



## Consolidated Financial Results for First Quarter of Year Ending March 31, 2008

July 30, 2007

Name of listed Company	JALUX Inc.	Name of Stock Exchange	Tokyo Stock Exchange (First Section)
Code No	2 7 2 9	URL	<a href="http://www.jalux.com/">http://www.jalux.com/</a>
Representative	Toshiki Okazaki, President & CEO		
Inquiries	Yoshiyuki jojima, General Manager, Corporate Planning & Administration Department		

### 1. Consolidated Financial Results for First Quarter of Year Ending March 31, 2008 (April 1 to June 30, 2007)

(Percentage figures show divergence from previous fiscal year)

#### (1) Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)
Apr.-Jun. 2007	27,954	9.7	412	-28.1	399	-36.0	115	-49.1
Apr.-Jun. 2006	25,476	11.3	573	48.1	624	55.0	227	78.4
Note: March 2007	114,133	5.7	3,246	32.8	3,516	9.4	1,579	-6.5

	Earnings per share	Diluted earnings per share
	¥	¥
Apr.-Jun. 2007	9.06	—
Apr.-Jun. 2006	18.02	—
Note: March 2007	124.01	—

#### (2) Financial Position

	Total assets	Total net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
June 2007	42,632	15,174	33.6	1,121.75
June 2006	37,233	13,969	35.3	1,031.29
Note: March 2007	42,345	15,515	34.4	1,142.19

## 2. Dividends

	Dividends per share
	¥
Current 1 <sup>st</sup> quarter	—
Previous 1 <sup>st</sup> quarter	—

## 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2008

(Percentage figures show divergence from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)	¥ million	Y-o-Y change (%)	¥
Interim	59,000	10.1	1,500	7.1	1,550	5.5	700	12.2	54.86
Full term	120,000	5.1	3,500	7.8	3,700	5.2	1,850	17.1	144.98

※The above estimates were based on economic environment, business policy, and other information available as of the date of publication (May 8, 2007). Actual results might differ from these figures due to various factors occurring after publication.

## 4. Others

- ① Movement of major subsidiaries during period (movement of specific subsidiaries accompanying changes in scope of consolidation) : No
- ② Adoption of a simple accounting method : Yes
- ③ Change of accounting method since the latest consolidated financial year : Yes

## 【Qualitative Information / Financial Statements】

### 1. Qualitative information on the consolidated management results

For the current first quarter (April 1 to June 30, 2007), each segment of Aviation-related Business, Lifestyle Services Business and Customer Services Business progressed favorably under the overall firm business environments such as the public consumption trend.

