

楽園に暮らす贅沢

JAL バケーションズからの新たな提案

ヒルトンやマリオットなど世界に名だたるブランドが運営する物件から、JALバケーションズが厳選した世界各地のリゾートに交換利用できる「タイムシェア(バケーション・オーナーシップ)」をご紹介します。

1年に1週間分の
権利を所有できます

相続・贈与の
対象になります

世界各地のリゾートと
交換利用できます

The Grand Waikikian
at Hilton Hawaiian Village
ご案内を開始!

JALバケーションズ

JALバケーションズは、JALバケーション・オーナーシップ・システムの略称です。

URL : <http://www.jalux.com/jvos/>

これはタイムシェア販売のご案内です。

タイムシェアの資料請求・説明会についてのお問合せは
ニックローオーナーシップ

☎0120-25-0740

FAX : 03-5460-6959

営業時間▶9:30~18:00(土・日・祝日を除く)

販売協力 : (株) JALUX

株式会社 JALUX

ライフデザイン事業部

上質の暮らしと旅を創る「Jらいふでざいん」はこちら

<http://www.jlife.jal.co.jp/>

JAL
Vacation
Ownership
System

O a h u



H a w a i i



P h u k e t



Las Vegas



Customer services

Lifestyle services

Aviation-related

JALUX Inc.

(TSE, 1st section: Stock Code 2729)

2-4-11 Higashi Shinagawa, Shinagawa-ku, Tokyo 140-8638
+81-(0)3-5460-7109 (Shareholder Relations Team)
+81 (0)3-5460-7233 (Investor Relations Team)

www.jalux.com



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June 2007

Jalux

JALUX REPORT

April 1, 2006 to March 31, 2007
(Business Report 2007)

JALUX "Good Time Home Fudomae" Opens!

In December 2006, we opened "JALUX Good Time Home Fudomae", a fee-paying senior citizens' home providing nursing care while prioritizing human services.



▲ Private rooms

The new home provides ample care services. It opened in the traditional area of uptown Shinagawa.



◀ Lobby & library

JALUX Life Design Inc. <http://www.jalux-lifedesign.com>

We renewed our "Curry de Sky", "Hayashi de Sky" and "Mizu de Sky" JAL Selection meals!

Retort pouch series with restaurant-quality ingredients and recipes
The new curry and hashed beef pouches are tastier than ever!



◀ Hayashi de Sky

◀ Curry de Sky (vegetable)

◀ Curry de Sky (beef)

Introduced in March 2007

Just cook in a microwave oven. It's so easy. Perfect for use at home or away from home. It also makes a great gift!

Renewing the Tanigawa Mountain System brand.

Natural water drawn from a channel 100m under ground

Introduced in November 2006

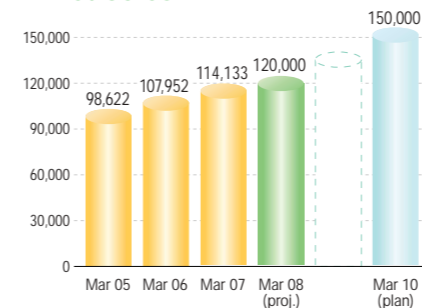
Mizu de Sky ▶



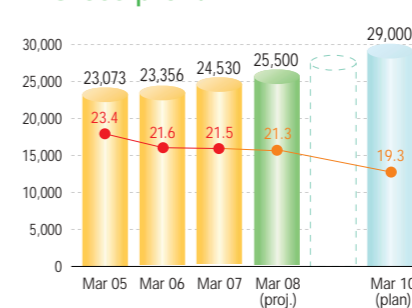
You can use gift certificates for shareholders to buy "de Sky" series items.

