

Press Release

Hotel Okura Acquires Majority Share in JAL Hotels

Tokyo, August 6, 2010 --- Hotel Okura Co., Ltd. ("Hotel Okura") announced today that it had entered into an agreement with Japan Airlines International Co., Ltd. ("JALI") to acquire 79.6% of the issued shares of JAL Hotels Co., Ltd ("JAL Hotels") held by JALI.

Note

1. Objective

Hotel Okura's objective is to strengthen global competitiveness and establish its position as a Japan-originating global hotel chain that contributes to Japan's hotel industry. The company operates mainly in Japan and other Asian regions, and strives to become the number one hotel in each destination.

JAL Hotels is a leading Japanese hotel chain operator that boasts both top class sales and a leading network. The hotel chain made its reputation abroad, especially in the growing Asian market, with its top-notch quality.

Showing great affinity for each other as partners who share corporate direction and vision, Hotel Okura and JAL Hotels expect that the business synergy from the strong alliance produced through the transaction described in this announcement will not only deliver merit in terms of group size, international competitiveness and enrichment of human resources, but will also generate varied positive effects in areas such as marketing, business development, further expansion of existing training programs, information sharing and increased valuation of the brand overall.

2. Method of Acquisition

This is an all-cash stock acquisition to obtain 6,800,000 shares (79.6%) currently owned by JALI.

3. Overview of JAL Hotels Co., Ltd.

- (1) Company name JAL Hotels Co., Ltd.
- (2) Registered head office 2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-0002, Japan
- (3) Representative Katsumi Chiyo, President
- (4) Business profile Self owned hotel management and operation of management contract hotels inside and Japan and abroad
- (5) Capital JPY 4.272 billion
- (6) Date of establishment July 1, 1970
- (7) Relationship with Hotel Okura
 - Capital relationship: Holds minority share of Hotel Okura Co., Ltd.
 - Human resources relationship: Not applicable
 - Business connections: Not applicable

4. Overview of company selling shares

- (1) Company name Japan Airlines International Co., Ltd.
- (2) Registered head office 2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-8637, Japan
- (3) Representative Eiji Katayama, Enterprise Turnaround Initiative Corporation of Japan
- (4) Business profile Airfreight business
- (5) Capital JPY 200 Billion
- (6) Date of establishment October 1, 1953
- (7) Relationship with Hotel Okura
 - Capital relationship: Not applicable
 - Human resources relationship: Not applicable
 - Business connections: Not applicable

5. Share ownership

- (1) Shares before acquisition: 0 (Voting shares: 0; ownership percentage: 0%)
- (2) Acquired shares: 6,800,000 (Voting shares: 68,000; 100 shares per lot)
- (3) Shares after acquisition: 6,800,000 (Voting shares: 68,000; ownership percentage: 79.6%)
- (4) Major stockholders and ratio after the acquisition
 - Hotel Okura Co., Ltd. 79.6%
 - Japan Airline International Co., Ltd. 11.1%
 - Mizuho Corporate Bank, Ltd. 1.60%
 - Sumitomo Mitsui Banking Corporation 1.57%
 - The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.57%
 - Others including financial institutes, employee stock options, individual shareholders etc. 4.56%

6. Timing

- August 6, 2010: Execution of the share transfer agreement
September 30, 2010: Transfer

7. Post-acquisition prospects

As a result of the transaction described in this announcement, JAL Hotels Co., Ltd. and Hotel Okura Co., Ltd. will partner to form a cooperative framework. Hotel Okura believes that by combining “the guest house of Japan” with “the wings of Japan,” it is poised to be the only hotel chain in the world that offers Japanese hospitality, comfort and hotel services.

Additionally, after acquisition, Hotel Nikko and Hotel JAL City will retain their names. Various programs, gift certificates, coupons and other marketing programs related to JAL mileage will also continue.

The effect the transaction will have on the consolidated results of the fiscal year ending March 2011, will be restricted to a half-year period starting from October and ending in March.

Note to Editors:

Hotel Okura Co., Ltd.

Establishment date: December 11, 1958

Registered head office: 2-10-4 Toranomom, Minato-ku, Tokyo 105-0001
Japan

Representative: Toshihiro Ogita, President

Capital: JPY 3 billion

Business profile: Ownership of hotel properties and ownership and management of hotel companies, management of contracts and technical assistance for chain hotels, ownership and management of hotel-related companies, consulting on hotel development and improvements

URL www.okura.com

About Okura Hotels & Resorts

Okura Hotels & Resorts is an international hotel group operated by Hotel Okura Co., Ltd. Working with its corporate philosophy of providing the best accommodations, cuisine and service (Best ACS), Okura Hotels & Resorts commands a total of 24 member hotels in Japan and abroad including three new hotels to be opened.

Over the 30 years since its formation, Okura Hotels & Resorts has constructed a global network of high quality internationally as well as in Japan. Fusing the delicate consideration of Japanese culture with European and American functionality, Okura hospitality welcomes guests from around the world to its spaces of relaxation and comfort.

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