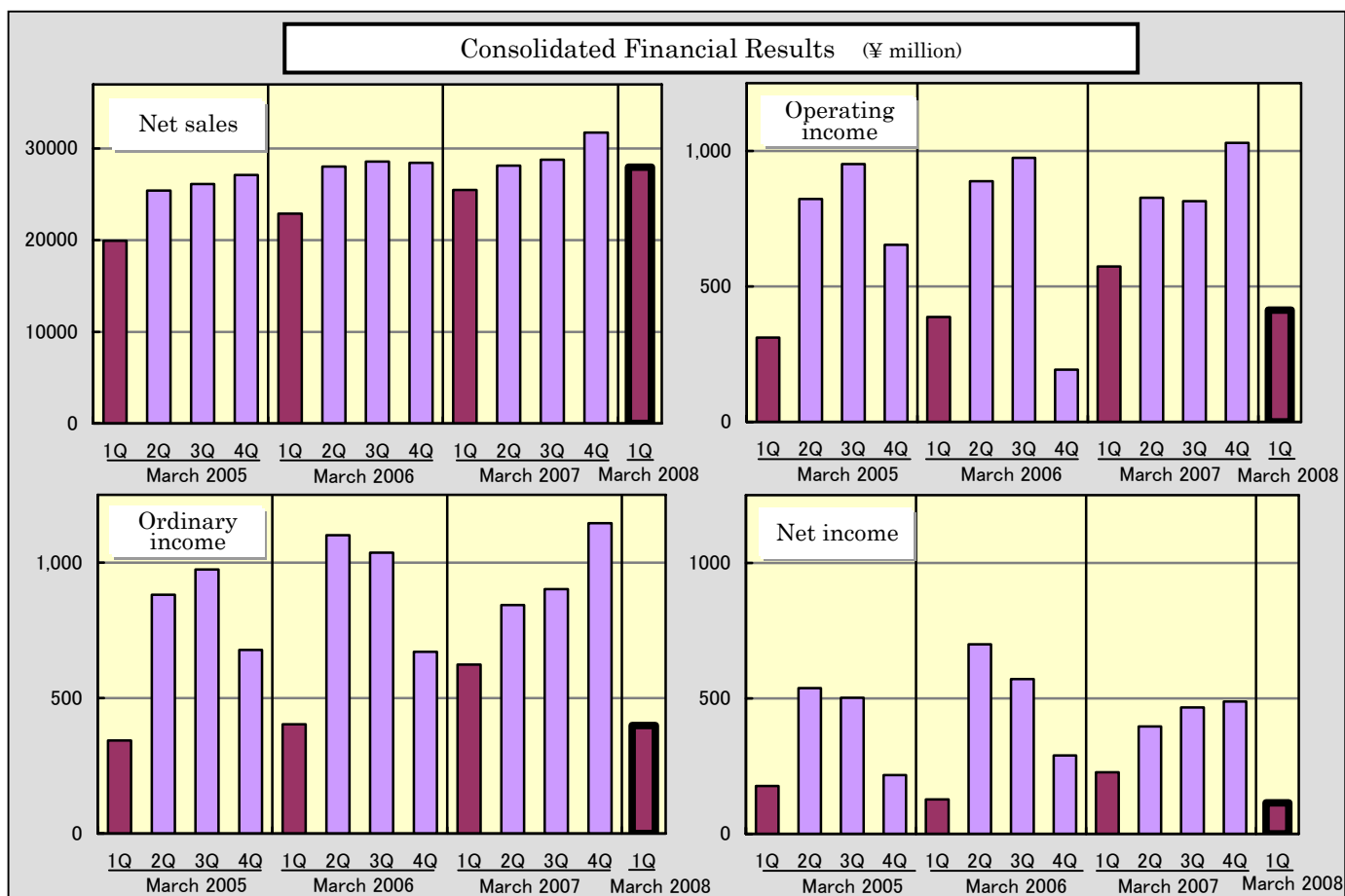
Sectors such as the Aviation-related business, in particular the sale of used aircrafts to overseas airlines and the Lifestyle Services business, in particular the import (process) and sale of agricultural and marine products produced favorable results. As for Customer Services Business, the sale of real estate progressed favorably, but the profits from airport shops decreased due to the restructuring of Narita Airport terminals.

Consequently, sales in the current first quarter exceeded the same period last year, amounting to 27,954 million yen. However, due to a decrease in income from airport shops that have relatively high gross profit margin, gross profit was less than the same period last year, amounting to 5,663 million yen.

In the current quarter, since general and administrative expenses increased due to extra external service expenses associated with the development and improvement of the computer basic system and the depreciation of the system, all operating income (412 million yen), ordinary income (399 million yen) adjusted by the non-operating balance from the investment loss on equity method and net income (115 million yen) for the first quarter fell short of the same period last year.

At present operating income and net income account for 27% and 17% of the expected consolidated interim business results, falling short of the trend of the previous year, but as a characteristic of the business, profits from the second and third quarters including the summer traveling season, gift seasons (summer, winter and Christmas), the year-end usually account for much of the total profits. Therefore, there is no modification of expected consolidated and individual business results for the March 2008 period (interim and total) announced on May 8, 2007.

