

1. Operating Results

(1) Analysis of Financial Results

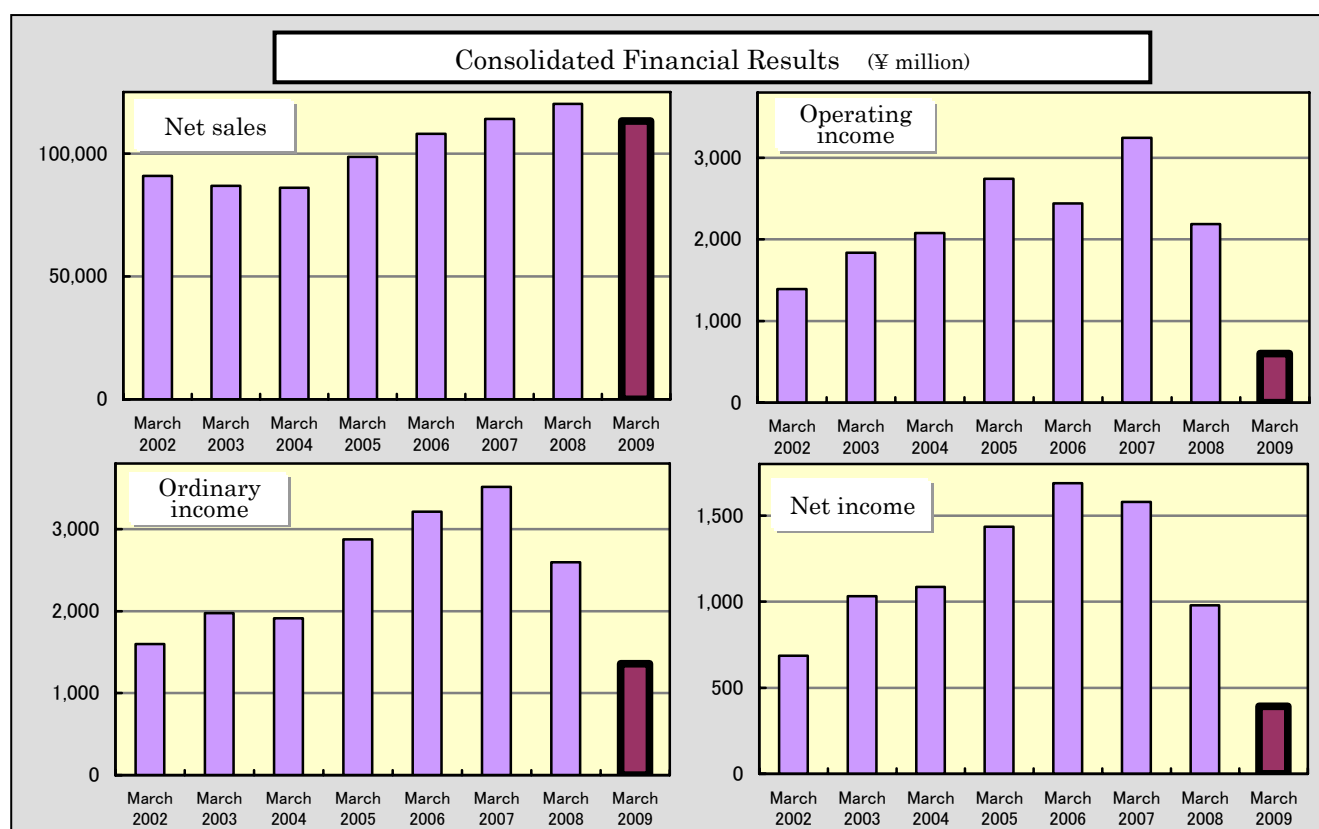
(Operating Results in the Current Period)

The Japanese economy in the current consolidated fiscal year observed a slump in personal consumption stemming from soaring crude oil and raw material prices in the first half. Then, in the second half, repercussions from the global financial crisis hit the real economy, sending stock prices lower, pushing down corporate earnings, eroding wages and employment conditions, and further stagnating personal consumption. This combined with other effects exposed additional signs on economy deterioration.

In such a climate, the JALUX Group's B-to-B business (operations targeting principally business enterprises) finished with steady performance in part from aircraft part sales, but on the whole, both sales and income came in under the previous year's numbers as a result of the worsening economic climate coupled with a contraction in business transactions and a deepening decline in prices. In B-to-C business (operations targeting principally consumers), agricultural and marine product-related operations recorded record revenue, but the sag in individual consumer sentiment dampened the gift food business, mainly furnished through department stores, and together with a decrease in the number of foreign travels due to a rapidly strengthening yen pushed airport store operations to below last year's level. This merged with other results to similarly cause a downturn in both revenue and income.

As a result of these developments, sales for the current consolidated fiscal year were ¥113,225 million (94.2% on a year-on-year basis) and gross profit was ¥22,503 million (94.3% on a year-on-year basis). Additionally, a rise in retirement benefit costs and other factors put operating income at ¥601 million (27.5% on a year-on-year basis) and ordinary income at ¥1,358 million (52.3% on a year-on-year basis). Moreover, in the extraordinary profit/loss category, an extraordinary loss was posted which included a loss on revaluation of investments in securities brought about by a sluggishness stock market, leading to net income for the period of ¥392 million (40.1% on a year-on-year basis).

Operating Results (¥ million)	Previous period (year ended March 2008)	Current period (year ended March 2009)	Change (%)	Increase/ Decrease
Net sales	120,228	113,225	94.2	(7,002)
Operating income	2,188	601	27.5	(1,586)
Ordinary income	2,596	1,358	52.3	(1,237)
Net income	978	392	40.1	(586)



The outlook by segment is as follows. The figures for each category are shown before adjustment for inter-segment net sales, transfers, and unallocatable costs.

