Lighting the Way to a Brighter Future.

JALUX Inc. was listed on the 1st section of the Tokyo Stock Exchange on March 1, 2004.

As a core enterprise of JAL group’s distribution and services, JALUX has been aiming to expand the lifestyle services business and the customer services business around the axis of the aviation field. We will continue striving to enhance corporate values, and to deliver greater value to individuals and the community by “Contributing to Tomorrow”.

Jalux
The launch of the newborn JAL group provided the opportunity to redesign the logo. The new logo, unveiled on August 1, was designed to reflect the concept of “offering spiritually rich lifestyles to individuals and the community.” The logo combines the letters for JALUX with an arc that suggests images of light and earth.

Renewal of the corporate brand logo

The Plaza Wien JALUX gift shop opened in Vienna, Austria, on September 8. In the two European cities of Vienna and London, this new shop and the established JAL Plaza Igirisu-ya shop are providing quality goods and services for tourists.

Plaza Wien JALUX Opens

Changes in minimum trading unit of shares

On May 1, the number of shares per unit was changed from 500 to 100 to expand share distribution and investor types.

Revision of the shareholder gift certificate system

We planned to develop the gift certificate system to accompany the share unit revision.

- The change from discount coupons to gift certificates makes them easier to use.
- They can be used for mail order and in airport shops.
- Gift certificates have also increased in total value through the twice-yearly issue.

Remodeled JAL Shopping (WEB) Opens

The Web Mall site will be renewed on September 18, and JAL Shopping will open on the remodeled JAL website. We aim to enhance service and functionality through a partnership with JAL Mileage Bank as a shopping site where you can accumulate frequent flyer miles.

Listed on 1st section designated by Tokyo Stock Exchange

After listing on the second section of the Tokyo Stock Exchange in February 2002, we undertook a range of measures to enhance corporate value, including sustained profitability growth and consolidation of in-house systems. On March 1, 2003, we were recognized with a listing on the first section of the Tokyo Stock Exchange (designated stock). We aim to go on raising our game with still higher growth while responding to the raised expectations of those around us and meeting our social responsibilities.

BLUE SKY ISO9001 Acquisition

We have always aimed to enhance the competitive quality and reliability of airport shop management. The creation of a quality management system enabled Blue Sky’s established shops to acquire ISO9001:2000 certification on December 24, 2003. Looking forward, we are striving for continuous improvement by setting quality targets. We are also striving to create shops that satisfy and earn the trust of the customer.

Outline of Merger

- Merger method: Simple merger with JALUX as the surviving company.
- New shares from merger: 525,000

Outline of JAS Trading

- Business outline: Shops, mail order, and aviation-related businesses
- Profit scale: ¥12 billion net sales; ¥180 million ordinary income

Product Topics

October 2003
JAL Selection / Blue Sky Series launched “seafood-taste noodles.”

December 2003
First sales launch of a series of die-cast “Eternal Wing” JAL plane models.

February 2004
“Scraben” broiled mackerel sushi becomes a smash hit, and Ohunaken’s pressed sushi of horse mackerel and bream is launched.
**Message from the President (Sales Outlook)**

Promoting the strengthening and expansion of the business infrastructure through the Tokyo Stock Exchange 1st section listing and merger.

The business environment surrounding JALUX has grown increasingly harsh in the year ended March 2004, although signs of recovery have emerged in the second half of the year. Against the background of the JAL-JAS merger, we have implemented a raft of policies including renewal of the corporate logo and expansion of retail channels (shops and mail order). Alongside this, we have been strengthening and expanding the business infrastructure through the merger with JAS Trading in January 2004 and the listing on the first section of the Tokyo Stock Exchange (designated stock) in March 2004. Looking forward, in order to meet raised expectations and social responsibilities, we will strive to strengthen competitiveness by improving business quality, rise above our historic growth trend, and enhance corporate values. I look forward to receiving your continued support and encouragement.

