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This Week Headline

- *JTB Group achieved increase of revenue for four consecutive fiscal years
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***JTB Group achieved increase of revenue for four consecutive fiscal years**

JTB Group released its consolidated financial result for the full year of FY2007 (April 2007 to March 2008) on May 30, reporting that revenue increased by 4.7% to 1,328.1 billion yen over FY2006 mainly because of its business expansion and M&A effects. It achieved increase of revenue for four consecutive fiscal years.

Operating profit and ordinary profit decreased by 25.4% to 18.7 billion yen and by 26.9% to 22.5 billion yen respectively. However, JTB Group succeeded in increasing net profit by 214.7% to 11.1 billion yen.

JTB Group dealt with 3,935,982 customers for its overseas travel products through FY2007, 0.1% more than FY2006. The market share of JTB Group's overseas travel customers to all Japanese departures was 23.0% in FY2007,

0.6 points higher than FY2006.

Out of the total revenue, revenue of the travel business reached 1,183.6 billion yen, 4.5% more than FY2006, broken down into 605.4 billion yen in the domestic travel business (up 1.1%), 535.5 billion yen in the overseas travel business (up 6.8%) and 42.7 billion yen in the inbound travel business (up 32.3%).

For the overseas travel business, JTB Group increased revenues from LOOK JTB, media sales and FIT products particularly for Asia and Europe. For the inbound travel business, Sunrise Tour for foreign visitors handled 18.4% more customers in FY2007 than FY2006.

Travel transactions in FY2007 totaled 1,765.6 billion yen, 3.6% more than FY2006, broken down into 1,023.9 billion yen for the domestic travel business (up 1.2%), 612 billion yen for the overseas travel business (up 4.1%) and 39.1 billion yen for the inbound travel business (up 32.7%).

The followings are customer results by overseas destination:

Hawaii = 512,573 (down 3.2%)

Guam/Saipan = 496,856 (down 6.1%)

North America = 349,948 (down 7.6%)

China = 455,892 (up 4.5%)

Hong Kong = 132,465 (up 1.7%)

Korea = 429,864 (up 0.7%)

Taiwan = 210,628 (up 9.3%)

Singapore = 79,779 (up 3.1%)

Other Asian countries in total = 455,796 (up 14.1%)

Europe/Russia = 547,811 (up 1.9%)

Oceania = 219,691 (down 10.8%)

For the full year of FY2008 (April 2008 to March 2009), JTB Group forecasts revenue of 1,384 billion yen (up 4.2%), operating profit of 16 billion yen (down 14.3%), ordinary profit of 20 billion yen (down 10.9%) and net profit of 11.9 billion yen (up 7.0%). The negative forecasts of operating profit and ordinary profit are attributed to active investments to human resources, M&A

and system developments.

***JAL PAK repays dividends first time in the past seven years**

JAL PAK released its consolidated financial result for the full year of FY2007 on June 3, reporting that it increased both revenue and profit and also repaid dividends for the first time since FY2000. JAL PAK increased revenue by 3.6% to 104,724 million yen in FY 2007 over the previous fiscal year, according to the financial report.

As the JAL-affiliated travel agency succeeded in just 2% increase of operating expense to 104,000 million yen, it improved from operating loss of 845 million yen in FY2006 to operating profit of 725 million yen in FY2007. Ordinary profit remarkably increased by 56.8 times to 682 million yen in FY2007 over FY2006. Net profit was down 5.0% to 343 million yen.

JAL PAK increased its package tour customers by 3% to 450,691 in FY2007, while it decreased its arranged travel customers by 13% to 193,047 in FY2007. In total, the number of customers was down 3% to 643,738 in FY2007.

Despite reduction of customers, JAL PAK successfully increased revenue because of rise of unit price, higher demands for Hawaii and Europe and double-digit growth in the Asia market including resort destinations.