① Aviation-related business

In aircraft and equipment-related operations, aircraft component sales held brisk with sales to emerging domestic airlines and ground support equipment-related business contributing to an increase in revenue. Yet, there were few sales of existing aircraft, the profitable large-size aircraft, in comparison with the previous year. Overseas airline buyers, faced with the recent global financial confusion, have found themselves in a worsening environment for procuring funds and deferred purchases, which combined with other effects impacted results, sending them below those of the previous period.

As a result, sales and operating income posted ¥31,977 million and ¥797 million, respectively.

Aviation-related business (¥ million)	Previous period (year ended March 2008)	Current period (year ended March 2009)	Change (%)	Increase/ Decrease
Net sales	34,251	31,977	93.4	(2,274)
Operating income	1,079	797	73.9	(281)

② Corporate solutions business

In printing and media-related operations, the rapid deterioration of corporate sector performance from the second half on pushed corporate demand down significantly, leading to a decline in income. Also, real estate operations experienced a rebound from the higher income enjoyed on completion of highly-profitable projects in the first half, and results similarly ended below the previous year's performance.

As a result, sales and operating income posted ¥17,237 million and ¥1,339 million, respectively.

Corporate solutions business (¥ million)	Previous period (year ended March 2008)	Current period (year ended March 2009)	Change (%)	Increase/ Decrease
Net sales	18,830	17,237	91.5	(1,593)
Operating income	1,904	1,339	70.3	(565)

③ Travel retail business

In brand and duty-free merchandise-related operations, various measures were devised to increase revenue in the wholesale business targeting duty-free shops and in-flight sales, but these steps were not able to cover the decrease in revenue from a drop in the number of passengers on international flights and chilled consumer sentiment. Shufunotomo Direct Co., Ltd. was made a subsidiary in January of this year for mail order operations and moves were made to expand the business and customer base, but a rapid retrenchment in personal consumption from the second half on, bumping down results to below those of the previous year. Also, shop-related operations benefited from hot-selling Hokkaido area products that attracted customers and contributed to increased revenue, but the downturn at Narita, Kansai and other international line shops was extensive and the entire shop-related operation, including duty-free shop operations, saw income decrease.

As a result, sales and operating income posted ¥43,363 million and ¥770 million, respectively.

Travel retail business (¥ million)	Previous period (year ended March 2008)	Current period (year ended March 2009)	Change (%)	Increase/ Decrease
Net sales	47,006	43,363	92.2	(3,643)
Operating income	1,805	770	42.7	(1,035)

④ Food & Beverage business

Gift food product operations, as stated above, were affected by sluggish sales of year-end gift items and other factors, leading to lower results than for the previous year. Additionally,

demand for wine sales mainly in the mid-to-high price bracket subsided further. On the other hand, many years of patient effort in agricultural and marine product-related operations were reflected in customers' confidence in the JALUX's stable supply of products and assured food safety. Import sales of high value-added frozen marine products and other items marked record results, and the resulting higher revenue albeit with lower profit was posted on a segment basis.

As a result, sales and operating income posted ¥20,778 million and ¥696 million, respectively.

Food & Beverage business (¥ million)	Previous period (year ended March 2008)	Current period (year ended March 2009)	Change (%)	Increase/ Decrease
Net sales	20,318	20,778	102.3	459
Operating income	730	696	95.3	(34)

(Operating Results Outlook for the Next Period)

The outlook for the next period forecasts a continued worsening of the global economic situation while in Japan, companies will curb capital investment and make further labor adjustments attributable to the decline in corporate earning capacity. Additionally, because of uncertainty about the future in keeping with such movements, the recovery in personal consumption will lag and worries will persist about a long-term recessionary phase hitting Japan's economy.

In such an environment, the Company will prioritize fundamental reforms in its earnings and cost structure and develop its existing business foundation in the next fiscal year to weather the severe economic climate.

As for specific measures, the Company will strive for a combination of improved cash flow and greater business profitability through stricter quantitative management of credit and inventories. Additionally, the internal company-wide distribution system will be improved and consolidated to reduce delivery costs and trim total expenditures, including cutting purchasing costs.

In regard to reform of its business cost structure, JALUX will evolve into a sound business structure into one able to withstand changes in the external environment, by downsizing its organization, improving per employee productivity, increasing the efficiency of labor-intensive businesses, and reducing or withdrawing from operations having low profitability.

Through such efforts, the JALUX Group will be certain to capture business opportunities in business sectors where the Company has a particular advantage, such as any increase in aircraft passenger demand accompanying the expansion in slots at Narita and Haneda airports scheduled for 2010 and the aircraft component business attendant upon development of the airline industry over the medium and long-term principally in Asia. JALUX Group will also realize a cornerstone for a new leap as the "airline system's only-one-company" which has differing domains in both corporate and retail business.

Additionally, as for any new business grounded on a hard look at future growth, the Company will include cooperative work with strategic partners and proceed to demonstrate and embody the synergy of business resources cultivated over many years, as it works to achieve balance and stabilize the financial standing.

Operating Results (¥ million)	Current period (year ended March 2009)	Next period (E) (year ending March 2010)	Change (%)	Increase/ Decrease
Net sales	113,225	110,000	97.2	(3,225)
Operating income	601	1,000	166.2	398
Ordinary income	1,358	1,000	73.6	(358)
Net income	392	400	102.0	7

(2) Financial Position

① Status of Assets/Liabilities and Net Assets

At the end of the period, fixed assets increased substantially on the acquisition of lease properties, and fishery products for processing, real estate for sale and other inventory assets also increased. Goodwill also accrued stemming from an increase in consolidated subsidiaries. On the other hand, liabilities increased in the form of long-term borrowings and advances received. As a result, total assets increased ¥1,324 million from the previous fiscal year to end at ¥42,899 million.

