



JAL SELL TOKYO H.Q. BUILDING TO NOMURA REAL ESTATE
strategy to strengthen balance sheet and cut interest-bearing debt
in current medium term business plan

Tokyo December 1: Japan Airlines and Mitsubishi Trading Co. co-owners through subsidiaries of the JAL Building, the headquarters of the JAL Group in Tokyo, have today concluded a purchasing contract with Nomura Real Estate for the sale of the building that will result in greater liquidity for the JAL Group. The JAL Group will continue to occupy the building and the name remains the same.

A key target in Japan Airlines' current medium-term business plan for the period 2004-2006 is the reduction of interest-bearing debt by 400 billion yen by the end of FY2006 (March 31, 2007). This is being achieved by reducing investments to regain a sound financial condition and by implementing measures to increase revenue and maximize effects of the recently concluded integration of Japan Air System in the JAL Group in order to improve profitability. As part of this plan, JAL has decided to sell the JAL Building, and, as a result, the airline group will be able to reduce interest-bearing debt, avert risks pertaining to real estate and improve cash flow.

Under the purchasing contract, JAL International's 100% owned subsidiary Global Building Company and Ryoko Logistics, a 100% owned subsidiary of Mitsubishi, which jointly own the JAL Building, will sell the JAL Building located in Tennozu in the Shinagawa district of Tokyo, to a special purpose company established by Nomura Real Estate Development Company and Nomura Real Estate Office Fund Inc.

Outline

JAL Building location	Higashi-shinagawa 2-4-11, Shinagawa-ku, Tokyo
JAL Building outline	26 storeys plus two underground levels Land area 11,670.40 sq. mtrs Floor space 82,602.11 sq. mtrs Date of construction completion: June 1996
Contract date	December 1, 2004
Selling price	65 billion yen
Handover date	March 18 2005

###