**Outline of Consolidated Results for Fiscal Year Ended March 2004 (April 2003 to March 2004)**

Demand from international passengers fell in the first half of the year under review due to uncertainty in the international situation and the SARS scare. This led to a fall in income from airport duty-free shops and other businesses catering to international passengers. Meanwhile, mail order and food divisions focusing on the general consumer posted strong performances, and the financial impact of the fourth-quarter merger with JAS Trading contributed to the income growth of airport shops. Consolidated net sales reached 86.09 billion yen, just one percent below the figure for the previous year. Moreover, the success of retail channel expansion has led to gross profits of 20.24 billion yen, 104 percent of the figure for the previous year (when the aviation-related business took 3.4 billion yen and lifestyle creation businesses took 16.8 billion yen). Meanwhile, operating income reached 2.08 billion yen, 113 percent of the figure for the previous year. The financial impact of the conversion on the consolidated statement led to ordinary income of 1.91 billion yen (97 percent of the figure for the previous year). However, due to profits on sales of fixed assets, net profit reached a historical high of 1.09 billion yen (105 percent of the figure for the previous year).

**Consolidated Earnings Outlook for Fiscal Year Ending March 2005 (April 2004 to March 2005)**

We predict an upswing in the business environment as a result of factors such as a recovery in international passenger demand. The financial impact of the merger and increased efficiency will also contribute to the full year’s results. We aim to expand our commercial dominance in the mid- to long-term for the aviation-related business, which forms the bedrock of our stability. We will achieve this by such means as securing steady profit growth through consulting and developing a high value-added parts sales business. As for the lifestyle creation business, we are promoting sustainable expansion of retail channels in a number of ways, including maximizing the merger effect by raising shop management efficiency and expanding the catalog mail-order customer base. As a result of these initiatives, we predict a 119 percent rise in net sales to 102 billion yen; a 134 percent rise in ordinary income to 2.57 billion yen; and a 111 percent rise in net income to 1.2 billion yen for the year ending March 2005. The outlook for an increase in both income and profit. Looking at sustainable growth in the mid-to-long term, we will be moving forward from these very achievable figures.
“Lighting the Way to a Brighter Future.”

**JALUX** is creating new business fields.

### Midterm Business Strategy

In our three-year mid-term management plan starting in the year ending March 2005, we aim to enhance market competitiveness and customer satisfaction with higher business quality. At the same time, we aim to enhance corporate values by exploiting management resources with a strategic approach. In order to realize our corporate philosophy and management stance while raising mid-to-long-term profitability, we aim to develop new business in the three fields of environment, culture, and welfare for sustainable growth.

#### Strengthening marketing ability

- Competitiveness exploiting the best approach with good quality and brand value
  - For the mail order business, expand customer base by introducing FSP and strengthening CRM.
  - For the food business, expand development and sales of high-quality, excellent foodstuffs and direct delivery of foodstuffs from the area of production.

#### Strengthening group management

- Strengthen affiliated companies and businesses in the China/Southeast Asia region
- Expand sales of equipment and materials by participating in international airport infrastructure and Chinese public infrastructure business

#### Demonstrate the merger effect

- Optimize sales channels and improve management efficiency of airport shops
  - Improve profitability of airport businesses by reviewing business conditions and functions, and consolidating and improving business efficiency of stores

#### Redistribute management resources

- Verify and reorganize business portfolio for overall optimization
  - “Scrap and Build” through distributing business resources for growth and examining medium- and long-term profitability

#### Promoting new business development

- Actively invest in growth fields and expansion of existing business
  - Develop environment field exploiting mail order, flower arrangement, real estate, and materials business resources
  - Develop cultural field exploiting online and media businesses
  - Develop public welfare field exploiting senior citizen lifestyle design, insurance, and real estate business resources

### New business development image

- **Contributing to Tomorrow**

### New investments in content production

- **New investments in content production**

  JALUX has decided to invest 100 million yen in producing a travelogue (a set of 10 DVDs) imparting the eternal charm of China. This production consists of a travelogue shot digitally by the Evergreen Company, which handles World Heritage video production. It will take advantage of growing interest in China in the run-up to the Beijing Olympics. **JALUX** is planning to start selling the DVD in 2005 as a sole sales agency. Looking to the future, we plan to actively promote and create content with high cultural value.