Net assets decreased ¥330 million on an increase in foreign currency translation adjustments (negative) due to a stronger yen to end at ¥15,702 million, and the shareholders' equity ratio fell 2.3 points to 33.9%.

② Cash Flow Status

Cash and cash equivalents ("cash") at the end of the period totaled ¥6,091 million or ¥83 million less than the end of the previous fiscal year. The main factors included a significant decline in pretax net income to ¥956 million (41% year-on-year or a decline of ¥1,364 million) despite income from an increase in loans as well as increases in tangible fixed assets, trade receivables, and inventories.

Individual cash flows for the current period are as follows.

(Cash Flow from Operating Activities)

Net cash from operating activities at the end of the period totaled ¥1,400 million (74.8% year-on-year), which was a decline of ¥472 million from the end of the previous fiscal year. The main factors were pretax net income of ¥956 million along with the posting of a ¥259 million valuation loss related to the company's shares and the inclusion of ¥1,095 depreciation charge on non-fund transactions, despite an increase in trade receivables and inventory.

(Cash Flow from Investing activities)

Net cash used in investing facilities as of the end of the period totaled ¥3,044 million (279.6% year-on-year), which was ¥1,955 million more than at the end of the previous fiscal year. The main factors were the acquisition of investment securities and fixed assets, including business real estate and software.

(Cash Flow from Financing activities)

Net cash from financing activities totaled ¥1,712 million (outflow of ¥216 million from the end of the previous fiscal year). The main factors were borrowings for the acquisition of investment securities, fixed assets for business and inventory held by the Company and at the same time, dividend payments were made and loans repaid to United States subsidiaries.

Cash flow index trends for our corporate group are outlined below.

	Period ended March 2005	Period ended March 2006	Period ended March 2007	Period ended March 2008	Period ended March 2009
Shareholders' equity ratio (%)	33.0	35.2	34.4	36.2	33.9
Shareholders' equity at market value (%)	71.5	72.7	66.9	51.4	38.2
Cash flow/interest bearing debt ratio (annual)	2.9	2.2	4.3	3.7	6.1
Interest coverage ratio	29.9	28.2	13.5	12.8	9.1

Shareholders' equity ratio: Shareholders' equity/total assets

Shareholders' equity at market value: market capitalization of stock/total assets

Cash flow/interest bearing debt ratio: Interest-bearing debt/operating cash flow

Interest coverage ratio: Operating cash flow/interest payment

Notes:

1. All financial values are calculated on a consolidated basis.
2. "Market capitalization of stock" is calculated as stock price value at end of period × total number of shares issued at end of period.
3. "Operating cash flow" uses cash flow from operating activities reported on the consolidated Cash Flow Financial Report. "Interest-bearing debts" target all debts where interest is payable from among the debts reported on the Consolidated Balance Sheet. "Interest payment" uses interest payment figures recorded on the consolidated Cash Flow Financial Report.

(3) Profit distribution: Basic aims and dividends for the current and following periods

JALUX Group regards a "stable return of profit" to our shareholders as an important managerial concern in demonstrating a reasonable return of profit corresponding to business performance, and the Company distributes dividends as it collectively takes into account securing internal reserves for future business expansion and enhancing the Company's financial standing.

For the current consolidated fiscal year, a year-end dividend of ¥35 per share is scheduled.

The Company is continuing to take a long-term perspective vis-à-vis its shareholders and has given extensive consideration to forecasts for a lengthened recessionary phase, severe business environment and other factors. A distribution of ¥20 per share is planned at the end of next period.

(4) Business and other risks

Risk factors that could affect business development of the JALUX Group are listed below. JALUX pays close attention to the causes of these risks, and endeavors either to avoid their occurrence or respond in the optimum manner should they occur.

① Relations with the JAL (Japan Airlines) group

JALUX is an affiliate of Japan Airlines Corporation, and engages in product sales and consulting work for JAL (Japan Airlines) Group entities. Any significant change in the relationship with the JAL Group happening in the future may impact the performance of the JALUX Group.

	Period ended March 2008		Period ended March 2009	
	Amount (million yen)	Ratio to sales (%)	Amount (million yen)	Ratio to sales (%)
Japan Airlines Corporation	18	0.0	18	0.0
Japan Airlines International Co., Ltd.	19,178	16.0	15,290	13.5
Other JAL group companies	13,164	10.9	11,933	10.6
Total	32,361	26.9	27,242	24.1

Note: The above figures do not include consumption tax.

② The impact of airline passenger numbers

Any substantial change in airline passenger numbers may impact the performance of the JALUX group. The JALUX group businesses most affected, either directly or indirectly, by changes in airline passenger numbers are as follows.

- 1) Mainly affected by international passenger numbers: In-flight sales products and food business, in-flight magazine mail-order business, JAL-DFS duty-free shop at Narita Airport
- 2) Mainly affected by domestic passenger numbers: In-flight mail-order business, BLUE SKY domestic airport shops

③ Relationship of trust between the corporate brand and the customer

As well as effectively exploiting the JALUX brand and the JAL brand, business develops on a basis of customer trust built on the quality of products and services. Any change taking place in this trust and popularity, or any major problem occurring with the quality of our products and services leading to loss of trust could impact the performance of the JALUX group.

On the listing on the first section of the Tokyo Stock Exchange in April 2004, JALUX established a Business Quality Improvement Committee. We are taking initiatives to further improve the quality of our overall business activities, and to develop as a socially aware "good corporate citizen" on a basis of legality and fairness.

④ Management of Personal Information

The JALUX Group retains and administers personal information obtained from customers consequent upon operating activities, and gives the utmost care and attention to any external disclosure of such information through its systematic commitment and legal compliance. Nevertheless, in the event personal information handled by the corporate group is divulged, such an event may impact the JALUX Group performance through a loss of social credibility, a decline in its corporate standing, compensation to such affected individuals, administrative sanctions, and so on.

