



JAL & JTB Agree on Partnership for Expanding Outbound & Inbound International Travel

Joint development of products using overseas charter flights, package tour products and partnership in arranging trips to Japan

Tokyo July 6, 2006: The JAL Group and JTB Group have reached an agreement to build a comprehensive partnership aiming to develop new demand for overseas travel from regional Japan, promote new destinations overseas, and expand demand for travel to Japan from overseas.

JAL and JTB will build a cooperative structure to increase passenger demand and contribute to achieving the target of 20 million Japanese travelers overseas in FY2007 predicted by the Japanese Association of Travel Agents (JATA), and 10 million foreign arrivals in Japan by 2010.

JTB's regional operating company JTB World Vacations and JALPAK will jointly plan and create products using charter flights originating from regions all over Japan (over 100 flights a year) in order to invigorate demand for overseas travel in regional Japan. They will also create overseas package tours originating from all parts of Japan. As for inbound travel, they will cooperate to increase inbound demand in line with the Japanese government's "Visit Japan Campaign."

1. Joint Planning of Charter Flights

To respond more flexibly and efficiently to the leisure market in Japan, JAL and JTB will jointly plan and create products using charter flights from the second-half of FY2006, and conduct joint sales through their respective Group companies.

JTB World Vacations and JALPAK will create and sell products, and accept requests for "group tours" from various organizations.

To respond to needs for overseas travel from regional Japan, they will improve direct flights to resorts, such as Hawaii, from regional airports in Japan. At the same time, they will plan flights to destinations that are not served by scheduled flights from Japan, such as some points in Southeast Asia. From FY2007, they will expand charter flights to Europe, Oceania, Southeast Asia, and new beach resorts with the aim to create new demand. (Specific products are scheduled to be announced around October.)



2. Joint Development of Look JTB, JALPAK (I'll / AVA) Tours

In the Japanese market, JAL and JTB will jointly develop high quality products using direct JAL flights for the two top brands, Look JTB and JALPAK (I'll/AVA).

JAL and JTB have many points in common. They both provide high quality products and high-level services that meet the customers' needs. Therefore, they will jointly develop high quality products for the customers.

To start with, they will jointly develop bus services in cities in Europe and Oceania, optional tours, and special interest programs in FY2007.

Furthermore, the two companies will consider creating high quality products in Oceania, where there is potential demand, through the joint use of chartered railway trains.

They will also consider developing products using JAL charter flights to attractive regions that are not currently served by scheduled flights.

3. Partnership in arranging trips to Japan from overseas

JAL Sales Co., Ltd. currently carries out inbound business to Japan for the JAL Group. Their ground arrangement operations for customers from traveling to Japan from Europe will be transferred to JTB's global operating company, JTB Global Marketing & Travel by April 2007. As a result, the JTB Group will expand their business operations for inbound travel from Europe.

On the other hand, JALPAK's overseas offices in Europe will introduce an English online sales system, developed by JTB, for arranging accommodation and tours in order to build a flexible and highly competitive system for arranging and selling tours without having to wait due to time differences between Europe and Japan.

To increase sales of air tickets, the JAL Group will promote JAL for international conferences, events and corporate incentives, for the MICE (Meeting, Incentive, Congress & Exhibition *) market, in coordination with JTB Global Marketing & Travel's MICE business division.

As a result of this partnership, JAL and JTB aim to expand JAL ticket sales and JTB surface travel arrangements in FY2007. Utilizing the trend towards public and private cooperation, such as the Japanese government's "Visit Japan Campaign (VJC)," JAL and JTB will discuss ways of developing a comprehensive business partnership for inbound business, starting with the European partnership described above.



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