Operating Results (¥ million)	Previous 1 <sup>st</sup> quarter (April – June, 2006)	Current 1 <sup>st</sup> quarter (April – June, 2007)	Change (%)	Increase/ Decrease
Net sales	25,476	27,954	109.7	2,477
Gross Profit	5,724	5,663	98.9	-60
Operating income	573	412	71.9	-161
Ordinary income	624	399	64.0	-224
Net income	227	115	50.9	-111



### Performance by Segment

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

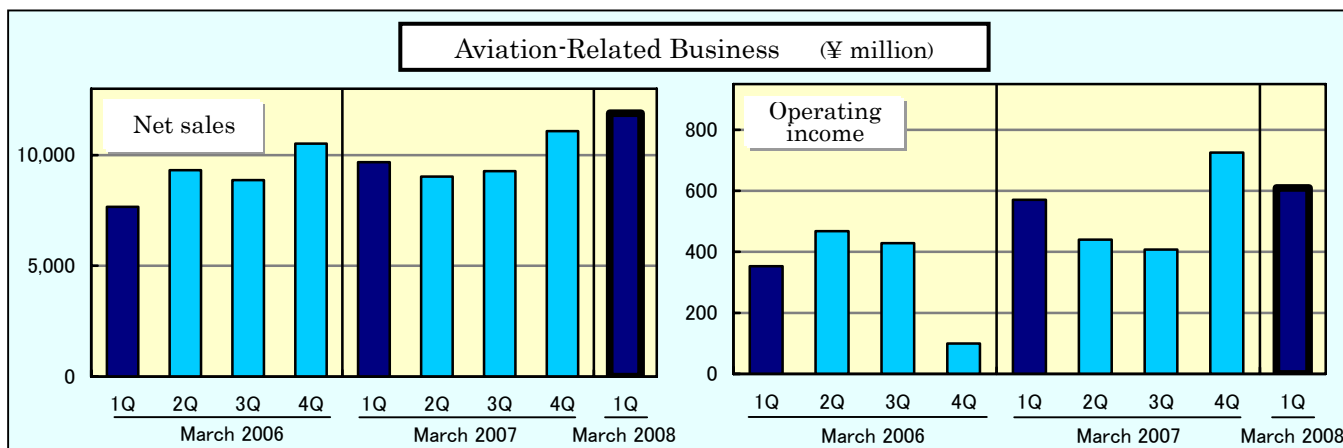
As for aircraft and components sales, the sale of machinery, material and rolling stock fell, but due to the development of new sales channels, the sale of used aircrafts to overseas airlines, especially large aircrafts, made steady progress.

In the aircraft parts sector, trading volume for the aircraft engine parts storage and supply business\* (launched in 2004) continued its firm growth trend, focused on domestic heavy industry.

\*A delivery system that stores (stockpiling and quality control) imported parts needed for aircraft engine repairs and supplies them promptly to heavy industry.

As a result of these factors, net sales reached 11,883 million yen and operating income reached 610 million yen, with both figures exceeding those for the previous period.

Aviation-related business (¥ million)	Previous 1 <sup>st</sup> quarter (April – June, 2006)	Current 1 <sup>st</sup> quarter (April – June, 2007)	Change (%)	Increase/Decrease
Net sales	9,683	11,883	122.7	2,200
Operating income	571	610	107.0	39