⑤ Food Safety

The JALUX Group engages in the sale of foodstuffs including ingredients and processed items, sale of in-flight meals, and operates restaurants at airport shops. The Company pays diligent attention daily to food safety and strives to manage and maintain the safety of food through a systematic commitment. Nevertheless, in the event unforeseen circumstances arise regarding food safety and security, such an event may impact the JALUX Group performance through a loss of social credibility, a decline in its corporate standing, compensation to such affected individuals, administrative sanctions, and so on.

⑥ New Business Development and Investment

In order to foster new core businesses, the Company foresees continuing growth of the JALUX Group into the future and promotes the development of new business in sectors aligned with its corporate philosophy.

Additionally, the Company invests in businesses in accordance with this policy through the establishment of new companies, capital subscription in existing companies, the granting of credit and other means. To counter risks involved in new business expansion and business investment, the Company has set up appropriate checks through its Investment and Financing Screening Committee which precede any investment decision and where key company personnel conduct a risk analysis of the project and review the pros and cons of any investment from specialized standpoints.

Nevertheless, such new business expansion or investment may not proceed as planned due to factors such as changes in the business or economic climate as well as the deteriorating performance or financial condition of partner companies, and such plans may not achieve their anticipated targets. Additionally, any loss arising from the withdrawal of such projects may impact the performance of the JALUX Group.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(thousand yen)

	End of previous term (as of March 31, 2008)	End of current term (as of March 31, 2009)
Assets		
Current assets		
Cash and deposits	6,280,283	6,151,963
Notes and accounts receivable	12,158,395	11,842,752
Inventories	7,309,995	8,056,575
Deferred tax assets	470,034	390,453
Other	3,013,703	3,037,880
Allowance for doubtful accounts	(21,902)	(76,826)
Total current assets	29,210,510	29,402,798
Fixed assets		
Property, plant and equipment		
Buildings and structures	4,380,280	3,835,781
Accumulated depreciation	(2,260,173)	(2,029,061)
Buildings and structures (net amount)	2,120,106	1,806,720
Machinery and delivery equipment	212,378	158,836
Accumulated depreciation	(172,055)	(130,398)
Machinery and delivery equipment	40,322	28,437
Aircraft	3,587,102	2,860,632
Accumulated depreciation	(1,597,565)	(1,518,262)
Aircraft (net amount)	1,989,536	1,342,369
Other	781,797	848,233
Accumulated depreciation	(498,895)	(550,227)
Other (net amount)	282,901	298,005
Land	282,071	274,205
Construction in progress	97,663	1,933,556
Total property, plant and equipment	4,812,603	5,683,295
Intangible fixed assets		
Software	1,837,729	1,691,083
Other	35,983	236,193
Total intangible fixed assets	1,873,712	1,927,277
Investments and other assets		
Investment securities	2,589,902	2,658,272
Investment affiliated	445,589	378,951
Long-term rental deposit	1,959,907	2,185,073
Prepaid pension cost	246,936	94,368
Deferred tax assets	199,820	369,988
Other	341,028	379,695
Allowance for doubtful accounts	(105,067)	(180,513)
Total investments and other assets	5,678,117	5,885,836
Total fixed assets	12,364,433	13,496,409
Total assets	41,574,944	42,899,208

(thousand yen)

	End of previous term (as of March 31, 2008)	End of current term (as of March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	13,259,593	13,262,826
Short-term debt	3,953,469	3,755,961
Accrued corporate tax, etc.	413,664	44,908
Accrued expenses	2,255,387	2,300,718
Other	1,831,545	1,923,311
Total current liabilities	21,713,660	21,287,726
Fixed liabilities		
Long-term debt	2,970,730	4,848,733
Directors' retirement allowances	30,526	77,954
Addition to reserve for compensation to retired directors	176,561	189,344
Deferred tax liabilities	150,120	179,348
Other	500,546	613,850
Total fixed liabilities	3,828,486	5,909,232
Total liabilities	25,542,146	27,196,958
Net assets		
Shareholder's equity		
Common stock	2,558,550	2,558,550
Paid-in capita	711,499	711,499
Retained earnings	11,885,115	11,868,103
Treasury stock	(10,888)	(11,213)
Total shareholder's equity	15,144,276	15,126,940
Evaluation and conversion figures		
Unrealized gains on securities	(5,890)	(25,214)
Deferred gains or losses on hedges	(43,161)	948
Conversion adjustment	(48,576)	(581,058)
Total evaluation and conversion figures	(97,629)	(605,324)
Minority interests	986,150	1,180,632
Total net assets	16,032,797	15,702,249
Total liabilities and net assets	41,574,944	42,899,208

(2) Consolidated Income Statement

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Net sales	120,228,386	113,225,704
Cost of sales	96,359,302	90,721,969
Gross profit	23,869,083	22,503,734
Selling, general and administrative expenses		
Packing and transportation expenses	971,585	1,080,177
Payroll allowance	8,060,470	8,082,305
Employee retirement expenses	272,118	468,934
Rent expenses	4,757,364	4,461,753
Depreciation	715,697	752,527
Provision of allowance for bad debts	-	92,570
Addition to reserve for compensation to retired directors	68,683	68,892
Other	6,834,735	6,894,943
Total selling, general and administrative expenses	21,680,655	21,902,105
Operating income	2,188,428	601,628
Non-operating income		
Interest income	34,809	18,388
Dividends	43,323	46,230
Exchange gain	446,493	544,250
Equity in earnings of affiliates	-	88,808
Agency commissions	53,292	53,194
Other	106,633	197,346
Total non-operating income	684,551	948,218
Non-operating expenses		
Interest paid	135,928	143,612
Equity in losses of affiliates	91,047	-
Commission paid	24,796	24,339
Other	24,600	23,179
Total non-operating expenses	276,372	191,131
Ordinary income	2,596,607	1,358,714
Extraordinary profit		
Gain on sales of fixed assets	-	2,906
Gain on sales of investment securities	19,999	-
Reversal of allowance for doubtful receivables	4,654	-
Accrued directors' retirement benefits	15,010	-
Other	3,588	-
Total extraordinary profit	43,252	2,906

