



Passengers Operations

> International

Provisional use of a runway commenced at Narita Airport in FY2002, and major business opportunities are expected as a result. The JAL group actively formulates flexible plans for routes and number of flights based on the paramount premise of safe operation, and aims to build a system that can produce stable earnings while improving the convenience for customers. Plans for international routes include establishment of new routes to China and other high-growth Asian regions and expansion of supply capacity.

■ Results for the Term

Although the number of first class and executive class passengers was restrained in the first half of the term, the number of economy class passengers remained firm. However, the number of passengers declined substantially in the latter half of the term primarily on U.S. and European routes due to the terrorist attacks on the United States in September. This impact caused the number of passengers to decline to 61.2 percent of the previous year's level in November. Subsequently, passenger traffic gradually recovered at the end of the year due to adjustments of flights meeting passenger demand trends, additional introduction of discount airfares and other efficiencies, efforts to increase revenues, and other measures to stimulate demand. Nevertheless, the number of passengers stood at 94.4 percent of the previous year's level in March. As a result, the number of passengers fell 11.7 percent to 13,372,050 passengers, and revenues declined 9.4 percent from the previous term to ¥612.7 billion (US\$4,606 million).

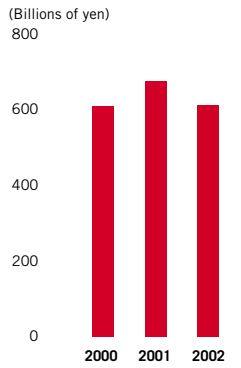
■ Specific Measures

In route management, flights were increased on Asian routes in April 2001 and sharing of the Paris-Düsseldorf route and Paris-Hamburg route with Air France commenced in July; flights were increased on the Nagoya-Manila route in August and from Tokyo and Osaka to Ho Chi Minh City in November. On the other hand, based on passenger demand trends since the terrorist attacks, the number of flights has been reduced, suspended and rerouted; smaller-capacity planes have been used, and other efficiencies have been instituted on routes to Honolulu, Guam, Europe, and other areas where demand declined substantially. At the same time, efforts were made to acquire passengers on Asian routes with strong demand. Additionally, efforts were made to increase revenues through 20 round-trip international charter flights primarily to Guam and Palau from Haneda Airport, which had removed a ban on late night and early morning slots in February 2001.

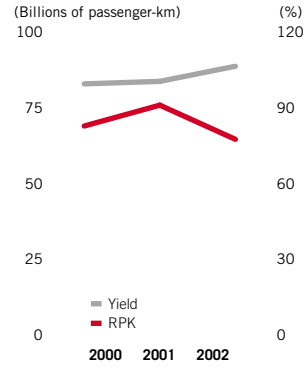
In terms of airfares, economy class discount tickets have been expanded to increase market penetration, and efforts were made to stimulate demand for non-package tourism travel. Additionally, JAL Business Saver fares were introduced in "Executive Class — Seasons" in October 2001, and additional sales of *Super Maeuri Goku* presale fares were made in March for U.S. routes as a measure to stimulate recovery of demand after the terrorist attacks.

In in-flight services, many new products and services were introduced based on customer needs by class (*1). Additionally, the JAL 2000-2001 Campaign and other usual campaigns were continued in order to spur rapid recovery of demand after September 11, and many other measures were adopted to stimulate demand (*2).

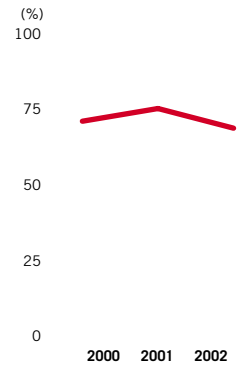
Consolidated international passenger revenues



International revenues passenger-km & yield



Consolidated international passenger load factor



***1 Improvement of in-flight services**



Seats newly designed to enhance customer privacy were introduced in first class, and the quality of meals was upgraded in the "Executive Class — Seasons" In economy class, B747-400 planes were equipped with personal TV monitors.

***2 Marketing campaigns**



In December 2001, the JAL Honolulu Marathon was held as planned in Hawaii, which experienced substantial declines in tourism. The participation of approximately 25,000 people from all nations helped make the event a success on par with that of previous years. Additionally, the Double Miles Campaign and other campaigns enhanced sales to members of the JAL Mileage Bank (JMB), and efforts were made to stimulate demand by attracting customers from Asian regions to Tokyo Disney Resort, Hokkaido, and other areas.

JAL MILEAGE BANK — JAPAN'S LARGEST MILEAGE PROGRAM

JAL Mileage Bank debuted as JAL Mileage Bank USA in the United States in November 1983, and a similar program was started in Japan in January 1993 for international routes originating in Japan. Subsequently, tickets and seat upgrades have been offered as premiums in accordance with mileage, and many shops, restaurants, and hotels now participate in this program. JAL Mileage Bank has grown into Japan's largest mileage program. The number of members cracked the 10-million mark in March 2002.

