as pre-existing other capital surplus shall be used for loss disposition of retained earnings brought forward.

## **II Issuance of JALI's Share for Subscription**

After the modification of shareholders' rights under Part I takes effect, JALI shall issue shares for subscription by newly received pay-in, under the following terms and conditions:

(1) **Class and Number of Shares for Subscription**

Common shares 175,000,000 shares

(2) **Amount to be Paid**

2,000 yen per share

(3) **Due Date of Payment in Exchange for Shares for Subscription**

Day following the day of confirmation of the Reorganization Plan

Provided, however, that the Trustees may change the due date of payment with

## TRANSLATION FOR REFERENCE PURPOSE ONLY

court approval.

- (4) Matters regarding Increasing Capital and Capital reserve  
Amount of capital to be increased 175 billion yen  
Amount of capital reserve to be increased 175 billion yen
- (5) The Trustees shall allot all of shares for subscription to ETIC.

### Section 3 Merger with Merging Companies

After the merger of the Three Debtor Companies under “Chapter 11, Section 1” and the modification of JALI’s shareholder’s rights under “Chapter 11, Section 2,” JALI and merging companies shall carry out absorption and merger under the following conditions and terms.

For the purpose of clarity, since JALI, i.e. a company surviving after absorption and merger, falls under a special controlling company (Article 168 (1) of the Companies Act) of JAZ, i.e. a company extinguishing after absorption and merger, resolution at shareholders’ meeting for the approval of absorption and merger agreement is not required at JAZ. Shareholders’ meeting of AAZ for approval of absorption and merger agreement is scheduled to be held on October 1, 2010.

- (1) Name and Address of the Company Surviving after Absorption and Merger  
JALI shall survive after absorbing JAZ and AAZ, and JAZ and AAZ shall extinguish.

The name of JALI is *Kabushiki Kaisha* Nihon Koukuu International (after amendment of articles of incorporation under “Chapter 11, Section 7,” the name will be *Nihon Koukuu Kabushiki Kaisha*, and the English name will be “Japan Airlines Co., Ltd.”), and the address is 2-4-11, Higashi-shinagawa, Shinagawa-ku, Tokyo.

- (3) Name and Address of the Company Extinguishing after Absorption and Merger  
The names of JAZ and AAZ, which shall extinguish due to merger, are *Kabushiki Kaisha* JALways and *Kabusiki Kaisha* JAL LIVRE, respectively. The address of both companies is 2-4-11, Higashi-shinagawa, Shinagawa-ku, Tokyo.

- (3) Succession of Rights and Obligations  
JALI shall be successor to all rights and obligation, such as assets and debts, of JAZ and AAZ.

- (4) Merger Consideration  
In carrying out merger, JALI shall not deliver shares, money, or any other properties to shareholders of JAZ and AAZ.

- (5) Effective Date of Merger

## TRANSLATION FOR REFERENCE PURPOSE ONLY

The effective date of Merger shall be the day following the day of confirmation of the Reorganization Plan.

Provided, however, that the Trustees may change the effective day with court approval.

(6) **Matters regarding the Amount of Capital and Reserve of JALI**

JALI shall not increase the amount of its capital and reserve by the merger. If the amount of other shareholders' equity changes by the merger, it shall be dealt with in accordance with reasonable accounting standards in Japan.

(7) **JAZ's and AAZ's Distribution of Surplus before Effective Date of Merger**

JAZ and AAZ shall not carry out distribution of surplus before effective date of merger.

### **Section 4 Issuance of JALI's New Shares**

1 The Trustees may issue shares for subscription of the respective classes (including common shares), with court approval, up to the total number of authorized shares in a class set forth in Article 6 in the articles of incorporation amended under "Chapter 10, Section 7."

2 The Trustees may, with court approval, issue more shares for subscription than as set forth in 1 above, by further amending Article 6 in the articles of incorporation amended under "Chapter 10, Section 7," which relates to the total number of authorized shares or the total number of authorized shares in a class.

3 The Trustees shall decide terms and conditions for subscription and allotment of shares for subscription in the case of 1 or 2 above, with court approval, without a special resolution at shareholders' meeting.

### **Section 5 Limitation to Distribution of Surplus**

As a general rule, distribution of surplus to new shareholders shall not be carried out during the course of JALI's reorganization proceedings.