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Extraordinary loss		
Fixed asset disposal losses	141,546	54,828
Fixed asset impairment losses	35,592	17,905
Loss on sales of investment in subsidiaries and affiliates	-	69,094
Loss on revaluation of investments in securities	90,879	190,061
Loss on sales of investment securities	-	26,704
Loss from closure of shops	20,265	-
Loss from transition to a pension plan retirement scheme	29,917	-
Other	838	46,927
Total extraordinary loss	319,040	405,521
Net income before adjustment of taxes, etc.	2,320,819	956,099
Corporate income taxes, resident taxes, etc.	997,868	480,465
Deferred income taxes	180,196	(6,730)
Total income Taxes	1,178,065	473,735
Minority interest in income of consolidated subsidiaries	164,271	90,073
Net income	978,483	392,290

(3) Consolidated statement of changes in shareholders' equity

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Net sales		
Shareholder's equity		
Beginning balance	2,558,550	2,558,550
Ending balance	2,558,550	2,558,550
Paid-in capital		
Beginning balance	711,421	711,499
Changes during current period		
Disposal of treasury stock	78	-
Total changes	78	-
Ending balance	711,499	711,499
Retained earnings		
Beginning balance	11,289,771	11,885,115
Changes during current period		
Dividend earnings	(383,139)	(446,994)
Net income	978,483	392,290
Change of scope of equity method	-	37,692
Total changes	595,343	(17,011)
Ending balance	11,885,115	11,868,103
Treasury stock		
Beginning balance	(9,677)	(10,888)
Changes during current period		
Acquired treasury stock	(1,293)	(324)
Disposal of treasury stock	82	-
Total changes	(1,211)	(324)
Ending balance	(10,888)	(11,213)
Total shareholder's equity		
Beginning balance	14,550,065	15,144,276
Changes during current period		
Dividend earnings	(383,139)	(446,994)
Net income	978,483	392,290
Change of scope of equity method	-	37,692
Acquired treasury stock	(1,293)	(324)
Disposal of treasury stock	160	-
Total changes	594,210	(17,335)
Ending balance	15,144,276	15,126,940

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Evaluation and conversion figures		
Unrealized gains on securities		
Beginning balance	13,707	(5,890)
Ending balance		
Total changes	(19,598)	(19,323)
Total changes	(19,598)	(19,323)
Ending balance	(5,890)	(25,214)
Deferred gains or losses on hedges		
Beginning balance	4,068	(43,161)
Changes during current period		
Total changes	(47,230)	44,110
Total changes	(47,230)	44,110
Ending balance	(43,161)	948
Conversion adjustment		
Beginning balance	7,144	(48,576)
Changes during current period		
Total changes	(55,721)	(532,481)
Total changes	(55,721)	(532,481)
Ending balance	(48,576)	(581,058)
Total evaluation and conversion figures		
Beginning balance	24,920	(97,629)
Changes during current period		
Total changes	(122,549)	(507,694)
Total changes	(122,549)	(507,694)
Ending balance	(97,629)	(605,324)
Minority interests		
Beginning balance	940,591	986,150
Changes during current period		
Total changes	45,559	194,482
Total changes	45,559	194,482
Ending balance	986,150	1,180,632

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Total net assets		
Beginning balance	15,515,577	16,032,797
Changes during current period		
Dividend earnings	(383,139)	(446,994)
Net income	978,483	392,290
Change of scope of equity method	-	37,692
Acquired treasury stock	(1,293)	(324)
Disposal of treasury stock	160	-
Other net changes	(76,990)	(313,212)
Total changes	517,220	(330,548)
Ending balance	16,032,797	15,702,249

(4) Consolidated Cash Flow Statement

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Net cash from operating activities		
Net income before adjustment of taxes, etc.	2,320,819	956,099
Depreciation	1,111,740	1,095,961
Decrease in doubtful debt reserve (decline)	(13,387)	75,299
Decrease in employee retirement expenses (decline)	(82,240)	3,542
Interest and dividends received	(78,133)	(64,619)
Interest paid	135,928	143,612
Exchange gain or loss (gain)	39,686	41,530
Equity in earnings of affiliates (gain)	91,047	(88,808)
Loss on retirement of fixed assets	141,546	51,922
Fixed asset impairment losses	35,592	17,905
Gain on sales of investment securities (gain)	(19,999)	26,704
Loss on valuation of stocks of subsidiaries and affiliates	-	69,094
Loss on sales of investment securities	90,879	190,061
Increase (decrease) in accounts receivable (increase)	922,958	(748,177)
Increase (decrease) in inventories (increase)	(1,238,277)	(537,145)
Increase (decrease) in accounts payable (decline)	(200,189)	329,200
Increase (decrease) in advance payments (increase)	739,175	197,209
Increase in advance payments received (decline)	(916,872)	172,317
Change in claims in bankruptcy rehabilitation (increase)	11,513	(70,138)
Increase (decrease) in prepaid pension cost (increase)	(246,936)	152,567
Other	368,220	357,418
Subtotal	3,213,070	2,371,558
Interest and dividends received	71,392	81,985
Interest paid	(145,746)	(153,922)
Corporate taxes paid	(1,266,258)	(899,433)
Net cash provided by operating activities	1,872,458	1,400,187
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(478,985)	(2,159,132)
Proceeds from sales of property, plant and equipment	2,927	3,116
Payments for acquisition of intangible fixed assets	(581,539)	(287,080)
Expenditures for the acquisition of equity in affiliates	(27,000)	(14,907)
Payments for acquisition of investment securities	(240)	(264,658)
Proceeds from sales of property of investment securities	20,000	2,185
Payment for acquisition of affiliated company shares accompanying changes in scope of consolidation	-	(160,301)
Expense for loans	(14,308)	(463)
Proceeds from loan collection	153,585	59,392
Payments for term deposits	(127,469)	(1,366)
Refund from term deposits	100,000	-
Expense for increase in long-term rental deposits	(145,187)	(295,377)
Income from decrease in long-term rental deposits	70,598	76,345
Increase in restrictive deposits (increase)	(5,449)	20,593
Other	(55,585)	(22,691)
Net cash provided by (used for) investing activities	(1,088,655)	(3,044,344)

