

Message from the CEO (Sales Outlook)

General consumption trends and other indicators for the business environment are mostly strong, and each department is performing well. In the aviation-related business the storage and supply of aircraft components for domestic heavy industries has increased in volume and performed particularly well. The customer services business has steadily expanded by such means as real estate development around airports and the "JAL Vacations" resort timeshare system.

Because of these factors, net sales in March 2007 rose year-on-year, and ordinary income reached a new high for the third successive year. We deeply appreciate the support of shareholders and all the parties concerned.

Due to the fixed asset disposal losses with the closure of overseas retail shop during the current period, net profit fell year-on-year.

Moreover, Sojitz Corporation became our chief shareholder through the transfer of stocks in the current period (Sojitz now holds 30% and JAL 21%). In the medium term we will maximize the functions and networks of the Sojitz Group to add to those of the JAL Group as the basis for JALUX's strength. We will expand the aviation-related business and the retail-centered lifestyle creation business, and endeavor to achieve our goal of ordinary income of 5 billion yen.

We will also endeavor to return profit to the shareholders by switching dividend from a nonconsolidated to a consolidated basis, and aim to pay out 30% of consolidated net profit. We appreciate your continued support and encouragement.



President & CEO
Toshiki Okazaki

Consolidated Performance (unit: million yen)	March 07	YoY change (%)	Project on March 08	YoY change (%)
Net Sales	114,133	106	120,000	105
Gross profit	24,530	105	25,500	104
Operating income	3,246	133	3,500	108
Ordinary income	3,516	109	3,700	105
Net income	1,579	94	1,850	117

Outlook for the Year Ending March 2008

In the aviation sector, we anticipate sustained profits and an expanding base in the sale of aircraft components (a promising area) and used aircraft to overseas airlines.

In the lifestyle services business, we will put a new mail-order data system into full operation and aim to increase profits by promoting efficiency and improving our marketing ability and customer service. As regards food, we aim to increase the sale of "Curry de Sky", which we updated during the current period. In the customer services business, the "JAL Vacations" property lineup in Hawaii will be expanded and profit from the "Blue Sky" airport shops is projected to rise, especially at New Chitose and Haneda airports.

In the new business field of welfare, we are aiming for solid results with the stable operation of "JALUX Good Time Home", a fee-paying senior citizen's care home operating in Chofu and Shinagawa-ku, Tokyo.

We will aim for record profits and sustainable growth by ensuring that we achieve these targets.

Performance by Operating Segment