### New developments in the nursing business

- **New developments in the nursing business**

  JALUX and Sousei Jigyoudan Co., Ltd. jointly established the nursing facilities management company JALUX Life Design Inc. (capitalized at 100 million yen) in April 2004. **JALUX** Life Design will open the 76-room “JALUX Good-time Home” in the west Tokyo suburb of Chofu in November 2004. The home will provide high-quality comfortable services for senior citizens. As the aging society draws nearer, **JALUX** Life Design will be helping senior citizens to live full and rich lives. We will seek for entry into businesses connected with the management of the nursing facilities.

### Consolidated Performance Trends and Plan

**Sales (Period ending)**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
</tr>
</tbody>
</table>

**Gross profit**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>111,000</td>
<td>111,000</td>
<td>111,000</td>
<td>111,000</td>
<td>111,000</td>
</tr>
</tbody>
</table>

**Gross profit ratio (%)**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>92.5%</td>
<td>92.5%</td>
<td>92.5%</td>
<td>92.5%</td>
<td>92.5%</td>
</tr>
</tbody>
</table>

**Ordinary income**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

**Ordinary income ratio (%)**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.2%</td>
<td>20.2%</td>
<td>20.2%</td>
<td>20.2%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

**Net Income**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
</tr>
</tbody>
</table>

**Earnings per share (yen)**

<table>
<thead>
<tr>
<th>Mar 02</th>
<th>Mar 03</th>
<th>Mar 04</th>
<th>Mar 05 (project)</th>
<th>Mar 06 (plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>58.36</td>
<td>58.36</td>
<td>58.36</td>
<td>58.36</td>
<td>58.36</td>
</tr>
</tbody>
</table>

The description concerning the plan for the future is based on information and assumptions available now. Actual performance may differ from the plan as a result of various factors.
Consolidated Financial Statements (summary) (Unit: million yen, rounded down)

### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Account</th>
<th>year-end</th>
<th>Previous (42nd)</th>
<th>Current (43rd)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>21,784</td>
<td>24,068</td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>3,546</td>
<td>4,130</td>
<td></td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>11,007</td>
<td>12,042</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>5,181</td>
<td>5,115</td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>298</td>
<td>412</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,786</td>
<td>2,401</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>▲26</td>
<td>▲34</td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>10,872</td>
<td>11,638</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equip.</td>
<td>4,568</td>
<td>4,648</td>
<td></td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>482</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>Investments and other assets</td>
<td>5,822</td>
<td>6,449</td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>2,076</td>
<td>2,065</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>3,899</td>
<td>4,602</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>▲153</td>
<td>▲218</td>
<td></td>
</tr>
<tr>
<td>Deferred assets</td>
<td>0</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Unsecured discount of debenture</td>
<td>0</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>32,657</td>
<td>35,706</td>
<td></td>
</tr>
</tbody>
</table>

**ROA (return on assets)**

*net income = average total assets*

The ROA was largely unchanged from the previous year due to a 3 billion yen increase in total assets accompanying the January merger.

### Consolidated Income Statements

<table>
<thead>
<tr>
<th>Account</th>
<th>period</th>
<th>Previous (42nd)</th>
<th>Current (43rd)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>17,771</td>
<td>20,343</td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>10,004</td>
<td>12,312</td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>2,896</td>
<td>3,267</td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,702</td>
<td>2,407</td>
<td></td>
</tr>
<tr>
<td>Other current debt</td>
<td>3,168</td>
<td>2,355</td>
<td></td>
</tr>
<tr>
<td>Fixed liabilities</td>
<td>5,048</td>
<td>4,280</td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>4,448</td>
<td>3,618</td>
<td></td>
</tr>
<tr>
<td>Director’s retirement allowances</td>
<td>136</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>Other fixed debts</td>
<td>461</td>
<td>502</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>22,818</td>
<td>24,603</td>
<td></td>
</tr>
</tbody>
</table>

