

JAL Group Sells Percentage Stake in Passenger & Ground Handling Subsidiaries

Tokyo, Aug 10, 2010: The JAL Group announced today that Japan Airlines Corporation (JAL) subsidiary, Japan Airlines International Co., Ltd. (JALI), will sell 90.0% of its stake in JAL Sky Kansai Co., Ltd (JKIX), while another Group subsidiary JAL Ground Service Co., Ltd. (JGS), will sell 90.0% of its stake in both JAL Ground Service Kansai Co., Ltd (JGSK) and JAL Ground Support Kansai Co., Ltd. (JGSX), to Konoike Transport Co., Ltd. (Konoike) by way of a stock transfer agreement which was concluded today.

1. Objective

The JAL Group is striving to achieve a swift and fundamental reform of the company in a short period of time with the support of the Enterprise Turnaround Initiative Corporation of Japan to maintain at the highest level possible, the corporate value of the airline.

As part of these endeavors, JALI and JGS started to examine the options of stock transfers of JKIX, JGSK and JGSX. During this process, the three companies received high appraisal for their corporate value and future growth potential from Konoike Transport, a reputable, Osaka-based company specializing in outsourcing and logistical support services. Consequently, JALI, JGS and Konoike Transport entered into a stock transfer agreement today, whereby Konoike Transport will acquire a percentage of stakes in JKIX, JGSK and JGSX.

When Kansai International Airport opened in 1994, JAL Sky Kansai (formerly JAL Wings), JAL Ground Support Kansai and JAL Ground Service Kansai (formerly West Japan Passenger Services) were entrusted with providing passenger services at check-in counters, boarding gates and support to ground handling processes. Since then, the scope of work consigned by JALI greatly expanded to include lounge services, administration and planning related to passenger handling, flight operational support and more, the high quality of which directly and significantly contributed to the safe operations of JAL Group flights at Kansai over the years.

Founded on a strong guiding principle of establishing value-creating partnerships for the benefit of their clients, Konoike Transport has enjoyed continued expansion and growth to this day. At present, they already have an existing work relationship with the JAL Group to support a part of its export cargo handling business at Kansai International Airport.

Progressing forward, Japan Airlines International, JAL Ground Service, JAL Sky Kansai, JAL Ground Support Kansai, JAL Ground Service Kansai and Konoike Transport, will cooperate ever more closely as partners to jointly offer their customers the safest, most on-time flight departures and the best in airport services when they travel through Osaka.



2. Stock Transfer

Of the stocks owned by Japan Airlines International in JAL Sky Kansai Co., Ltd. (1,000 stocks, voting rights of 100%), 900 stocks (voting right ratio 90.0%) will be transferred to Konoike Transport.

Of the stocks owned by JAL Ground Service in JAL Ground Support Kansai Co., Ltd. (2,400 stocks, voting rights of 100%), and in JAL Ground Service Kansai Co., Ltd. (28,000 stocks, voting rights of 100%), 2,160 and 25,200 of stocks from the respective subsidiaries (both with voting right ratio of 90%) will be transferred to Konoike Transport.

3. Schedule

Today (August 10, 2010)	: Conclusion of stock transfer agreement
End of September 2010 (planned)	: Date of stock transfer and receipt of payment

4. Company profiles

Company name	: Japan Airlines International Co., Ltd.
Address	: 4-11 Higashi-shinagawa, Shinagawa-ku, 2-chome, Tokyo
Representative	: Enterprise Turnaround Initiative Corporation of Japan and Trustee Eiji Katayama
Date of establishment	: October 1, 1953
Main business	: Air transport operator
Capital	: 200 billion yen
Major stockholders	: Japan Airlines Corporation – 100% (As of March 31, 2010)

Company name	: JAL Sky Kansai Co., Ltd
Address	: 1, Sennangun Tajiricho, Senshu-kuko-naka, Osaka
Representative	: President Masayuki Kano
Date of establishment	: June 1, 1992
Main business	: Passenger and flight handling services at Kansai International Airport for Japan Airlines and other foreign carriers.
Capital	: 50 million yen
Major stockholders	: Japan Airlines International – 100% (As of March 31, 2010)

Company name	: JAL Ground Service Co., Ltd.
Address	: 6-1, Ota-ku, Haneda Airport 2-chome, Tokyo
Representative	: President Tetsuo Ota
Date of establishment	: March 1, 1957



Main business : Ground handling services at Narita, Haneda, Osaka, Fukuoka and Sapporo airports for flights operated by Japan Airlines and other foreign carriers.

Capital : 474 million yen

Major stockholders : Japan Airlines International – 99.8%,
JAL Airtech Co., Ltd. – 0.2% (As of March 31, 2010)

Company name : **JAL Ground Service Kansai Co., Ltd.**

Address : 1, Sennan City, Senshu-kuko-minami, Osaka

Representative : President Tetsuo Ota

Date of establishment : April 14, 1989

Main business : Ground handling services at Kansai International Airport for flights operated by Japan Airlines and other foreign carriers.

Capital : 96 million yen

Major stockholders : JAL Ground Service – 100% (As of March 31, 2010)

Company name : **JAL Ground Support Kansai Co., Ltd.**

Address : 1, Sennan City, Senshu-kuko-minami, Osaka

Representative : President Yukio Nito

Date of establishment : October 22, 1977

Main business : Support services to ground handling processes at Kansai International Airport for flights operated by Japan Airlines and other foreign carriers.

Capital : 35 million yen

Major stockholders : JAL Ground Service – 100% (As of March 31, 2010)

Company name : **Konoike Transport Co., Ltd.**

Address : 6-8 Osaka City, Chuo-ku, Bingocho 2-chome, Osaka

Representative : President Tadahiko Konoike

Date of establishment : May 20, 1945

Main business : Provides outsourcing and logistics service

Capital : 1.69 billion yen

Major stockholders : Stocks held by employees of Konoike Transport – 10.7%,
Otori Corporation – 8.3%, Enokojima Shoji – 7.6%,
Sumitomo Metal Industries Ltd. – 7.4% (As of March 31, 2010).

END

