

Planned Integration of Japan Asia Airways with JAL International

-JAL International Given Permission to Operate Flights Using JL Designator on Japan -Taiwan routes -

Tokyo November 1, 2007: JAL International has been given permission by the Ministry of Land Infrastructure and Transport of Japan to operate its own flights between Japan and Taiwan. At present, only the JAL Group subsidiary airline, Japan Asia Airways (JAA), is permitted to operate on this routing using its 'EG' designator. JAL International plans to takeover the routing completely from Japan Asia Airways by first placing its 'JL' designator on all JAA flights from at the earliest April 2008, and by integrating JAA into its business structure at some point in the future.

Through the integration of JAA into JAL International, the JAL Group hopes to achieve greater efficiency and cost reduction by the elimination of duplication. Further streamlining of the organization's business in this way is expected to increase the JAL Group's ability to effectively respond to changes in the international business environment. Details of the planned integration have yet to be decided.

JAL first started operating to Taiwan on July 30, 1959 when the airline's Tokyo – Taipei service was inaugurated using DC-6B aircraft. In September 1972, diplomatic relations were re-established between Japan and the People's Republic of China, and an aviation transportation agreement followed. Direct air service by JAL and China Airlines between Japan and Taiwan was suspended in April 1974.

Eventually, a formula was developed which allowed a JAL subsidiary to serve Taiwan. Japan Asia Airways (JAA) was created for that purpose and was formally established on August 8 1975, inaugurating service to Taipei in September 1975. JAA became primarily a one-destination carrier, but also for a period added other Southeast Asian points to its route pattern, using traffic rights unused by JAL.

A wholly owned subsidiary airline of the JAL Corporation, JAA currently operates 8 passenger flights daily on 4 routes connecting Tokyo, Osaka, and Nagoya with Taipei, and Tokyo with Kaohsiung. The airline has carried some 33 million passengers since its creation, and in the financial year ending March 31, 2007 carried a total of 1.26 million passengers. JAA also operates cargo flights connecting Tokyo and Osaka with Taipei.

JAA's head office is located in Tokyo and has branch offices in Kaohsiung, Taichung and Taipei in Taiwan. The subsidiary has in total 781 staff.

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