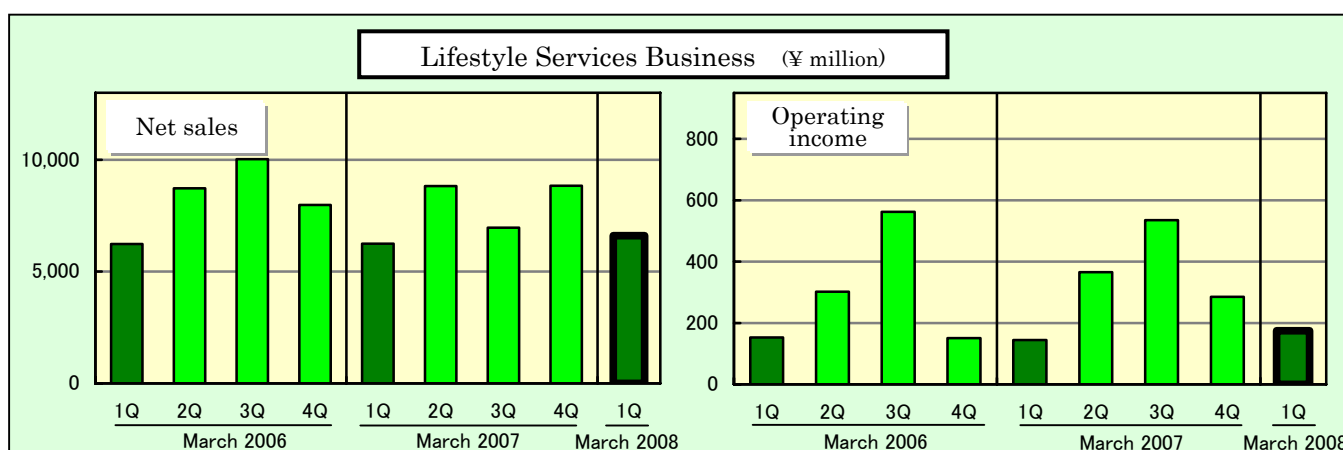
② Lifestyle services business

As for foods and beverages, sale of imported fruits and vegetables (fresh fruits and frozen processed vegetables) such as paprika and mangoes and sale of imported frozen marine products such as salmon and mackerel progressed favorably and produced results comparable to the previous period. As for processed foods, some goods from our original “JAL Selection de Sky series” made little progress, but the overall sale of “Curry de Sky” and “Hayashi de Sky” renewed this March progressed favorably. The wholesale of imported wines also made favorable progress.

While orders from the “JAL SHOP” in-flight catalog decreased, online sales from “JAL Shopping” increased, so in general sales from the mail-order business made firm progress.

As a result of these factors, net sales reached 6,608 million yen and operating income 175 million yen, with both figures exceeding those for the previous period.

Lifestyle services business (¥ million)	Previous 1 <sup>st</sup> quarter (April – June, 2006)	Current 1 <sup>st</sup> quarter (April – June, 2007)	Change (%)	Increase/Decrease
Net sales	6,245	6,608	105.8	363
Operating income	145	175	120.9	30



③ Customer services business

As for Life Design, sub-lease of company houses, the resale of former company houses and management and maintenance of real estate around airports in real estate business made steady progress. As for the resort business, the sales support of “JAL Vacations” made steady progress,

especially in Hawaii.

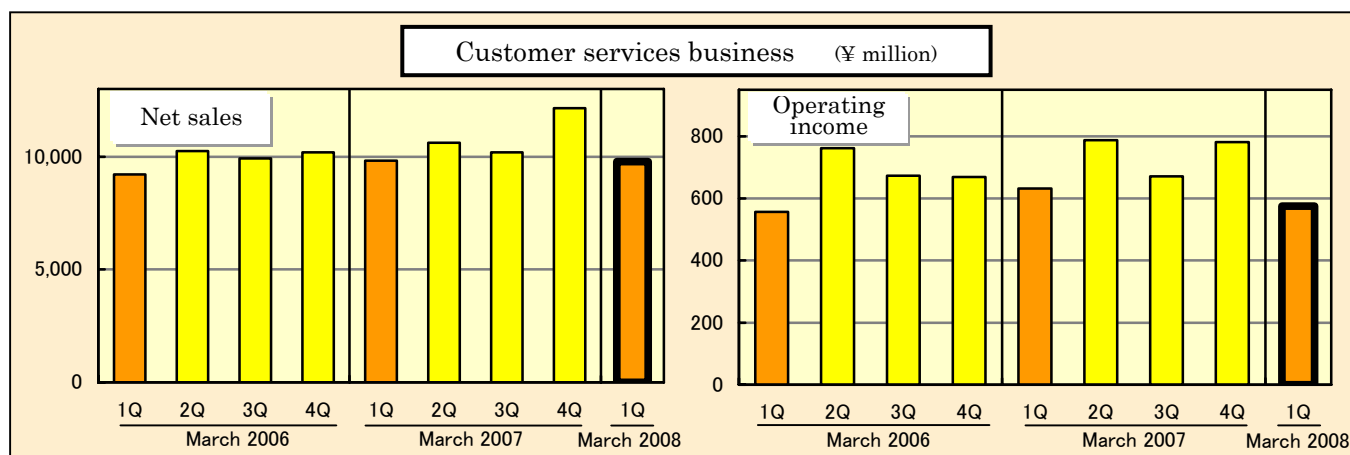
\* A resort timeshare system selling the rights to resort properties in Hawaii and other places in weekly units.