(thousand yen)

	Previous term (April 1, 2007 - March 31, 2008)	Current term (April 1, 2008 - March 31, 2009)
Net cash from financing activities		
Net increase (decrease) in short-term debt (decline)	275,480	(449,978)
Proceeds from increase in long-term debt	1,200,000	4,000,000
Payments for long-term debt	(1,188,272)	(1,262,741)
Dividends paid	(377,810)	(449,824)
Dividends paid to minority shareholders	(122,473)	(120,000)
Other	(3,706)	(4,492)
Net cash from financing activities	(216,782)	1,712,962
Conversion effect on cash and cash equivalents	(38,364)	(152,586)
Net increase (decrease) in cash and cash equivalents (decline)	528,654	(83,780)
Cash and cash equivalents at beginning of period	5,646,173	6,174,828
Cash and cash equivalents at the end of period	6,174,828	6,091,048

Segment Data

a. By business type

Previous consolidated accounting period (April 1, 2007 to March 31, 2008)						
(thousand yen)						
	Aviation-related	Lifestyle services	Customer services	Total	Elimination or unallocated amount	Consolidated
I. Net sales, operating income and loss						
Net sales						
1. External customers	41,851,962	35,208,682	43,167,741	120,228,386	-	120,228,386
2. Inter-segment internal sales / transfers	1,227,407	104,338	-	1,331,745	(1,331,745)	-
Total	43,079,369	35,313,021	43,167,741	121,560,132	(1,331,745)	120,228,386
Operating expenses	41,605,579	33,931,526	40,248,870	115,785,976	2,253,981	118,039,957
Operating income	1,473,790	1,381,494	2,918,870	5,774,155	(3,585,726)	2,188,428
II. Assets, depreciation and amortization, and capital expenditure						
Assets	13,453,927	9,547,905	11,790,548	34,792,381	6,782,563	41,574,944
Depreciation and amortization	422,979	101,224	233,812	758,016	353,723	1,111,740
Capital expenditure	182,601	260,790	389,529	832,921	290,228	1,123,149
Impairment loss	-	-	35,592	35,592	-	35,592

Notes: 1. Method of business classification

Businesses are classified with consideration for sales targets and methods, products supplied, and profit/loss aggregates.

2. Main products and sales for each business

- (1) Aviation-related ----- Aircraft, aircraft components, machinery, equipment & materials, cabin service supplies, in-flight sales, and textile supplies (consulting service and supporting work, wholesale business, etc.)
- (2) Lifestyle services ----- General merchandise, agricultural & marine products, processed foods, food gift items, wine & liquor, and creative design & printing (catalog sales, Web sites, wholesale business, etc.)
- (3) Customer services ----- Life design services (insurance/FP, real estate), Blue Sky airport shops, and JAL-DFS duty-free shops

- 3. For operating expenses in the previous accounting period, non-allocatable operating expense included in the elimination or unallocated amount totalled 3,585 million yen. The main reason was costs relating to the administrative division of the General Affairs department at the parent company's headquarters.
- 4. For assets in the previous accounting period, the total whole-firm assets including elimination or unallocated amount totalled 6,910 million yen. Factors included assets relating to parent company's long-term investment assets (investment securities) and the administrative division.

Current consolidated accounting period (April 1, 2008 to March 31, 2009)							
(thousand yen)							
	Aviation-related	Corporate solutions	Travel retail	Food & Beverage	Total	Elimination or unallocated amount	Consolidated
I. Net sales, operating income and loss							
Net sales							
1. External customers	31,968,583	17,159,203	43,346,717	20,751,200	113,225,704	-	113,225,704
2. Inter-segment internal sales / transfers	8,575	78,170	16,407	27,186	130,340	(130,340)	-
Total	31,977,158	17,237,374	43,363,125	20,778,386	113,356,045	(130,340)	113,225,704
Operating expenses	31,179,193	15,898,257	42,592,897	20,082,035	109,752,383	2,871,692	112,624,075
Operating income	797,965	1,339,116	770,227	696,351	3,603,661	(3,002,032)	601,628
II. Assets, depreciation and amortization, and capital expenditure							
Assets	11,425,781	6,941,408	11,947,400	6,341,000	36,655,591	6,243,616	42,899,208
Depreciation and amortization	373,803	30,866	292,318	23,098	720,087	375,873	1,095,961
Capital expenditure	59,699	1,938,501	293,786	13,353	2,305,341	240,604	2,545,945
Impairment loss	-	-	17,905	-	17,905	-	17,905

Notes: 1. Method of business classification

Businesses are classified with consideration for sales methods and products supplied.