Consolidated Performance Trends and Plan (Unit: million yen)

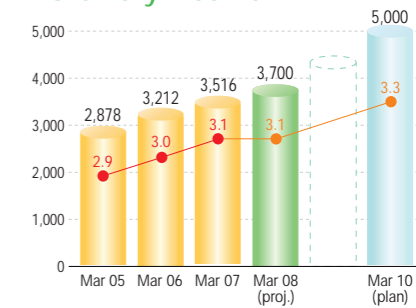
Net Sales



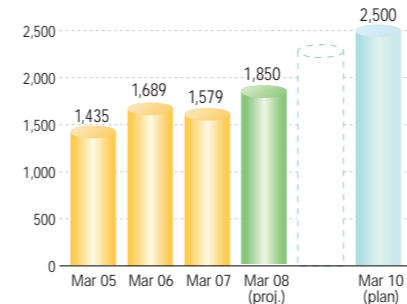
Gross profit — Gross profit ratio(%)



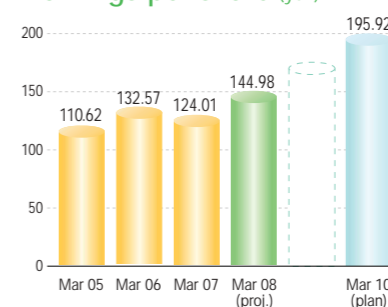
Ordinary income — Ordinary income ratio(%)



Net income



Earnings per share (yen)



Figures from Mar 08 onward are projected or planned.

Descriptions of future plans were prepared based on currently available information and assumptions. Actual performance may differ due to various factors.

CONTENTS

Consolidated Performance Trends and Plan..... 02	Consolidated Financial Statements 07
Announcement Change of chief shareholder	
Message from the CEO (Sales Outlook)..... 03	Share Information 09
Performance by Operating Segment 04	Share Price and Trade Volume Trends
Five Years' Activity Since Listing on the TSE... 05	Company Overview / Executives 10
	Gift Certificates for Shareholders

Announcement

Change of chief shareholder

On March 28, 2007, with the aim of enhancing JALUX's corporate value, some of our stock was transferred from Japan Airlines to Sojitz Corporation, making Sojitz the major shareholder. JALUX will expand its business making appropriate use of resources of both the JAL Group (including networks, expertise, brand, and

customer base) and the Sojitz Group. We will seek synergies through effective partnership to create a strong basis for great progress in the future. We appreciate your continued support.

*Please see the stock information on page 9 for the numbers of shares held after the transfer.

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

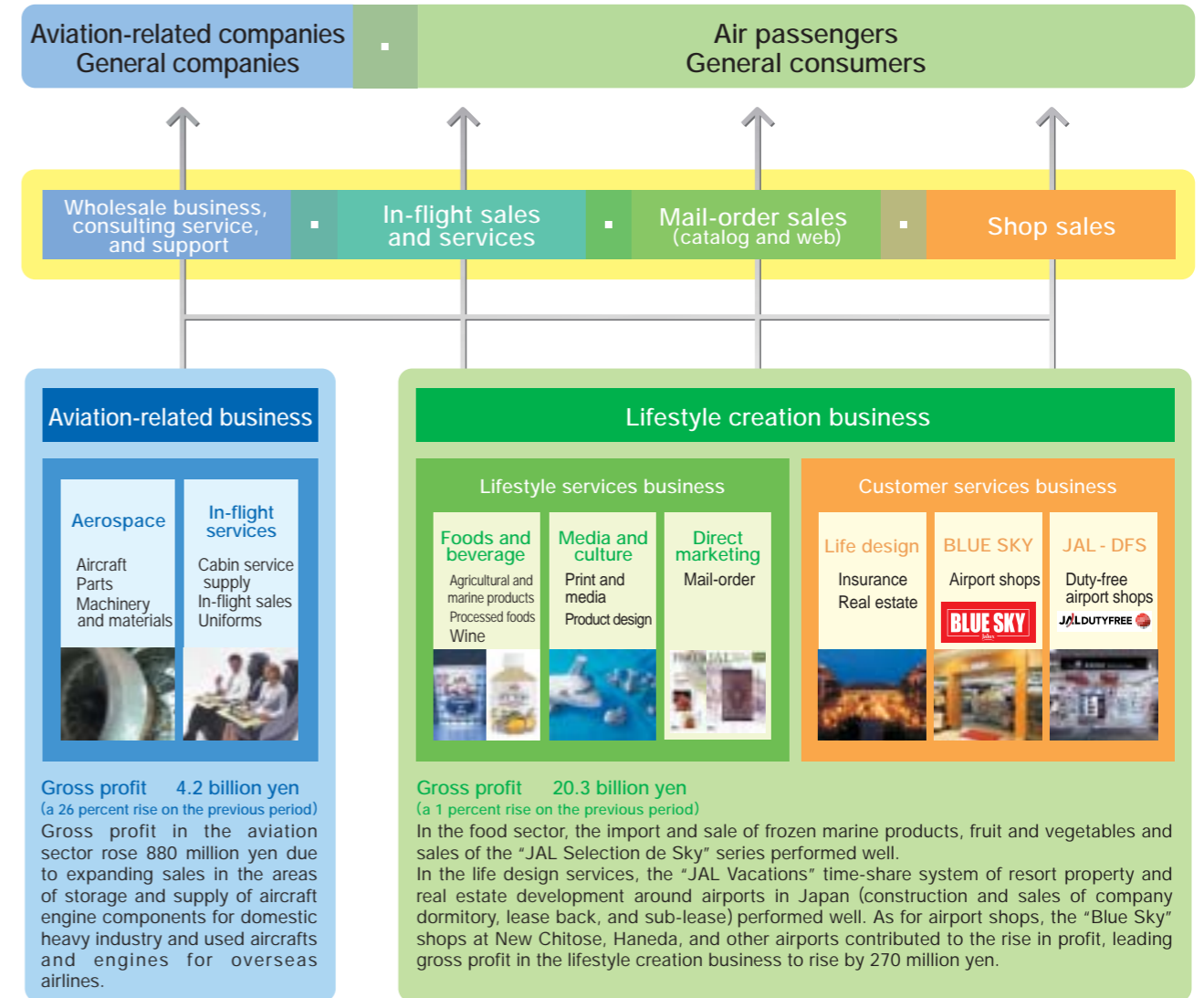
In the aviation sector, we anticipate sustained profits and an expanding base in the sale of aircraft components (a promising area) and used aircraft to overseas airlines.

