

Japan Airlines and American Airlines Apply to the U.S. Department of Transportation for Antitrust Immunity

Proposed Joint Business Agreement Would Enhance Competition and Improve Air Travel on Trans-Pacific Routes

Tokyo, February 13, 2010 (Fort Worth, Texas, February 12, 2010): American Airlines (AA) and Japan Airlines (JAL) today filed an application with the U.S. Department of Transportation (DOT) for antitrust immunity to forge a closer relationship and implement a Joint Business Agreement (JBA) governing the operation of their flights between North America and Asia. The airlines also will notify the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in Japan of the transaction.

“With immunity to enter a JBA, Japan Airlines and American Airlines will be able to cooperate more tightly in raising the quality of our services and thus encourage healthy competition in this promising region for the industry.” said JAL Group Chief Operating Officer and President Masaru Onishi. “Furthermore, not only will both carriers be able to improve operational efficiency but most importantly, our valued customers will receive greater benefits and convenience which we hope will place us in a position to always be the airlines of their choice.”

“An immunized JBA will benefit the public, offer new competition in the fast-growing Asian aviation marketplace and strengthen the relationship between American and Japan Airlines, which will support JAL’s successful restructuring,” said Gerard Arpey, American’s Chairman and CEO. “It will improve customer choice by giving the **oneworld®** Alliance, of which American and JAL are key members, strong hub operations at Tokyo, thus allowing more vibrant competition with other global alliances in northeast Asia and beyond.”

Antitrust immunity between JAL and AA is made possible by the Open Skies accord reached by the United States and Japan in December 2009. When that agreement becomes effective, it will eliminate the current restraints on competition.

More Consumer Benefits, Choices and Travel Options

Under an immunized JBA, JAL and AA will cooperate commercially on flights while continuing to operate as separate legal entities. They will coordinate fares, services and schedules in order to attract new customers and boost revenues. By more closely integrating their networks, the airlines will be able to improve efficiency, find opportunities to lower costs and have greater ability to invest in products, services and fleets.



By working together to provide links for connecting passengers, the airlines can expand customer choice by offering new routes and supporting existing routes that would not be economically viable for the airlines individually. JAL and AA expect more opportunities to expand their codeshare arrangements on flights within and beyond Japan and the U.S. and to create new competition in the trans-Pacific marketplace.

Consumers also will continue to receive reciprocal frequent flyer benefits, and eligible customers will continue to have access to the airport lounges of both airlines. Employees and other stakeholders are expected to benefit from the airlines' improved competitive position and financial stability.

The JBA will be "metal neutral," meaning JAL and AA will benefit from a customer's ticket purchase regardless of which one carries the passenger, as the airlines will share revenue on all JBA flights. The revenue growth resulting from the JBA will provide both airlines with substantial support towards improving profitability.

Enhanced Trans-Pacific Competition

The closer cooperation between **oneworld**® Alliance members JAL and AA, will improve network competition with the other alliances. Through the JBA, the two airlines will offer a fully-integrated network between trans-Pacific gateway airports, ensuring all customers a third robust global airline alliance from which to choose and more options for time-sensitive business travelers.

About Japan Airlines

The JAL Group, comprising of Japan Airlines International and 7 other subsidiary airlines, carried more than 41 million passengers in 2009. With a fleet of more than 270 aircraft including Boeing 777s and regional jets like Embraer 170, the JAL Group airlines cover extensive international and domestic networks. Top quality in-flight service has always been the hallmark of JAL's reputation. In December 2007, JAL started offering JAL Premium Economy service – winner of the 2008 Good Design Award, on key business routes and now available on flights to JAL's four U.S gateways are the latest luxurious new suite JAL First Class and the leading-edge seat for business class, the JAL Shell Flat Neo introduced in August 2008. A member of the **oneworld**® Alliance since April 2007, JAL, together with its partners in the alliance offers customers more benefits and high standards of quality services.

About American Airlines

American Airlines, American Eagle and AmericanConnection® serve 250 cities in 40 countries with, on average, more than 3,400 daily flights. The combined network fleet numbers more than 900 aircraft. American's award-winning Web site, AA.com®, provides users with easy access to check and book fares, plus personalized news, information and travel offers. American Airlines is a founding member of the **oneworld**® Alliance, which brings together some of the best and biggest names in the airline business, enabling them to offer their customers more services and benefits than any airline can provide on its own. Together, its members serve nearly 700 destinations in more than 130 countries and territories. American Airlines, Inc. and American Eagle Airlines, Inc. are subsidiaries of AMR Corporation.