Provided, however, that in cases where distributable surplus arises and the distribution thereof shall not affect the implementation of the Reorganization Plan, the surplus may be distributed upon court approval.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Section 6            Limitation to Assignment of Shares**

In the event that approval for acquisition by assignment is requested under Article 136 or Article 137 (1) of the Companies Act, with regards to outstanding shares, JALI's board of directors shall ask for the Trustees' opinion concerning how to deal with such request.

**Section 7            Amendment of Articles of Incorporation**

JALI shall partially amend the articles of incorporation on the day of confirmation of the Reorganization Plan as set forth in [Appendix 22 Comparison Table of Old and New Articles]. However, until the completion of JALI's reorganization proceedings, the Trustees shall decide the matters which, according to the provisions of articles of incorporation after amendment under this section, should be decided by resolutions of the board of directors, despite such provisions.

The effective date of amendment of articles of incorporation under this section shall be as provided in Article 1 of the supplementary provision of the new articles of incorporation set forth in [Appendix 22 Comparison Table of Old and New Articles].

**Section 8            Selection of Officers**

**I            Selection of Officers**

All of directors, corporate auditors, and accounting auditors of the Three Debtor Companies as of the day of confirmation of the Reorganization Plan shall retire on the same day. The Trustees shall select or appoint new directors, representative director, corporate auditors, and accounting auditors (hereinafter, directors, corporate auditors, and accounting auditors shall be referred to as "Officers") with court approval.

**II           Officers' Term of Office**

Officers' term of office shall be until the completion of an ordinary general meeting of shareholders which relates to the latest business year that ends within one (1) year after selection.

**III          Change, Supplement, or Increase in Number of Officers**

In the event that the need to change, supplement, or increase the number of

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

Officers arises during the Officers' term of office as set forth in Part II, the Trustees shall select or appoint such Officers with court approval. Provided, however, that the term of office of newly selected or appointed Officers for change or supplementation of Officers shall be the same as that of their predecessors, and the remaining term of office of newly selected or appointed Officers for an increase of Officers shall be the same as that of the other Officers.

If the reorganization proceedings complete within the term above, change, supplement, or increase in number of Officers shall be governed by the articles of incorporation amended under "Chapter 11, Section 7" and the Companies Act.

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

**Chapter 12**

**Other Matters Required to be Described**

There is nothing which corresponds to Article 167 (1) (vi) and (vii) of the Corporate Reorganization Act.

[END]

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-10-8692-00CL

AND IN THE MATTER OF JAPAN AIRLINES CORPORATION, JAPAN AIRLINES INTERNATIONAL CO., LTD.,  
AND JAL CAPITAL CO., LTD.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**FOREIGN PLAN RECOGNITION ORDER**

DAVIES WARD PHILLIPS & VINEBERG LLP  
1 First Canadian Place  
Suite 4400  
Toronto, ON M5X 1B1

Sandra A. Forbes (LSUC #33253P)  
Tel: 416.863.5574  
Fax: 416.863.0871

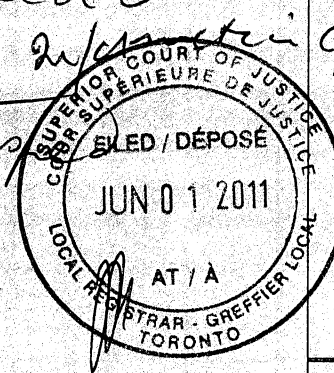
Lawyers for the Applicants

June 8/11

Having read the motion record  
I heard from Counsel for  
the Applicants - I being satisfied  
that all persons who may  
appropriately receive notice  
have been served -

I am satisfied that the relief  
sought as set out in the draft  
order agreed as appropriate  
both in its terms in respect of  
proceeding in Ontario & to facilitate  
as a matter of comity finalization  
of the plan in Japan.

A. Campbell



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

APPLICANTS' MOTION RECORD  
(Recognition and Implementation of Foreign  
Plan returnable June 8, 2011)  
Volume 1 of 2

DAVIES WARD PHILLIPS & VINEBERG LLP  
1 First Canadian Place  
Suite 4400  
Toronto, ON M5X 1B1

Sandra A. Forbes (LSUC #33253P)  
Natalie Renner (LSUC #55954A)  
Tel: 416.863.0900  
Fax: 416.863.0871

Lawyers for the Applicants