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



Five Years' Activity Since Listing on the TSE

This year **JALUX** celebrated the fifth anniversary of its February 2002 listing on the Tokyo Stock Exchange. During these five years, in a changing international environment that was not always favorable, our profitability as an independent company steadily improved, and both our profits and shareholder dividends more than doubled. We would like to thank you all once again, and appreciate your expectations for still higher growth in the future.

Ordinary income
(unit: million yen)

5,000

4,500

4,000

3,500

3,000

2,500

2,000

1,500

1,000

March 2003

We produced strong results, focusing on the lifestyle creation business and strengthening domestic airport shops such as "Blue Sky" and "JAL-DFS".



March 2004

Airport shop profits fell because the number of international airline passengers decreased due to the Iraqi War and SARS. The expansion of the food catalog for mail-order business, however, enabled us to minimize the fall in profits.



March 2005

In January 2004 we merged with JAS TRADING Co., Ltd. and expanded the business. We developed a new system for supplying aircraft components, making a substantial increase in profit. And in October 2004 we entered into a care home business by opening "JALUX Good Time Home Chofu".



March 2006

"JAL-DFS" performed well, partly due to the opening of new shops, and "JAL Vacations" (launched in the previous period) steadily increased property numbers on the back of solid demand, yielding ordinary income of 3.2 billion yen.



March 2007

New business models, such as the supply system for aircraft components, and new business undertakings launched since the listing contributed steadily to the strengthening of the profit base, achieving the seventh successive dividends increase.



March 2008 (projected)

We expect to achieve a fourth successive period of record profits with ordinary income of 3.7 billion yen due to the expansion of retail businesses such as mail order, airport shops, and life design, and plans an annual dividends of 35 yen per share.

March 2010 (planned)

We are aiming for ordinary income of 5 billion yen and a consolidated payout ratio of 30% from the contributions of the aviation and lifestyle creation sectors, and from new business developed from existing businesses in the environment, culture, and welfare fields.

March 1, 2004

Stock listing upgraded to the First Section of the Tokyo Stock Exchange.

February 28, 2002

New listing on the Second Section of the Tokyo Stock Exchange.