**Minority interests**

- 557
- 626

**Shareholders’ equity**

- Common stock: 2,558
- Paid-in capital: 661
- Retained earnings: 6,148
- Unrealized gains on securities: ▲11
- Conversion adjustment: ▲70
- Treasury stock: ▲4
- **Total shareholders’ equity**: 9,281

### Consolidated Statement of Shareholders’ Equity

<table>
<thead>
<tr>
<th>Account</th>
<th>period</th>
<th>Previous (42nd)</th>
<th>Current (43rd)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paid-in Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning</td>
<td>661</td>
<td>661</td>
<td></td>
</tr>
<tr>
<td>At end</td>
<td>661</td>
<td>711</td>
<td></td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning</td>
<td>5,929</td>
<td>6,148</td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>1,932</td>
<td>1,507</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>294</td>
<td>321</td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>155</td>
<td>488</td>
<td></td>
</tr>
<tr>
<td>Cash dividend paid</td>
<td>183</td>
<td>195</td>
<td></td>
</tr>
<tr>
<td>Directors’ bonuses paid</td>
<td>10</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>At end</td>
<td>6,148</td>
<td>7,448</td>
<td></td>
</tr>
</tbody>
</table>

### Consolidated Cash Flow Statement

<table>
<thead>
<tr>
<th>Account</th>
<th>period</th>
<th>Previous (42nd)</th>
<th>Current (43rd)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>262</td>
<td>1,474</td>
<td></td>
</tr>
<tr>
<td>Cash flows from investment activities</td>
<td>▲1,146</td>
<td>▲211</td>
<td></td>
</tr>
<tr>
<td>Cash flows from financial activities</td>
<td>442</td>
<td>▲899</td>
<td></td>
</tr>
<tr>
<td>Conversion effect on cash and cash equivalents</td>
<td>▲1</td>
<td>▲5</td>
<td></td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>▲444</td>
<td>369</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning</td>
<td>3,967</td>
<td>3,523</td>
<td></td>
</tr>
<tr>
<td>Increase due to merger</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at end</td>
<td>3,523</td>
<td>4,106</td>
<td></td>
</tr>
</tbody>
</table>

**SGA (selling, general and administrative expenses)**

SG&A increased by 540 million yen due to a rise of around 400 million yen in personnel and other costs accompanying the merger.

**Non-operating income and expenses**

Net non-operating income fell to 170 million yen in the red due to causes including the 340 million yen impact of the currency conversion arising from the consolidation treatment (non-operating expenses).

**Extraordinary profits and losses**

Net extraordinary profit rose to 320 million yen due to factors such as a 310 million yen gain from sales of fixed assets and a 120 million yen profit on sale of securities.

**Equity ratio**

*shareholders’ equity = total assets*

The equity ratio is continuously improving due to a rise in shareholders’ equity of around 1.2 billion yen accompanying an increase in the retained earnings.

**Dividend per share**

We paid an ordinary dividend of 16 yen (net income per share in the previous period) in the current period. We will add to this figure a commemorative dividend of 4 yen for listing on the 1st section of the TSE, bringing the total dividend to 20 yen per share. We are planning an ordinary dividend of 22 yen per share in the next period to accompany the rise in profit.
JALUX, Inc.

Established: March 29, 1962
Capitalization: ¥1,008,550,000
Number of employees: 1,457 (including 894 at consolidated subsidiaries) (as of March 31, 2004)

Domestic branches
- Nine shops in twenty-five airports including Chitose, Narita, Haneda, Osaka, and Fukuoka.
- JAL-DFS Co., Ltd. (duty-free sales)
- JALUX EUROPE Ltd., London
- JALUX AMERICAS Inc. (Los Angeles)
- JALUX ASIA Ltd., Singapore
- JALUX ASIA Ltd., Hong Kong Branch
- JALUX ASIA Ltd., Bangkok
- JALUX ASIA Ltd., Shanghai
- JALUX Inc., Singapore
- JALUX Inc., Shanghai Representative Office
- JALUX Inc., Hong Kong

