

## JAL and NYK End Cargo Business Reform and Merger Negotiations

**Tokyo, March 2, 2010:** The JAL Group announced today that it ended negotiations with Nippon Yusen Kabushiki Kaisha (NYK) on cargo business reform involving a possible merger between Japan Airlines International (JAL), the key subsidiary of Japan Airlines and NYK subsidiary, Nippon Cargo Airlines (NCA).

The commencement of negotiations involving the restructuring of cargo business operated by JAL and NCA was announced in August 2009, and the feasibility of a potential merger between the cargo business of JAL and NCA was being analyzed. Both parties have reached an amicable conclusion to end the negotiations because the structure of the merger could not be organized within the scope of the agreement between JAL and NYK.

Nevertheless, JAL and NCA will continue their existing business relationships such as operating code-sharing flights and coordinating ground handling activities. Both companies will maintain close communications in their current business partnership, and will be open to discussions about any possible cooperation in the future.

“JAL’s strong relationship with Nippon Yusen remains unchanged as we reach a common understanding to halt discussions about the merger. We intend to maintain mutually-beneficial business activities with NCA such as the current code share flights, and preserve the cooperation that we have already established,” said JAL Group Chief Operating Officer and President, Masaru Onishi. “Demand for air cargo business typically fluctuates with the economy. Considering future growth in the segment, JAL will include strategies for our cargo business in the JAL Reorganization Plan.”

END