Ordinary income

Dividends

Dividends
(unit: yen)

60

50

40

35

30

25

20

15

10

Share price movements (March 2002 to March 2007)

(unit: yen)

3,000

2,500

2,000

1,500

1,000

500

2002.3

2003.3

2004.3

2005.3

2006.3

2007.3

Consolidated Financial Statements (Summary)

(Unit: million yen, rounded down)

Balance Sheet

Item	Period	Previous term ended March 31, 2006	Current term ended March 31, 2007
Assets			
Current assets		25,297	29,558
Cash and deposits		4,954	5,688
Notes and accounts receivable		11,376	13,468
Securities		—	7
Inventories		5,653	6,117
Deferred tax assets		471	469
Other current assets		2,885	3,836
Allowance for doubtful accounts		43	29
Fixed assets		12,261	12,787
Property, plant, and equipment		5,384	5,210
Intangible fixed assets		1,257	1,861
Investments and other assets		5,618	5,715
Investment securities		2,481	2,794
Long-term loans		462	530
Long-term rental deposits		1,917	1,860
Deferred tax assets		342	276
Other		546	363
Allowance for doubtful accounts		132	111
Total assets		37,559	42,345

Item	Period	Previous term ended March 31, 2006	Current term ended March 31, 2007
Liabilities			
Current liabilities		19,957	23,037
Notes and accounts payable		11,854	13,561
Short-term debt		2,999	3,826
Accrued corporate tax, etc.		596	684
Accrued expenses		2,267	2,407
Other current liabilities		2,239	2,557
Fixed liabilities		3,500	3,792
Long-term debt		2,549	2,963
Directors' retirement allowances		283	112
Addition to reserve for compensation to retired directors		185	195
Deferred tax liabilities		57	90
Other fixed liabilities		424	431
Total liabilities		23,457	26,830
Net assets			
Shareholders' equity		13,253	14,550
Common stock		2,558	2,558
Capital surplus		711	711
Retained earnings		9,992	11,289
Treasury stock		9	9
Evaluation and conversion figures		32	24
Unrealized gains on securities		22	13
Deferred gains or losses on hedges		4	4
Conversion adjustment		51	7
Minority interests		881	940
Total net assets		14,101	15,515
Total liabilities and net assets		37,559	42,345

Interest-bearing debt

(Short-term + Long-term debt)

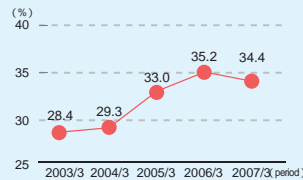
Due to the increase of short- and long-term debt accompanying the introduction of a new core system, interest-bearing debt amounted to 6.79 billion yen and net interest-bearing debt after deducting cash and deposits amounted to 1.1 billion yen.



Equity ratio

(Net assets - Minority interests) ÷ Total assets

Shareholders' equity rose due to the increase in retained earnings, but the equity ratio amounted to 34.4% due to the increases in debt and purchase debt resulting from the expansion of airport shop business.



According to the enforcement of the revised Corporation Law, the heading "Capital" in the balance sheet was replaced by "Net assets". The figures under "Net assets" for the previous period were converted based on the figures in "Capital".

Income Statements

Item	Period	Previous term April 1, 2005 to March 31, 2006	Current term April 1, 2006 to March 31, 2007
Net sales		107,952	114,133
Cost of sales		84,595	89,602
Gross profit		23,356	24,530
SG&A		20,911	21,284
Operating income		2,444	3,246
Non-operating income		878	461
Non-operating expenses		110	191
Ordinary income		3,212	3,516
Extraordinary profit		148	28
Extraordinary loss		192	378
Net income before taxes and minority interests		3,169	3,166
Current income taxes		1,246	1,309
Deferred income taxes		49	93
Minority interests		184	183
Net income		1,689	1,579

Cash Flows

Item	Period	Previous term April 1, 2005 to March 31, 2006	Current term April 1, 2006 to March 31, 2007
Net cash from operating activities		2,522	1,593
Net cash from investing activities		1,856	1,823
Net cash from financing activities		866	765
Conversion effects on cash and cash equivalents		12	48
Net increase in cash and cash equivalents		187	583
Cash and cash equivalents at beginning of period		5,134	4,946
Cash and cash equivalents from new consolidated subsidiaries at beginning of period		—	115
Cash and cash equivalents at end of period		4,946	5,646

Extraordinary loss amounted to 350 million yen due to the loss from fixed assets disposition accompanying the closure of the shop in London and appraisal loss of commodities. While there was tax reduction accompanying appraisal loss of stock in the previous period, there was no extraordinary factor for accounts and net income amounted to 1.58 billion yen in the current period.