As for shops, in domestic airport shops BLUE SKY, sales at Narita Airport shop (the 2<sup>nd</sup> terminal) fell short of the same period of last year due to the restructuring of Narita Airport terminals on June 2, 2006 (the decrease of users in the 2<sup>nd</sup> terminal following the grand opening of the 1<sup>st</sup> terminal). The BLUE SKY business made less profit because sales at Haneda Airport shop were sluggish and not enough to make up for the decrease in profit from Narita Airport shop. This was partly due to the tighter aviation and airport security, including the restriction of items passengers can take on aircrafts. Narita Airport duty free shops JAL-DFS\* also decreased in income and profit partly due to the restructuring of terminals. As a consequence, business results from April and May (previous period was before the restructuring) decreased notably but both JAL-DFS and BLUE SKY increased income in June alone (previous period is after the restructuring), so firm progress is expected for the 2<sup>nd</sup> quarter and thereafter.

\* Managed by consolidated subsidiary JAL-DFS Co., Ltd.

As a result of these factors, net sales (9,788 million yen) and operating income (575 million yen) for the first quarter fell short of the same period last year.

Customer services business (¥ million)	Previous 1 <sup>st</sup> quarter (April – June, 2006)	Current 1 <sup>st</sup> quarter (April – June, 2007)	Change (%)	Increase/ Decrease
Net sales	9,824	9,788	99.6	-36
Operating income	632	575	91.0	-57



## 2. Qualitative information on the consolidated financial states

Total assets at the end of the current first quarter (June 30, 2007) increased by 286 million yen amounting to 42,632 million yen (100.7% compared with the end of the previous period), because while cash and outstanding corporation tax decreased due to the payments of dividend and corporation tax, loans payable increased due to the acquisition of inventories including real estate for sale and working funds. As a result, the equity ratio became 33.6%, falling 0.8 points in comparison to the end of the previous consolidated financial year.

## 3. Qualitative information on the expected consolidated business results

As noted in “Qualitative information on the consolidated management results” above, the consolidated business results for the first quarter increased in net sales and decreased in profit, and the operating income and the net income account for 27% and 17% respectively of the expected consolidated business results, falling short of the trend for the previous year. On the other hand, as a characteristic of the business, the profits from the second and third quarters including the summer traveling season, gift seasons (summer, winter and Christmas), the year-end usually account much of

the total profits, so sales in high seasons affect the interim and total business results significantly. Consequently, there are no modifications of expected consolidated and individual business results for the March 2008 period (interim and total) announced on May 8, 2007.

As for Aviation-related Business, the sale of used aircrafts to overseas airlines is expected to progress favorably. In addition, we will expand our business basis by expanding the storage and supply business of aircraft components and selling machinery and materials to domestic and overseas airlines making use of know-how of the group.

In the mail order sector of the lifestyle services business, we are taking initiatives to promote seasonal products and original product development, raise the gross profit ratio, promote sales of the in-flight “JAL Shop” catalog, and expand the customer base for DM catalogs. We are also planning to increase revenue by enhancing marketing power (product and customer analysis, catalog distribution accuracy, and customer service) accompanying new system operations and improving efficiency (putting businesses online and reducing data costs).

