



January 29, 2010

Cargo Business Reform and Merger Negotiations

We hereby announce the status and prospects of the cargo business reform and merger negotiations between Japan Airlines International (JALI), the key subsidiary of Japan Airlines and Nippon Yusen Kabushiki Kaisha (NYK) , involving the restructuring of cargo business operated by JALI and NYK's subsidiary, Nippon Cargo Airlines (NCA).

1. Status

Although we have been negotiating a potential merger between the cargo business of JALI and NCA since August 2009, we have not yet reached an agreement concerning conditions of the reform and merger, as well as some technical aspects of operational matters in the potential new business structure.

2. Prospect

Last August, we announced that the new business structure was targeted to start from April 1, 2010. As stated above, we have not yet reached an agreement and we continue to negotiate relevant issues, including the revised target date of commencement of the new business structure.