Changes in Shareholders' Equity

Current term Apr.1, 2006 to Mar. 31, 2007	Shareholders' equity					Evaluation and conversion figures				Minority interests	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on securities	Deferred gains or losses on hedges	Conversion adjustment	Total evaluation and conversion figures		
Balance as of March 31, 2006	2,558	711	9,992	9	13,253	22	—	51	28	881	14,105
Amount of change											
Dividend earnings			306		306						306
Net Income			1,579		1,579						1,579
Acquired treasury stock				0	0						0
Disposal of treasury stock				0	0						0
Increase in affiliates accounted for by the equity method			24		24						24
Decrease in treasury stock from changes in equity				0	0						0
Other net changes					—	8	4	58	53	59	112
Total changes	—	0	1,297	0	1,297	8	4	58	53	59	1,409
Balance as of March 31, 2007	2,558	711	11,289	9	14,550	13	4	7	24	940	15,515

Share Information / Share Price and Trade Volume Trends

Share Information (as of March 31, 2007)

Authorized shares : 20,000,000
Outstanding shares : 12,775,000
No. of shareholders : 10,803

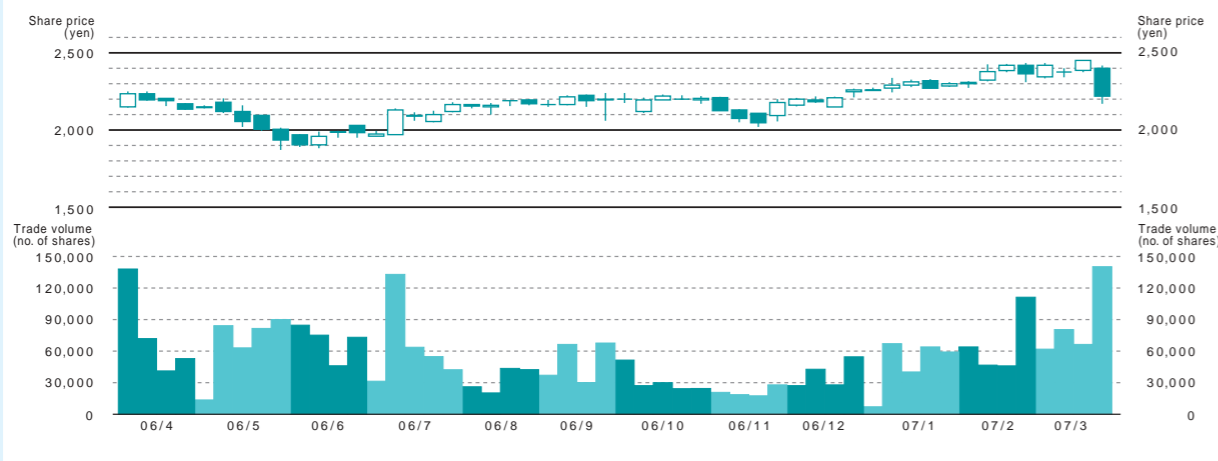
Major shareholders (ten largest)

Name of shareholder	Shares held (thousand)	Shareholding ratio
Sojitz Corporation	3,832	30.0%
Japan Airlines Corporation	2,727	21.4%
The Tokio Marine & Nichido Fire Insurance Co., Ltd.	455	3.6%
Nissay Dowa General Insurance Co., Ltd.	392	3.1%
Mitsui Sumitomo Insurance Co., Ltd.	252	2.0%
Aiol Insurance Co., Ltd.	189	1.5%
Sompo Japan Insurance Inc.	189	1.5%
Airport Facilities Co., Ltd.	168	1.3%
The Master Trust Bank of Japan, Ltd. (trust account)	147	1.2%
JALUX Employees Shareholding Association	144	1.1%

Shareholders' memo (as of June 22, 2007)

Fiscal year : April 1 to March 31
Annual shareholders' meeting : June
Shareholder registration date : March 31
(for entitlement to annual meeting entry and period-end dividend payment)
Minimum share-trading unit : 100 shares
Shareholder's register manager : Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Contact and postal address : Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashi-suna, Koto-ku, Tokyo Tel. 0120-232-711
Agent : Mitsubishi UFJ Trust and Banking Corporation branches nationwide Nomura Securities Co., Ltd. headquarters as well as branches and offices nationwide
Public announcements : Please refer to the **JALUX** website

