



Establishment of a New International Low-Cost Carrier Business

Tokyo, May 14, 2018 - Japan Airlines (JAL) today announced the decision to establish a new low-cost carrier (LCC) business for the international market. As described in the FY2017-2020 JAL Group Medium Term Management Plan, the company looks to develop and cultivate new business opportunities. The new LCC business will specifically feature international routes with medium to long-haul flights and will aim to provide customers with new options when traveling to/from Japan.

The company will be a consolidated subsidiary of the JAL Group and plans to operate flights from Narita International Airport to select destinations in Asia, Europe, and the Americas. In the first stages of its establishment, the carrier will operate two Boeing 787-8 aircraft and is targeting to launch commercial flights from the summer of 2020 when Narita Airport plans to complete enhancements to its facilities.

To date, JAL has remained committed to refine its own full service carrier model while making key investments into Jetstar Japan. When JAL establishes the new LCC business, the company aims to create new demand, working along with the successful services provided by Jetstar Japan, which features domestic and short-haul international flights. Through these actions, the company will take on the challenge to deliver and meet the needs of diversified customer groups around the world.

In alignment with the company's Medium Term Management Plan, the LCC business is part of JAL's `10 Year Grand Design` strategy where the company will accelerate growth through innovation, while contributing toward the country's target to welcome new inbound visitors in the next 3 years and beyond.

Details of the New Company

Name of Firm – TBA

Date of Establishment – July 2018 (Tentative)

Airport Hub – Narita International Airport

Business Model – International Air Transportation Services (Asia, Europe, Americas)

Aircraft Fleet – Boeing 787-8

Capital/Investment Amount – TBA (JAL Group Consolidated Subsidiary)

* to expand the business model, JAL plans to accept new investors for the LCC.

Representative of Firm – TBA (announced upon the establishment of the company)

For additional details, please refer to the attached document.

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