

Japan Airlines Shifts to New Cargo Business Model

Tokyo, March 25, 2010: Japan Airlines (JAL) announced today that it will adopt a new cargo business model that solely utilizes the cargo belly space of the airline's passenger flights. The airline's passenger flights provide cargo capacity (measured in available tonne kilometers) approximately three times the volume* available on its scheduled freighter flights which will consequently be suspended at the end of October 2010.

On May 2, 1959, JAL operated its first freighter flight using a Douglas DC-4 charter aircraft from Haneda to San Francisco and in the same year on November 25, introduced for the first time, a remodeled DC-6B semi-cargo aircraft to its fleet. Since then, JAL has been providing quality cargo transport services using both passenger flights and freighter flights, and over the last 50 years, steadily expanded its international network alongside the economic growth of Japan. Until today, JALCARGO, as the cargo business arm of JAL is known, has met the needs of countless satisfied customers.

Market conditions for international cargo business however, is expected to remain severe and to adapt to this, JALCARGO will shift from using a combination of freighter flights and passenger flights to exclusively utilizing the belly space of passenger flights – a new cargo business structure that aims to secure a stable profit and that can boost the recovery of JAL's financial standing.

Maintaining access to almost all destinations** currently served by its freighter flights with passenger flights, Japan's largest international network carrier, JAL, will continue to meet the needs of its valued customers. The airline will continue its cargo business by productively using the belly space of 508 weekly passenger flights plying 56 international routes, and on 134 domestic routes with 904 daily one-way flights*, in addition to enhancing service standards and offerings.

With the internationalization of Tokyo's Haneda airport taking place this autumn, JALCARGO will continue in its endeavors to provide customers with quality services and convenience, and strive to improve the speed and efficiency of goods distribution using the international and domestic air transport operations of JAL.

*Cargo capacity and the number of routes and flights are based on the airline's 2010 summer schedule.

** JAL operates passenger flights to all destinations currently served by JAL freighter flights, with the exception of Anchorage.

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