Overseas offices
- JALUX Inc., Seattle
- JALUX Inc., New York
- JALUX Inc., Los Angeles
- JALUX Inc., Tokyo

Domestic subsidiaries
- JALUX Co., Ltd. (duty-free sales)
- JALUX Inc. (duty-free sales)
- JALUX Inc., Tokyo
- JALUX Inc., New York
- JALUX Inc., Los Angeles
- JALUX Inc., Tokyo
- JALUX Inc., Singapore
- JALUX Inc., Shanghai Representative Office
- JALUX Inc., Hong Kong

Consolidated subsidiaries
- JALUX CO. LTD. (duty-free sales)
- JALUX Inc., Tokyo
- JALUX Inc., New York
- JALUX Inc., Los Angeles
- JALUX Inc., Tokyo
- JALUX Inc., Singapore
- JALUX Inc., Shanghai Representative Office
- JALUX Inc., Hong Kong

List of Directors (as of June 23, 2004)

Chairman of the Board, President & CEO: Zenji Yokoyama
Executive Vice-President: Hiroshi Murai
Managing Director: Yoshihisa Kato
Managing Director: Katsuo Koyama
Managing Director: Katsuki Hase
Managing Director: Toshio Sakamoto
Managing Director: Sumio Shimoya
Director: Ryoji Yoshida
Director: Hiroshi Ito
Director: Yuji Tsuchihara
Director: Koji Ikeda
Director (External): Akio Komori
Director (External): Tsuyoshi Ito
Director (External): Yasutaka Kurumada
Auditor: Tsunehiko Nishino
Auditor (External): Yuzuru Funakawa
Auditor (External): Kinya Misake

Share price and trade volume trends

<table>
<thead>
<tr>
<th>Share price (yen)</th>
<th>Volume (no. of shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>2,500</td>
<td>15,000,000</td>
</tr>
<tr>
<td>1,500</td>
<td>10,000,000</td>
</tr>
<tr>
<td>1,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>500</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

Further information on the financial statements will be provided on our website (http://www.jalux.com).

Maria Hamasaki
Agency: UFJ Trust Bank branches nationwide

© JALUX CO. LTD. (duty-free sales)

JALUX EUROPE Ltd., London
JALUX AMERICAS Inc. (Los Angeles)
JALUX ASIA Ltd., Singapore
JALUX ASIA Ltd., Hong Kong Branch
JALUX ASIA Ltd., Bangkok
JALUX ASIA Ltd., Shanghai
JALUX Inc., Singapore
JALUX Inc., Shanghai Representative Office
JALUX Inc., Hong Kong

JALUX Inc., Seattle
JALUX Inc., New York
JALUX Inc., Los Angeles
JALUX Inc., Tokyo
JALUX Inc., Singapore
JALUX Inc., Shanghai Representative Office
JALUX Inc., Hong Kong

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Managing Director: Katsuki Hase
Managing Director: Toshio Sakamoto
Managing Director: Sumio Shimoya
Director: Ryoji Yoshida
Director: Hiroshi Ito
Director: Yuji Tsuchihara
Director: Koji Ikeda
Director (External): Akio Komori
Director (External): Tsuyoshi Ito
Director (External): Yasutaka Kurumada
Auditor: Tsunehiko Nishino
Auditor (External): Yuzuru Funakawa
Auditor (External): Kinya Misake

Before using your certificates, please be aware that changes (including shop addresses) may be made to the system due to a number of factors.

BETWEEN 100 AND 499 SHARES: 2 CERTIFICATES (4 PER YEAR)
BETWEEN 500 AND 1,999 SHARES: 4 CERTIFICATES (8 PER YEAR)
BETWEEN 6,000 AND 9,999 SHARES: 12 CERTIFICATES (24 PER YEAR)
10,000 SHARES OR MORE: 14 CERTIFICATES (28 PER YEAR)

Further information on the financial statements will be provided on our website (http://www.jalux.com).