The followings are customer results by destination in FY2007:

<Package tour>

Hawaii = 138,409 (up 4%)

America = 25,698 (down 3%)

Europe = 52,643 (up 2%)

Asia = 91,781 (up 17%)

Oceania = 40,427 (down 12%)

Micronesia = 61,597 (up 4%)

China = 40,136 (down 10%)

<Arranged travel>

Hawaii = 57,367 (down 10%)
America = 18,181 (down 16%)
Europe = 12,173 (up 11%)
Asia = 27,333 (up 4%)
Oceania = 8,647 (down 39%)
Micronesia = 45,223 (down 25%)
China = 24,123 (down 4%)

<In total>

Hawaii = 195,776 (even)
America = 43,879 (down 9%)
Europe = 64,816 (up 3%)
Asia = 119,114 (up 14%)
Oceania = 49,074 (down 18%)
Micronesia = 106,820 (down 11%)
China = 64,259 (down 8%)

***New JAL PAK President: "We will offer the best quality product in the world"**

Tetsuo Takahashi, who will become new president of JAL PAK, said at a press conference on June 3, "JAL PAK will celebrate the 40th anniversary of its birth and 45th anniversary of its brand establishment next year. We will make efforts to become a travel company to offer the best quality product in the world."

Although JAL PAK achieved increase of both revenue and profit in FY2007, Takahashi forecasts that the business will be very tough in the first quarter of FY2008. Increase of revenue and profit for the full year of FY2008 will depend on the business condition after the second quarter, he added.

To develop the business, Takahashi pays attention to the following three factors: further improvement of product quality, corporate environment to motivate employees and boosting travel demands by developing new products.

Takahashi said, "As JAL reduces available seats as its strategy, it is actually hard for us to ensure seats for leisure passengers. Our challenge is how we can develop JAL PAK under such a severe condition." However, he expects that flight expansions at Haneda Airport and Narita International Airport in 2010 will encourage JAL to review its business for the leisure market.

Takahashi emphasized that JAL PAK would grow as a member of the JAL Group, offering high quality products to the market. JAL and JAL PAK each will look for business expansion with synergy effect.

Also, Takahashi said of the current airfare system, "We will work on more flexible airfares to meet market needs with JAL."

***JAL to code share with BA on BA's London-Manchester flights**

JAL announced on June 2 that it has agreed with British Airways (BA) for code-share flights on BA's London (Heathrow)-Manchester flights. JAL and BA have tied up for code-share flights on London-Hamburg/Stuttgart/Vienna/Zurich since February 2004. By offering the new code-share flights, JAL aims to boost business travel demand from Japan to Manchester, a large industry city in U.K.

JAL has code-share agreements with Air France, Alitalia, Malev Hungarian Airlines and Finnair in Europe, and with the new code-share with BA, JAL has a network of 38 routes for 26 cities in Europe.

***JAL air transport result for April 2008**

INTERNATIONAL FLIGHT (JAL, JAS, JAA, JAL Ways)

Passengers = 963,140 (95.9%)

RPK = 4,261,976 thousand passenger kilometers (95.1%)

ASK = 6,586,809 thousand seat kilometers (96.8%)

Load factor =64.7%

<Results by destination>

Trans-Pacific routes

Passengers = 183,564 (95.6%)

RPK = 1,430,217 thousand passenger kilometers (94.9%)

ASK = 2,094,842 thousand seat kilometers (98.1%)

Load factor = 68.3%

Europe routes

Passengers = 99,008 (93.1%)

RPK = 930,439 thousand passenger kilometers (93.2%)

ASK = 1,249,552 thousand seat kilometers (90.6%)

Load factor = 74.5%

Southeast Asia routes

Passengers = 330,520 (95.4%)

RPK = 1,167,102 thousand passenger kilometers (98.0%)

ASK = 1,884,773 thousand seat kilometers (96.4%)

Load factor = 61.9%

Oceania routes

Passengers = 29,033 (84.8%)

RPK = 212,983 thousand passenger kilometers (84.5%)

ASK = 401,740 thousand seat kilometers (98.6%)

Load factor = 53.0%

Guam

Passengers = 36,477 (89.2%)

RPK = 92,025 thousand passenger kilometers (89.1%)

ASK = 145,225 thousand seat kilometers (96.3%)

Load factor = 63.4%

Korea routes

Passengers = 137,210 (101.1%)

RPK = 143,771 thousand passenger kilometers (101.1%)

ASK = 212,143 thousand seat kilometers (97.8%)

Load factor = 67.8%

China routes

Passengers = 147,328 (99.4%)

RPK = 285,439 thousand passenger kilometers (99.3%)

ASK = 598,533 thousand seat kilometers (107.2%)