As for Customer Services Business, we will differentiate our merchandise and improve the power of attracting customers by strengthening the development and sales promotion of “Sora-ben” and “Sora-sweets” in BLUE SKY airport shops, and try to increase profits by further improving the management efficiency focusing Shin-Chitose airport shop that is progressing favorably. In “JAL Vacations” the increase in profit is expected by expanding the selection of estates in Hawaii.

So we expect the increase in net sales and profit for the total period as expected at the beginning of the period and aim at ensuring the accomplishment of the mid-term plan.

In March 2007, share movement aimed at enhancing corporate value made Sojitz Corporation the main shareholder for the first time, with a stake of 30 percent. We plan to exploit the synergy effect maximizing the resources and functions of both the JAL and Sojitz groups for future initiatives in all areas, and to develop mid- to long-term business.

Operating Results (¥ million)	Current period (year ended March 2007)	Next period (E) (year ending March 2008)	Change (%)	Increase/ Decrease
Net sales	114,133	120,000	105.1	5,866
Operating income	3,246	3,500	107.8	253
Ordinary income	3,516	3,700	105.2	183
Net income	1,579	1,850	117.7	270

#### 4. Others

- ① Movement of major subsidiaries during period (movement of specific subsidiaries accompanying changes in scope of consolidation) : No
- ② Adoption of a simple accounting method  
Tax expenses for individual financial statements for consolidated companies are calculated using statutory effective tax rates.
- ③ Change of the accounting method since the latest consolidated financial year  
(Evaluation method of inventories)

In the current period the evaluation standard and method of inventories changed from the cost method by FIFO to the moving average method. This change aims at improving business efficiency, leveling the price changes and showing periodical profits and losses more appropriately. The impact of this change on the business results for the current quarter is slight.

## 5. (Summary) Quarterly Consolidated Financial Statements

### (1) (Summary) Quarterly Consolidated Balance Sheets

(thousand yen)

Account	End of current 1 <sup>st</sup> quarter (June 30, 2007)		End of previous consolidated financial year (March 31, 2007)		Change	End of previous 1 <sup>st</sup> quarter (June 30, 2006)
	Amount	Composition rate (%)	Amount	Composition rate (%)	Amount	Amount
<b>(Assets)</b>						
<b>Current assets</b>						
Cash and deposits	5,264,642		5,688,228			4,682,821
Notes and accounts receivable	13,750,360		13,468,655			11,161,178
Inventories	6,318,672		6,117,340			5,759,268
Other	4,595,110		4,313,809			3,523,336
Allowance for doubtful accounts	-29,572		-29,364			-43,542
Total current assets	29,899,213	70.1	29,558,670	69.8	340,542	25,083,062
<b>Fixed assets</b>						
Property, plant and equipment	5,120,904	12.0	5,210,276	12.3		5,284,890
Intangible fixed assets	1,945,897	4.6	1,861,775	4.4		1,320,893
<b>Investments and other assets</b>						
Investment securities	2,754,571		2,794,350			2,497,173
Investment affiliated	499,480		530,925			552,014
Long-term rental deposits	1,886,687		1,860,995			1,881,576
Other	627,343		640,329			747,081
Allowance for doubtful accounts	-101,996		-111,385			-133,129
Total investments and other assets	5,666,085	13.3	5,715,214	13.5		5,544,716
Total fixed assets	12,732,888	29.9	12,787,266	30.2	-54,377	12,150,500
Total assets	42,632,102	100.0	42,345,936	100.0	286,165	37,233,563
<b>(Liabilities)</b>						
<b>Current liabilities</b>						
Notes and accounts payable	13,904,022		13,561,543			11,090,439
Short-term debt	4,172,050		3,826,728			4,111,677
Accrued expenses	2,273,916		2,407,705			1,811,647
Other	3,516,560		3,241,847			2,093,632
Total current liabilities	23,866,550	56.0	23,037,825	54.4	828,724	19,107,397
<b>Fixed liabilities</b>						
Long-term debt	2,833,723		2,963,320			3,290,959
Directors' retirement allowances	76,035		112,767			239,951
Other	681,344		716,445			625,873
Total fixed liabilities	3,591,103	8.4	3,792,533	9.0	-201,430	4,156,785
Total liabilities	27,457,653	64.4	26,830,359	63.4	627,294	23,264,183
<b>(Net assets)</b>						
<b>Shareholder's equity</b>						
Common stock	2,558,550	6.0	2,558,550	6.0	—	2,558,550
Paid-in capita	711,421	1.7	711,421	1.7	—	711,363
Retained earnings	11,022,310	25.8	11,289,771	26.7	-267,460	9,937,258
Treasury stock	-9,788	-0.0	-9,677	-0.0	-110	-9,396
Total shareholder's equity	14,282,493	33.5	14,550,065	34.4	-267,571	13,197,774
<b>Evaluation and conversion figures</b>						
Unrealized gains on securities	14,050	0.0	13,707	0.0	343	19,474
Deferred gains or losses on hedges	22,540	0.1	4,068	0.0	18,471	-7,714
Conversion adjustment	-4,226	-0.0	7,144	0.0	-11,371	-49,597
Total evaluation and conversion figures	32,364	0.1	24,920	0.0	7,443	-37,838
Minority interests	859,590	2.0	940,591	2.2	-81,001	809,443
Total net assets	15,174,448	35.6	15,515,577	36.6	-341,128	13,969,380
Total liabilities and net assets	42,632,102	100.0	42,345,936	100.0	286,165	37,233,563