Share Price and Trade Volume Trends (April 1, 2006 to March 31, 2007)



Company Overview / Executives

Company Overview (as of March 31, 2007)

Name : **JALUX Inc.**
Stock code : 2729 (TSE 1st section)
Established : March 28, 1962
Capitalization : 2,558, 550,000 yen
Employees : 1,837 (including 1,204 at consolidated subsidiaries)
Domestic airport shops : 98 shops in 25 airports including Narita, Haneda, Kansai, and Fukuoka
Domestic subsidiaries : JAL-DFS Co., Ltd. (duty-free sales)*
JALUX Airport Inc. (airport shop management business)*
JY Fashion Create Inc.
Overseas subsidiaries : JALUX EUROPE Ltd. (London, Vienna)*
JALUX AMERICAS Inc. (Los Angeles)*
JALUX HAWAII Inc. (Honolulu)
JALUX ASIA Ltd. (Bangkok)*
JALUX ASIA SERVICE Ltd. (Bangkok)*
JALUX HONG KONG Co., Ltd. (Hong Kong)*
JALUX SHANGHAI Co., Ltd. (Shanghai)*

*Consolidated subsidiary

Executives (as of June 22, 2007)

Chairman of the Board	Hiroshi Tomomori
President & CEO	Toshiki Okazaki
Senior Managing Director	Toshio Sakamoto
Senior Managing Director	Sumio Shionoya
Managing Director	Hiroshi Iijima
Managing Director	Kenji Ichikawa
Managing Director	Yasumasa Onuki
Director	Toshiro Yamaguchi
Director	Kaneo Maki
Director	Tokuhiisa Asayama
Director	Yoshio Matsushita
Director	Masayuki Abiko
Director	Masayuki Yamamoto
Director	Seigi Miyanaga
Director	Shinichi Tajima
Director	Yutaka Takeda
Director (External)	Fudeji Hama
Director (External)	Yoshihiro Omura
Auditor	Ryoji Yoshida
Auditor	Tsunehiko Nakano
Auditor (External)	Atsuro Nishi
Auditor (External)	Teruhisa Ishizawa

Gift Certificates for Shareholders

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:

Number of Shares	Number of Gift Certificates		Amount per year (yen)
	End of Sept.	End of Mar.	
100-499	2	2	4,000
500-1,999	4	4	8,000
2,000-3,999	7	7	14,000
4,000-5,999	10	10	20,000
6,000-9,999	12	12	24,000
10,000 or more	14	14	28,000

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 catalogs or at airport shops.

Where to use gift certificates

You can use gift certificates at "JAL World Shopping Club", "Blue Sky", "JAL-DFS", and "Plaza Wien JALUX".

*Please note you cannot use gift certificates for Internet shopping, in-flight sales, or at "JAL Plaza Yurakucho", "NAA & JAL-DFS (Narita Airport Terminal 1)".

For more information, please see www.jalux.com/ir

You can use them
for catalog shopping!

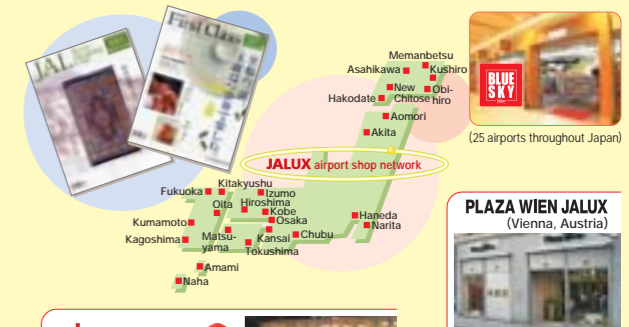
Mail-order catalog

JAL World Shopping Club

You can use them
at shops!

Airport shops throughout Japan

BLUE SKY



PLAZA WIEN JALUX
(Vienna, Austria)

JAL DUTYFREE
International airline
duty-free shops in
Narita Airport Terminal 2



You can use gift certificates
at "JAL-DFS" and "Plaza Wien
JALUX" from January 2007.

*Please note the shareholder courtesy system (including shop locations) may be changed due to various factors.