

# Other Operations

Other than its core business of air transportation, JAL possesses as accounting segments air transport related operations, travel services, and hotel and resort operations. The Group is making its best-possible effort at growing these operations, improving their efficiency, and enhancing their profitability. Further improvement is planned for clarification of the locus of responsibility and monitoring in each company of the Group through use of ERP, in addition to carrying out swift and accurate control of forecasts and results, and making improvements in the performance evaluation systems.

## Air Transport Related Operations ("Other" segment in financial section)

In comparison to the end of March 2000, the number of holders of cards issued by JAL Card had increased 16%. This rapid increase is one sign of the rate of growth of demand for air travel. Sales rose 8.6% year on year to ¥421.3 billion while operating profits were higher by 35.0%, at ¥14.0 billion.

## Travel Services

The number of persons using services provided by Jalpak rose 9% and demand for overseas travel remained strong. Declines in unit

price, however, held the year's growth of sales to 4.9%, at ¥367.1 billion. Operating profits declined by ¥0.9 billion to ¥1.5 billion.

## Hotel and Resort Operations

JAL Hotels has recorded favorable growth of income from hotels under its management, especially in Southeast Asia, in keeping with the increase in international travel. Work is advancing in the improvement of the management of individual hotels. As a result of normalization of business risk, and cost reduction, profitability has been improved, and sales increased 4.6% to ¥42.8 billion but operating profits rose 39.2% to ¥2.4 billion.

### ● JAL Trading Changes Name to JALUX

JAL's subsidiary, JAL Trading, changed its name to JALUX, effective, as of March 28, 2001. The timing coincided with the thirty-ninth anniversary of the founding of the company. Lux is Latin for light. The change was part of preparations for a public offering of equity in the company, planned for fiscal 2001.



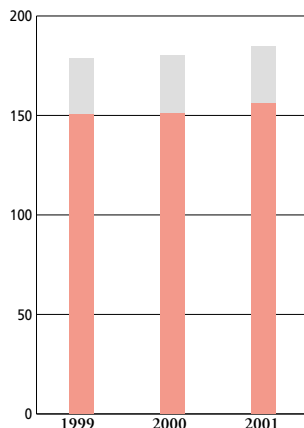
### ● "Furari" Brand Added to JAL Story's Domestic Products

JAL Story that already succeeded in establishing the brand name JAL Story in the domestic tour market introduced a new brand, Furari, in April 2001. The connotation of the brand name, "simply, easily, economical," is the concept for travel products intended for customers from the teenage bracket to families with parents in their 40s. The two brands widened the range of customers for JAL Story products.



## Consolidated Cargo Revenues

(Billions of Yen) ■ International ■ Domestic  
Years Ended March 31



### ● JAL Cargo Sales, a New Subsidiary

The freight marketing division was spun off in January 2001 as a fully owned subsidiary, JAL Cargo Sales. The new company began operations April 1. Separation of this division has the objectives of localizing business responsibility to a greater extent, and of improving competitiveness.



### ● Cooperation with Northwest Airlines for Freight Operations

A cooperative agreement was made with Northwest Airlines for freight service, as of September 1, 2000, whereby cargo flights on the Seoul and Taipei routes are operated on a cooperative basis, and cargo aircraft code sharing was begun on transpacific flights. These changes have in effect added cargo space to the company's aircraft and have improved the convenience of service offered to customers through use of part of Northwest cargo space.