## (2) (Summary) Quarterly Consolidated income Statement

(thousand yen)

Account	Current 1 <sup>st</sup> quarter (April 1 – to June 30, 2007)		Previous 1 <sup>st</sup> quarter (April 1 – to June 30, 2006)		Change	Previous accounting year (Apr. 1, 2006 to Mar. 31, 2007)
	Amount	Composi- tion rate (%)	Amount	Composi- tion rate (%)	Amount	Amount
Net sales	27,954,061	100.0	25,476,322	100.0	2,477,739	114,133,497
Cost of sales	22,290,418	79.7	19,752,205	77.5	2,538,213	89,602,555
Gross profit	5,663,642	20.3	5,724,117	22.5	-60,474	24,530,941
Selling, general and administrative expenses						
Payroll allowance	2,035,992		2,043,322			8,067,072
Employee retirement expenses	50,142		44,448			214,532
Rent expenses	1,152,576		1,179,064			4,784,117
Depreciation and amortization	162,465		93,182			396,602
Addition to reserve for compensation to retired directors	15,148		12,830			58,223
Other	1,834,856		1,777,773			7,764,235
Total selling, general and administrative expenses	5,251,182	18.8	5,150,621	20.2	100,560	21,284,783
Operating income	412,460	1.5	573,495	2.3	-161,035	3,246,158
Non-operating income						
Dividends	7,733		11,395			40,982
Equity in earnings of affiliates	—		23,967			162,429
Exchange gain	—		8,321			6,846
Other	36,874		39,767			251,352
Total non-operating income	44,607	0.1	83,452	0.3	-38,844	461,611
Non-operating expenses						
Interest paid	24,326		21,556			132,492
Equity in loss of affiliates	23,663		—			—
Foreign exchange loss	89		—			—
Other	9,115		10,571			58,835
Total non-operating expenses	57,194	0.2	32,128	0.1	25,066	191,328
Ordinary income	399,873	1.4	624,819	2.5	-224,946	3,516,441
Extraordinary profit	23,005	0.1	4,399	0.0	18,606	28,483
Extraordinary loss	36,065	0.1	31,053	0.1	5,012	378,697
Net income before adjustment of taxes, etc.	386,812	1.4	598,165	2.4	-211,353	3,166,227
Tax expenses	233,511	0.9	322,520	1.3	-89,009	1,402,979
Minority interest in income of consolidated subsidiaries	37,622	0.1	48,331	0.2	-10,708	183,420
Net income	115,678	0.4	227,314	0.9	-111,635	1,579,827