**Company Overview (as of June 23, 2004)**

**Shareholder Memo (as of June 23, 2004)**

JALUX will present shareholders possessing 100 shares or above with JALUX product gift certificates twice a year, as of March 31 and September 30, according to the following formula:

- Between 100 and 499 shares: 2 certificates (4 per year)
- Between 500 and 1,999 shares: 4 certificates (8 per year)
- Between 2,000 and 3,999 shares: 7 certificates (14 per year)
- Between 4,000 and 5,999 shares: 10 certificates (20 per year)
- Between 6,000 and 9,999 shares: 12 certificates (24 per year)
- 10,000 shares or more: 14 certificates (28 per year)

**Gift Certificates for Shareholders (as of June 23, 2004)**

**About gift certificates**

JALUX gift certificates are valued at 1,000 yen each and are valid for one year. They can be used with JALUX mail order catalog or at airport shops. Please note the following:

1. These certificates cannot be used in combination with discount coupons.
2. Change cannot be given when paying with gift certificates only.

**Where to use gift certificates**

Mail order catalog: JAL World Shopping Club
Chain of airport shops (nationwide)

**Major shareholders (ten largest)**

Name of shareholder | Shares held (thousand) | Voting right (%) |
---------------------|------------------------|-----------------|
Japan Airlines International Co., Ltd. * | 6,890 | 54.1% |
Japan Airlines Domestic Co., Ltd. * | 525 | 4.1% |
Nissay Dowa General Insurance Co., Ltd. | 392 | 3.0% |
The Tokio Marine And Fire Insurance Co., Ltd. | 392 | 3.0% |
JALUX Employees Shareholding Association | 305 | 2.3% |
Mitsui Sumitomo Insurance Co., Ltd. | 252 | 1.9% |
Aioi Insurance Co., Ltd. | 189 | 1.4% |
Sompo Japan Insurance Inc. | 189 | 1.4% |
Airport Facilities Co., Ltd. | 168 | 1.3% |
Japan Trustee Services Bank, Ltd. (trust account) | 129 | 1.0% |

* On April 1, 2004, Japan Airlines Co., Ltd. changed its name to Japan Airlines International Co., Ltd. and Japan Air Systems Co., Ltd. changed its name to Japan Airlines Domestic Co., Ltd.

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The minimum trading unit of shares changed on May 1, 2003.

**Company Overview (as of June 23, 2004)**

**Share information (as of March 31, 2004)**

- Total no. of shares issued by JALUX: 20 million
- Total no. of shares issued (after deduction of treasury stock): 12,761,791
- Total no. of shareholders: 3,407

**Share information (as of June 23, 2004)**

- Company Overview (as of June 23, 2004)

**Share price and trade volume trends (April 1, 2003 to March 31, 2004)**

**Shareholders entitled to annual meeting entry and dividend payment: those on registry as of March 31**

Minimum trading unit of shares: 100 shares

**Administrative procedures:** UFJ Trust Bank, Limited

**Nomura Securities Co., Ltd. headquarters as well as branches and offices nationwide.**

Newspaper for carrying announcements: Nihon Keizai Shimbun

**The Tokio Marine And Fire Insurance Co., Ltd.**

**Mitsui Sumitomo Insurance Co., Ltd.**

**Nissay Dowa General Insurance Co., Ltd.**

**Tokyo Marine And Fire Insurance Co., Ltd.**

**JALUX Employees Shareholding Association**

**Mitsui Sumitomo Insurance Co., Ltd.**

**Aioi Insurance Co., Ltd.**

**Sompo Japan Insurance Inc.**

**Airport Facilities Co., Ltd.**

**Japan Trustee Services Bank, Ltd. (trust account)**

**Accounting year:** April 1 to March 31

**Annual shareholders’ meeting:** June

**About gift certificates**

JALUX gift certificates are valued at 1,000 yen each and are valid for one year. They can be used with JALUX mail order catalog or at airport shops. Please note the following:

1. These certificates cannot be used in combination with discount coupons.
2. Change cannot be given when paying with gift certificates only.

**Where to use gift certificates**

Mail order catalog: JAL World Shopping Club
Chain of airport shops (nationwide)

Before using your certificates, please be aware that changes (including shop addresses) may be made to the system due to a number of factors.