

Other Operations

As part of our plan to optimize efficiency and enhance profitability on behalf of the entire Group, we are directing our efforts toward collaborative operations in which all Group airlines work as one. Toward this end, we have established the JAL Sales Network Co., Ltd. (founded November, 1999) and given it responsibility for group-wide passenger sales operations. With regard to hotels and resorts, in-flight meal catering, trading and logistics, information systems and temporary staffing, we are enhancing each business segment by combining companies engaged in the same business. This effort even includes our core companies, in order that every aspect of operations might benefit. In so doing we are furthering our long-term strategies and implementing a variety of adaptive tactics.

Air Transport Related Business (“other” segment)

To establish a system of consolidated management as defined in the “Consolidated Management Vision for a Strong and Healthy JAL Group,” we are working to achieve more efficient business operations and thus improve our general management capabilities. Specific efforts include the reduction of interest-bearing liabilities and improvement of the company’s record of financial income and expenditure. Accordingly, given the Group’s management policy of concentrating operational resources into air-transport operations, JAL Leasing Co., Ltd. and JAL Finance Corporation—our subsidiaries in financial services—are fronting the initiative to reduce assets not directly linked to operations of the JAL Group, as well as interest-bearing liabilities.

Travel Services

Despite a temporary decrease in passenger volume during the year-end and New Year’s holiday season—mainly due to concern over the Y2K computer problem—the aggregate traveler volume handled by JALPAK Co., Ltd. increased 6% from the previous year, indicating steady growth in demand. Accordingly, revenues grew 3.7% to ¥350,160 million, while operating income increased ¥2,730 million to ¥2,460 million.

JALPAK launched eTravel in May of 1999 as a comprehensive membership Web site that could provide travel information via the World Wide Web. This service allows Internet users to get information on air tickets, hotels, overseas package tours and other

travel-related topics. Registered members can also make online reservations and purchases using their credit cards. Our direct-marketing effort has served to increase demand, boosting our profitability. We will continue our e-business promotion efforts with regard to Web-based operations, ensuring a prompt response to increasingly sophisticated market needs.

Hotel and Resort Operations

In April of 2000, JAL Hotels Co., Ltd., operator of the world-renowned Nikko Hotels International chain, entered a strategic agreement on business alliance with Le Meridien Hotels & Resorts, an affiliate of the Forte Hotel Group of Britain, regarding the 22 overseas hotels throughout its network of 44 locations, excluding those in Japan. This collaborative enterprise has thus created a global network of nearly 145 hotels in 60 countries worldwide. We have also sold the Ihilani Hotel in Hawaii, promoting the restructuring of our hotel and resort operations.

These moves resulted in a revenue decrease of 28.7%, to ¥40,961 million. Nevertheless, our effort to achieve cost reductions and enhance profitability has produced operating income of ¥1,733 million, a jump of 6% relative to the previous year. Given this success, we will focus on the merits of consigned operations to further improve our profit potential and versatility of operations.



Consolidated Cargo Revenues

(Billions of Yen)
Years Ended March 31

