

JAL Group Sells Percentage Stake in Nagoya-based Passenger & Ground Handling Subsidiaries and Transfers Cargo Handling Business at Chubu Centrair International Airport to Suzuyo & Co., Ltd

Tokyo, August 19, 2010: The JAL Group announced today that Japan Airlines Corporation (JAL) subsidiary, Japan Airlines International Co., Ltd. (JALI), will sell 95.0% of its stake in JAL Sky Nagoya Co., Ltd (JNGO) and 61.0% of its 66.0% stake in Chubu Sky Support Co., Ltd. (CSS), while JAL Ground Service Co., Ltd. (JGS), also a JAL Group subsidiary, will sell 34.0% of its stake in CSS, to Suzuyo & Co., Ltd. (Suzuyo) by way of a stock transfer agreement concluded today. Additionally, JALI subsidiary JAL Cargo Service Co., Ltd. (JCG) – headquartered in Narita, will transfer the business and assets of its cargo handling operations at Chubu Centrair International Airport to Suzuyo through a business transfer agreement also reached 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 considered the options of stock transfers of JNGO and CSS. During this assessment process, both companies were highly evaluated for their corporate value and future growth potential by Shizuoka-based Suzuyo & Co., Ltd., who has developed its airline related business in the Chubu area. Consequently, JALI, JGS and Suzuyo entered into a stock transfer agreement today in which the latter will acquire 95.0% of stakes in JNGO and CSS, as well as the business and assets of JCG's Nagoya branch cargo operations at Chubu Centrair International Airport.

Since the opening of Chubu Centrair International Airport in 2005, JAL Sky Nagoya, Chubu Sky Support and JAL Cargo Service Nagoya branch have been providing quality passenger and ground handling services at check-in counters and boarding gates, as well as cargo handling services that directly and significantly contributed to the safe operations of JAL Group flights at the airport over the years.

Suzuyo provides flexible and innovative logistics solutions, meeting the demands of customers from a wide array of industries and business conditions. They are also experienced in air transport operations through its subsidiary companies Fuji Dream Airlines Co., Ltd (FDA) and Shizuoka Airport Service Co., Ltd. JAL group and Suzuyo already cooperate on an extensive range of businesses, including the current codeshare arrangement between JAL and FDA.

Japan Airlines International, JAL Ground Service, JAL Sky Nagoya, Chubu Sky Support, JAL Cargo Service Nagoya branch and Suzuyo will continue to strengthen their relationship in order to jointly offer their customers the safest, most on-time flight departures and the best in air transport services in Nagoya.



2. Stock Transfer

Of the 600 stocks owned by Japan Airlines International co., Ltd. in JAL Sky Nagoya Co., Ltd. (100% voting rights ratio), 570 stocks (95.0% voting rights ratio) will be transferred to Suzuyo & Co. Ltd.

Suzuyo & Co. Ltd. will also acquire 95.0% of the 9,000 stocks in Chubu Sky Support Co., Ltd. after the transfer of 5,490 stocks (61.0% voting rights ratio) from Japan Airlines International Co., Ltd which will retain a 5.0% stake, and 3,060 stocks (34.0% voting rights ratio) from JAL Ground Service Co., Ltd.

The cargo handling business at Centrair, operated by the Nagoya branch of JAL Cargo Service, will be transferred to Suzuyo after the reorganization of JNGO following the stock transfer.

3. Schedule

Today (August 19, 2010)	: Conclusion of stock and business transfer agreements
September 30, 2010 (planned)	: Date of stock transfer and receipt of payment
October 29, 2010 (planned)	: Date of transfer of JCG Nagoya branch business operations

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 Nagoya Co., Ltd
Address	: 1, Tokonameshi, Centrair 1-chome, Aichi Prefecture
Representative	: President Hiroshi Inoue
Date of establishment	: March 6, 1984
Main business	: Passenger and flight handling services at Chubu International Airport for Japan Airlines and other foreign carriers.
Capital	: 30 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 : **Chubu Sky Support Co., Ltd.**
Address : 1, Tokonameshi, Centrair 1-chome, Aichi Prefecture
Representative : President Hideki Moriyama
Date of establishment : April 14, 1989
Main business : Ground handling services at Chubu International Airport for flights operated by Japan Airlines and other foreign carriers.
Capital : 100 million yen
Major stockholders : Japan Airlines International – 66.0%
JAL Ground Service – 34.0% (As of March 31, 2010)

Company name : **JAL Cargo Service Co., Ltd.**
Address : 2139-1, Komaino Aza Tennamino, Narita-shi, Chiba Prefecture
Representative : President Toshiharu Arakuta
Date of establishment : October 14, 1982
Main business : Cargo and mail handling operations
Capital : 50 million yen
Major stockholders : Japan Airlines International – 100% (As of March 31, 2010)

Company name : **Suzuho & Co., Ltd.**
Address : 11-1 Shizuoka-shi, Shimizu-ku, Irifuncho, Shizuoka Prefecture
Representative : President Yohei Suzuki
Date of establishment : March 31, 1936
Main business : Provides integrated logistics services for land, sea and air transport.
Capital : 1 billion yen
Major stockholders : Kashiwa Kogyo Co., Ltd – 20.5%,
Nakanihon Van Lease Co., Ltd. – 17.6% (As of March 31, 2010).

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