

Japan Airlines Extends & Increases International Passenger Fare Fuel Surcharges

Tokyo, January 16, 2006: Today the JAL Group requested approval from the Japanese Ministry of Land, Infrastructure and Transport (MLIT), to extend and increase the fuel surcharge placed on all international passenger tickets issued on or after March 1st, 2006. JAL introduced the fuel surcharge in February 2005 in response to rises in the cost of fuel. Since then continued fuel cost increases have led JAL to review the amount of fuel surcharge levied.

The surcharge applies to flights operated by Japan Airlines and its international subsidiaries JALways and Japan Asia Airways including JAL code-share flights operated by other airlines, and will remain in effect until September 30, 2006. However, the revised surcharge will be reduced once the price of Singapore kerosene falls below the benchmark of US\$65.00 per barrel within one consecutive month period. The surcharge will be progressively reduced as the price of fuel decreases, and will be cancelled completely when the price of Singapore kerosene falls below the benchmark of US\$40.00 per barrel within one consecutive month period.

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.

The continuing rise in fuel costs is cause for concern for its impact on JAL's business performance and its ability to serve the public. JAL has taken a wide range of counter measures to offset the price increase including hedging. The JAL Group's medium term corporate plan for the period 2005 through 2007 includes reform of structural costs by 75 billion annually by 2007 but despite these measures the company is reluctantly obliged to ask its international passengers to continue to bear part of the burden.

Fuel Surcharges to and from Japan (Per person per sector flown)	For sale in Japan		For sale outside Japan	
	Current	Revised*	Current	Revised*
China (Fukuoka – Shanghai route only), Korea.	¥700	¥1,300	US\$7.00	US\$11.00
China (Hong Kong routes only)	¥1,200	¥3,900	US\$11.00	US\$32.00
China (sectors 2,000 km or less, but excluding the above).	¥1,300	¥2,700	US\$12.00	US\$22.00
China (sectors more than 2,000 km), Guam, Philippines, Taiwan, Vietnam	¥1,300	¥3,900	US\$12.00	US\$32.00
India, Indonesia, Malaysia, Singapore, Thailand	¥3,600	¥6,500	US\$34.00	US\$54.00
Europe, Hawaii, North America, Mexico, Middle East, Oceania	¥5,000	¥8,000	US\$48.00	US\$66.00
Brazil	¥5,000	¥11,500	US\$48.00†	US\$95.00
Fuel Surcharges on Sectors Outside Japan (Per person per sector flown)	For sale in Japan		For sale outside Japan	
	Current	Revised*	Current	Revised*
New York – Sao Paulo sector only	¥3,000	¥3,500	US\$29.00	US\$29.00
Vancouver – Mexico City sector only	¥2,000	¥2,300	US\$19.00	US\$19.00
Certain sectors within Asia, Europe, Hawaii, North America, Oceania excluding those specified above.	¥300	¥400	US\$3.00	US\$3.00

* Applicable to all international passenger tickets issued on or after March 1st, 2006. † US\$47.00 tickets issued in Brazil.

- The same amounts apply to adult/child/infant fares. The surcharges also apply to frequent flyer program international award tickets issued to members of the JAL Mileage Bank.
- In the case of refunds, the fuel surcharge will be refunded in full and no cancellation or refund charge will be applied.
- The planned increase and extension of the fuel surcharge is subject to government approval.

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