

# OTHER OPERATIONS



*Actions are being taken throughout the JAL Group to bolster the collective strengths of group members. Part of this process entails consolidation and restructuring selected businesses. One example was the March 1999 sale of a JAL-owned hotel in New York. Where possible, administrative and other functions not directly linked to flight operations will be spun off or outsourced.*

**RESULTS—YEAR ENDED MARCH 31, 1999**

Revenues in other operations rose 20.9 percent to ¥489.8 billion (US\$4.0 billion). This growth was achieved despite a 9.8 percent decline in hotel and resort operations to ¥57.4 billion (US\$478 million). Most of the increase was attributable to a 72.3 percent rise in travel agency operations to ¥337.6 billion due to the inclusion of a larger number of consolidated subsidiaries.

**HIGHLIGHTS OF THE YEAR**

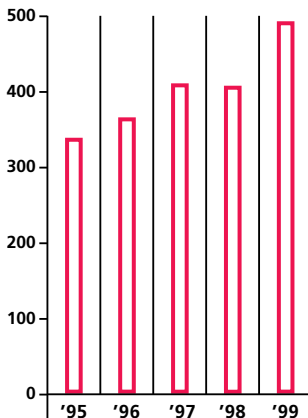
In the hotel and resort field, JAL Hotels' Hotel Nikko Pudong Shanghai held its grand opening in November 1998. In March 1999, JAL sold Essex House Hotel Nikko New York. In other fields of business, revenues rose at JAL Trading, Inc. (JLT) due to the popularity of wine in Japan and other factors.

**OUTLOOK**

JAL plans to continue to reorganize airport operations as separate companies and transfer some functions to external service providers. This process will cover all operations not directly related to core businesses, excluding functions required for managing the JAL Group. As the reorganization progresses, JAL will foster companies in fields such as trading activities, in-flight meals and information services with the aim of taking them public.

**CONSOLIDATED INCIDENTAL AND OTHER REVENUES**

(Billions of Yen)  
Years Ended March 31



**JAL TRADING, INC., THE NEXUS OF THE JAL GROUP'S COMMERCIAL ACTIVITIES**

Responsible for a diverse array of commercial services, JLT's activities support the airline business in many ways. Catalog sales, insurance, real estate and airport shops are just a few examples. JLT is known for its skill in the selection of fine wines. Handling hundreds of labels, JLT supplies wines for JAL's first class cabins as well as various fine hotels, restaurants and shops throughout Japan.