

15. Related Party Transactions

The Company had significant related party transactions with the parent companies, the companies controlled by the common parent companies and the companies over which the Company exercises significant influence in the terms of their operating and financial policies.

The transactions between the Company and the parent companies for the years ended March 31, 2004, 2003 and 2002 are summarized as follows:

With Japan Airlines International Co., Ltd. ("JALI", formerly Japan Airlines Company, Ltd.):

| | Year ended March 31, | | | 2004 |
|---------------------------|-----------------------------|-------------|-------------|------------------------------------|
| | 2004 | 2003 | 2002 | |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Operating revenues: | | | | |
| Sales of flight equipment | ¥14,576,148 | ¥16,559,530 | ¥22,045,640 | \$138,820 |
| Purchases of merchandise | 1,250,619 | 1,351,444 | 1,330,789 | 11,911 |

| | March 31, | | | |
|---------------------|---------------------------|-------------|-------------|------------------------------------|
| | 2004 | 2003 | 2004 | |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Accounts receivable | ¥3,652,792 | ¥2,889,021 | \$34,788 | |
| Accounts payable | 212,428 | 163,581 | 2,023 | |

The transactions between the Company and the companies controlled by the common parent companies, JALI and Japan Airlines System Corporation which is controlling stockholder of JALI, for the years ended March 31, 2004, 2003 and 2002 are summarized as follows:

With Global Building Co., Ltd.:

| | Year ended March 31, | | | 2004 |
|-----------------------|-----------------------------|-------------|-------------|------------------------------------|
| | 2004 | 2003 | 2002 | |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Operating expenses: | | | | |
| Rent for office space | ¥413,759 | ¥353,153 | ¥334,000 | \$3,941 |

| | March 31, | | | |
|-----------------------------|---------------------------|-------------|-------------|------------------------------------|
| | 2004 | 2003 | 2004 | |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Deposits for business space | ¥546,051 | ¥486,065 | \$5,200 | |

15. Related Party Transactions (continued)

With Japan Trans Ocean Air Co., Ltd.:

| | Year ended March 31, | | | |
|---------------------------|---------------------------|------------|------------|------------------------------------|
| | 2004 | 2003 | 2002 | 2004 |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Operating revenues: | | | | |
| Sales of flight equipment | ¥1,962,760 | ¥1,819,754 | ¥2,101,810 | \$18,693 |

| | March 31, | | | |
|---------------------|---------------------------|----------|--|------------------------------------|
| | 2004 | 2003 | | 2004 |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Accounts receivable | ¥396,524 | ¥372,387 | | \$3,776 |

With JAL Capital Co., Ltd.:

| | Year ended March 31, | | | |
|-------------------------------------|---------------------------|-------------|--|------------------------------------|
| | 2004 | 2003 | | 2004 |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Proceeds from short-term borrowings | ¥31,750,000 | ¥14,119,200 | | \$302,381 |
| Sales of merchandise | 573,733 | – | | 5,464 |

| | March 31, | | | |
|-----------------------|---------------------------|------------|--|------------------------------------|
| | 2004 | 2003 | | 2004 |
| | <i>(Thousands of yen)</i> | | | <i>(Thousands of U.S. dollars)</i> |
| Short-term borrowings | ¥1,600,000 | ¥1,920,021 | | \$15,238 |
| Accounts receivable | 554,719 | – | | 5,283 |

With JAL Sales Co., Ltd.:

| | Year ended March 31, | | |
|--|---------------------------|--|------------------------------------|
| | 2004 | | 2004 |
| | <i>(Thousands of yen)</i> | | <i>(Thousands of U.S. dollars)</i> |
| Proceeds from sales of investments in securities | ¥162,457 | | \$1,547 |
| Gain on sales of investments in securities | 123,114 | | 1,173 |

15. Related Party Transactions (continued)

The transactions between the Company and the companies over which the Company exercises significant influence in the terms of their operating and financial policies for the year ended March 31, 2004 are summarized as follows:

With Tokyo Koku Cleaning Co., Ltd.:

| | Year ended March 31, | |
|---|---------------------------|------------------------------------|
| | 2004 | 2004 |
| | <i>(Thousands of yen)</i> | <i>(Thousands of U.S. dollars)</i> |
| Proceeds from sales of property and equipment | ¥216,800 | \$2,065 |
| Gain on sales of property and equipment | 38,304 | 365 |