



JAL GROUP EUROYEN CONVERTIBLE BOND ISSUE

Tokyo, March 17: Japan Airlines System Corporation, the holding company of the JAL Group, is to issue euroyen convertible bonds for 80 billion yen, with an option for a further 20 billion yen.

The purpose of the issue is to provide low cost financing and to strengthen the financial position of the JAL Group through raising the ratio of shareholder equity.

The funds raised will be used for capital expenditure primarily in relation to investments in furthering the integration of Japan Airlines and Japan Air Systems, which includes fleet renewal, IT systems integration, brand unification, and restructuring of subsidiary companies. Some of the funds will be used for repayment of a portion of the Group's interest-bearing debt.

Outline

The offering: 80 Billion yen zero coupon guaranteed convertible bonds (with option to increase up to a further 20 billion yen up to March 29 2004)

Issue price: 100%

Offer price: 102.5%

Closing date: April 5 2004 (launch date March 17, 2004)

Maturity date: March 25, 2011

Principal managers: UBS Investment Bank

Listing: London Stock Exchange

###