2. Main products and sales for each business

- | | | |
|-------------------------|------|---|
| (1) Aviation-related | ---- | Aircraft, Aircraft components, Machinery/Facilities, Materials, Cabin service supply, Textiles supply, Clothing/Uniform |
| (2) Corporate solutions | ---- | Printing, Insurance, Real estate, Property management |
| (3) Travel retail | ---- | Cabin service supply, Brand/Fashion, Mail-order sales, Overseas real estate, and at airport Souvenir/Specialty goods sales, Restaurant, Duty-free items |
| (4) Food & Beverage | ---- | Agricultural & marine products, Processed foods, Wine, Food gift items |

3. For operating expenses in the current accounting period, non-allocatable operating expense included in the elimination or unallocated amount totalled 2,997 million yen. The main reason was costs relating to the Management Department including General Affairs Division at the parent company's headquarters.

4. For assets in the current accounting period, the total whole-firm assets including elimination or unallocated amount totalled 6,288 million yen. Factors included assets relating to parent company's long-term investment assets (investment securities) and the administrative division.

5. Change in business categories

In a reorganization effort dated June 18, 2008, the Company reorganized part of its existing business divisions. Based on a concept that judges sales strategies and sales activities from the perspective of the service receiving markets, the so-called "market-in concept," the Company formed a Corporate Sales Division and a Retail Business Division, respectively centered on the BtoB business and BtoC business. At the same time, based on a review of divisions' merchandise for sales method and products supplied, the Company changed its segment categories from the previous aviation-related business, lifestyle services business, and customer services business, to the four categories of aviation-related business, corporate solutions business, travel retail business, and the food & beverage business.

Segment information by business category for the third quarter of the previous fiscal year are shown below based on the new categories used in the period under review.

Previous consolidated accounting period (April 1, 2007 to March 31, 2008)							
(thousand yen)							
	Aviation-related	Corporate solutions	Travel retail	Food & Beverage	Total	Elimination or unallocated amount	Consolidated
I . Net sales, operating income and loss							
Net sales							
1 . External customers	34,240,826	18,745,724	46,999,899	20,241,936	120,228,386	-	120,228,386
2 . Inter-segment internal sales / transfers	10,599	84,975	6,773	76,795	179,144	(179,144)	-
Total	34,251,426	18,830,699	47,006,673	20,318,731	120,407,531	(179,144)	120,228,386
Operating expenses	33,171,532	16,925,809	45,200,783	19,587,864	114,885,990	3,153,967	118,039,957
Operating income	1,079,893	1,904,890	1,805,889	730,867	5,521,540	(3,333,111)	2,188,428
II . Assets, depreciation and amortization, and capital expenditure							
Assets	12,005,843	5,213,064	11,788,522	5,655,109	34,662,540	6,912,404	41,574,944
Depreciation and amortization	427,789	30,750	280,069	29,775	768,384	343,355	1,111,740
Capital expenditure	182,601	38,939	529,727	51,652	802,921	320,228	1,123,149
Impairment loss	-	-	35,592	-	35,592	-	35,592

b. By location

	Previous consolidated accounting period (April 1, 2007 to March 31, 2008) (thousand yen)					
	Japan	North America	Other regions	Total	Elimination or unallocated amount	Consolidated
I. Net sales, operating income and loss						
Net sales						
1. External customers	115,362,639	2,750,801	2,114,946	120,228,386	-	120,228,386
2. Inter-segment internal sales / transfers	341,294	12,094,410	1,955,007	14,390,712	(14,390,712)	-
Total	115,703,933	14,845,211	4,069,953	134,619,098	(14,390,712)	120,228,386
Operating expenses	113,284,789	14,633,769	4,084,920	132,003,479	(13,963,521)	118,039,957
Operating income (or loss)	2,419,144	211,442	(14,967)	2,615,619	(427,190)	2,188,428
II. Assets	34,149,783	7,763,279	1,045,836	42,958,899	(1,383,955)	41,574,944

Notes: 1. National and regional classifications depend on geographical proximity.

2. The breakdown of regions outside Japan is as follows:

(1) North America: United States

(2) Other regions: UK, Thailand, China

	Current consolidated accounting period (April 1, 2008 to March 31, 2009) (thousand yen)					
	Japan	North America	Other regions	Total	Elimination or unallocated amount	Consolidated
I. Net sales, operating income and loss						
Net sales						
1. External customers	108,315,637	3,452,180	1,457,886	113,225,704	-	113,225,704
2. Inter-segment internal sales / transfers	349,046	13,562,186	1,516,201	15,427,434	(15,427,434)	-
Total	108,664,684	17,014,366	2,974,087	128,653,138	(15,427,434)	113,225,704
Operating expenses	107,887,165	16,674,280	2,922,390	127,483,836	(14,859,760)	112,624,075
Operating income (or loss)	777,519	340,085	51,696	1,169,302	(567,673)	601,628
II. Assets	36,745,178	7,392,641	518,557	44,656,377	(1,757,169)	42,899,208

Notes: 1. National and regional classifications depend on geographical proximity.

2. The breakdown of regions outside Japan is as follows:

(1) North America: United States

(2) Other regions: UK, Thailand, China

c. Overseas net sales

Previous accounting year(April 1, 2007 to March 31, 2008)

	North America	Europe	Other regions	Total
I Overseas net sales (thousand yen)	3,564,914	7,053,106	1,539,429	12,157,450
II Consolidated net sales (thousand yen)	—	—	—	120,228,386
III Ratio of overseas sales to consolidated sales (%)	3.0	5.9	1.3	10.1

- Notes:
1. National and regional classifications depend on geographical proximity.
 2. The breakdown of regions outside Japan is as follows:
 - (1) North America: United States
 - (2) Europe: UK, Russia
 - (3) Other regions: Thailand, China, Vietnam
 3. Overseas sales comprise sales of the Company and its consolidated subsidiaries posted in countries and regions other than Japan.

