

## JAL Increases Normal Japan Domestic Fares

- Domestic Fuel Surcharge To End -

**Tokyo, Tuesday December 27, 2005:** Japan Airlines (JAL) will increase the price of domestic Japan normal passenger airfares during the period April 1<sup>st</sup> – September 30<sup>th</sup> 2006 to help the airline group cope with the financial impact of sustained high fuel prices. JAL filed today a fare increase application with the Japanese Ministry of Land, Infrastructure and Transportation (MLIT).

During the period, JAL domestic Japan normal airfares will increase from between 3.0% to 11.3% per one-way sector. The amount of increase will depend on the distance of the sector(s) flown (see the chart below).

JAL expects high fuel prices to continue into the future. JAL has estimated that its fuel bill in fiscal year (FY) 2005 will be 90 billion yen higher than that of FY2004, and in FY2006 will be 130-140 billion yen higher than that of FY2004.

JAL has taken a wide range of countermeasures to offset the price increase including hedging and cost cutting. The JAL Group's medium term corporate plan for the period 2005 through 2007 includes reform of structural costs by 75 billion yen annually by 2007 but despite these measures the company is reluctantly obliged to ask its passengers to bear part of the burden.

From April 1<sup>st</sup> 2006, JAL will eliminate the present domestic fuel surcharge established in January 2005. The fuel surcharge is 200 or 300 yen per one-way sector.

### Domestic Fare Increase Per One-way Sector (April 1<sup>st</sup> – September 30<sup>th</sup> 2006) Units: yen (JPY)

Distance (km)	Example Route	Example Low Season Fare during FY2005*	Domestic Fare Increase (Apr 1 <sup>st</sup> -Sept 30 <sup>th</sup> , 2006)	Example Low Season Fare (Apr 1 <sup>st</sup> – Sept 30 <sup>th</sup> ,2006)	% Fare Increase
Under 200 km	Naha- Kumejima	JPY 9,600	JPY 500	JPY 10,100	5.2%
200 – 299 km	Fukuoka- Kagoshima	JPY 15,700	JPY 700	JPY 16,400	4.5%
300 – 399 km	Tokyo - Komatsu	JPY 18,700	JPY 700	JPY 19,400	3.7%
400 – 799 km	Tokyo – Osaka	JPY 18,800	JPY 900	JPY 19,700	4.8%
800 – 999 km	Tokyo – Sapporo	JPY 28,300	JPY 1,100	JPY 29,400	3.9%
1000 km +	Tokyo - Naha	JPY 34,800	JPY 1,300	JPY 36,100	3.7%

\* Fare includes current domestic fuel surcharge : 200 yen = under 300km/ 300 yen = 300km & above.

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