Current accounting period (April 1, 2008 to March 31, 2009)

Since overseas net sales make up less than 10 percent of consolidated net sales, they were omitted from the table.

Transactions with affiliates

Previous consolidated accounting period (April 1, 2007 to March 31, 2008)

(1) Sister companies

Status		Other affiliated company subsidiary		
Name		JAPAN AIRLINES INTERNATIONAL Co., Ltd.		
Address		Shinagawa-ku, Tokyo		
Capital or investment (¥ thousand)		100,000,000		
Subject of business or occupation		Air transport service		
Percentage of voting stock ownership		None		
Related matters	Common board members	Transferred residence 3 Holding additional posts 2		
	Business relationship	Procurement consulting and support services & sales relating to aviation		
Transaction details and Amount (¥ thousand)		Procurement and sales of aircraft components and cabin service goods.		
		Sale 15,863,137 Procurement 8,288,247		
Account and balance at the end of term (¥ thousand)		Accounts receivable trade	Advance payments	Account payable
		2,511,575	113,391	289,415

Transaction conditions and decision-making policy

- ① When undertaking procurement, supporting or consulting work relating to sales of aircraft parts, cabin supplies and other items with Japan Airlines International Co., Ltd. decisions are to be made after taking into consideration market value and general cost price, suggesting a desired price, and negotiating in each period

Concerning other transactions, make decisions through discussions after considering market trends.

Note: Consumption tax does not apply to transaction sums.

Current consolidated accounting period (April 1, 2008 to March 31, 2009)
(Additional Information)

The "Accounting Standard for Related Party Disclosures" (Accounting Standards Board of Japan Statement No. 11) and "Guidance on Accounting Standard for Related Party Disclosures" (Accounting Standards Board of Japan Guidance No. 13) have been applied from the current consolidated fiscal year.

As a result of this application, transactions between relevant parties and consolidated subsidiaries of companies preparing financial statements on a consolidated basis have been added to the existing scope of disclosure.

1. Transactions with affiliates

(1) Transactions Between Relevant Parties and Companies Preparing Financial Statements on a Consolidated Basis

Companies or other entities having a parent company which is the same as the company preparing financial statements on a consolidated basis as well as subsidiaries or entities of other companies related to the company preparing financial statements on a consolidated basis

Status		Other affiliated company subsidiary		
Name		JAPAN AIRLINES INTERNATIONAL Co., Ltd.		
Address		Shinagawa-ku, Tokyo		
Capital or investment (¥ thousand)		200,000,000		
Subject of business or occupation		Air transport service		
Percentage of voting stock ownership		None		
Related matters	Business relationship	Procurement consulting and support services & sales relating to aviation		
Transaction details and Amount (¥ thousand)		Procurement and sales of aircraft components and cabin service goods.		
		Sale 13,023,066 Procurement 7,075,975		
Account and balance at the end of term (¥ thousand)		Accounts receivable trade	Advance payments	Account payable
		1,945,443	5,296	356,202

Transaction conditions and decision-making policy

- ① When undertaking procurement, supporting or consulting work relating to sales of aircraft parts, cabin supplies and other items with Japan Airlines International Co., Ltd. decisions are to be made after taking into consideration market value and general cost price, suggesting a desired price, and negotiating in each period

Concerning other transactions, make decisions through discussions after considering market trends.

Note: Consumption tax does not apply to transaction sums.

(2) Transactions Between Relevant Parties and Consolidated Subsidiaries of Companies Preparing Financial Statements on a Consolidated Basis

Companies or other entities having a parent company which is the same as the company preparing financial statements on a consolidated basis as well as subsidiaries or entities of other companies related to the company preparing financial statements on a consolidated basis

Status	Other affiliated company subsidiary		
Name	JAPAN AIRLINES INTERNATIONAL Co., Ltd.		
Address	Shinagawa-ku, Tokyo		
Capital or investment (¥ thousand)	200,000,000		
Subject of business or occupation	Air transport service		
Percentage of voting stock ownership	None		
Related matters	Business relationship	Procurement consulting and support services & sales relating to aviation	
Transaction details and Amount (¥ thousand)	Procurement and sales of aircraft components and cabin service goods.		
	Sale	2,267,176	Procurement 5,118,236
Account and balance at the end of term (¥ thousand)	Accounts receivable trade	84,452	

Transaction conditions and decision-making policy

- ① When undertaking procurement, supporting or consulting work relating to sales of aircraft parts, cabin supplies and other items with Japan Airlines International Co., Ltd. decisions are to be made after taking into consideration market value and general cost price, suggesting a desired price, and negotiating in each period

Concerning other transactions, make decisions through discussions after considering market trends.

Note: Consumption tax does not apply to transaction sums.

Per share information

Previous consolidated accounting period (April 1, 2007 to March 31, 2008)	Current consolidated accounting period (April 1, 2008 to March 31, 2009)
Book value per share ¥1,179.21	Book value per share ¥1,138.08
Earnings per share ¥76.68	Earnings per share ¥30.74
Concerning per-share net income for the current period after potential stock adjustment, potential shares do not exist and so are not recorded.	Concerning per-share net income for the current period after potential stock adjustment, potential shares do not exist and so are not recorded.

Note: The basis for calculating per-share net income is shown below.

	Previous consolidated accounting period (April 1, 2007 to March 31, 2008)	Current consolidated accounting period (April 1, 2008 to March 31, 2009)
Earnings per share		
Net income (thousand yen)	978,483	392,290
Sum not belonging to holders of shares of common stock (thousand yen)	-	-
(Sum of which paid out as employee bonuses for profit disposal)	978,483	392,290
Net income available to shareholders of shares of common stock (thousand yen)	12,760	12,771
Average number of outstanding shares (thousand yen)	978,483	392,290