## (3)(Summary) Quarterly Consolidated Statements of Stockholders' Equity

Previous 1<sup>st</sup> Quarter (Apr. 1, 2006 to Jun. 30, 2006)

(thousand yen)

	Net assets				
	Shareholder's equity	Paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of the previous period	2,558,550	711,363	9,992,376	-9,284	13,253,004
Change of current quarter					
Increase in affiliates accounted for by the equity method			24,082		24,082
Dividend earnings			-306,515		-306,515
Net income			227,314		227,314
Acquired treasury stock				-111	-111
Change of the current quarter other than stockholders' equity (net amount)					
Total change of the current quarter			-55,118	-111	-55,230
Balance at end of the current quarter	2,558,550	711,363	9,937,258	-9,396	13,197,774

	Evaluation and conversion figures				Minority interests	Total net assets
	Unrealized gains on securities	Deferred gains or losses on hedges	Conversion adjustment	Total evaluation and conversion figures		
Balance at the end of the previous period	22,663	-	-51,101	-28,437	881,358	14,105,924
Change of current quarter						
Increase in affiliates accounted for by the equity method						24,082
Dividend earnings						-306,515
Net income						227,314
Acquired treasury stock						-111
Change of the current quarter other than stockholders' equity (net amount)	-3,189	-7,714	1,504	-9,400	-71,914	-81,314
Total change of the current quarter	-3,189	-7,714	1,504	-9,400	-71,914	-136,544
Balance at end of the current quarter	19,474	-7,714	-49,597	-37,838	809,443	13,969,380

Current 1<sup>st</sup> Quarter (Apr. 1, 2007 to Jun. 30, 2007)

(thousand yen)

	Net assets				
	Shareholder's equity	Paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the end of the previous period	2,558,550	711,421	11,289,771	-9,677	14,550,065
Change of current quarter					
Dividend earnings			-383,139		-383,139
Net income			115,678		115,678
Acquired treasury stock				-110	-110
Change of the current quarter other than stockholders' equity (net amount)					
Total change of the current quarter			-267,460	-110	-267,571
Balance at end of the current quarter	2,558,550	711,421	11,022,310	-9,788	14,282,493

	Evaluation and conversion figures				Minority interests	Total net assets
	Unrealized gains on securities	Deferred gains or losses on hedges	Conversion adjustment	Total evaluation and conversion figures		
Balance at the end of the previous period	13,707	4,068	7,144	24,920	940,591	15,515,577
Change of current quarter						
Dividend earnings						-383,139
Net income						115,678
Acquired treasury stock						-110
Change of the current quarter other than stockholders' equity (net amount)	343	18,471	-11,371	7,443	-81,001	-73,557
Total change of the current quarter	343	18,471	-11,371	7,443	-81,001	-341,128
Balance at end of the current quarter	14,050	22,540	-4,226	32,364	859,590	15,174,448

## 6. Segment data by business type

	Previous 1 <sup>st</sup> quarter (April 1 to June 30, 2006)					(thousand yen)
	Aviation-related	Lifestyle services	Customer services	Total	Elimination or unallocated amount	Consolidated
Net sales, operating income and loss						
Net sales						
1. External customers	9,433,888	6,217,550	9,824,883	25,476,322	—	25,476,322
2. Inter-segment internal sales / transfers	249,369	28,051	—	277,421	(277,421)	—
Total	9,683,257	6,245,601	9,824,883	25,753,743	(277,421)	25,476,322
Operating expenses	9,112,244	6,100,135	9,192,558	24,404,938	497,888	24,902,826
Operating income	571,012	145,466	632,325	1,348,805	(775,310)	573,495

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, aircraft fuel, machinery, equipment & materials, cabin service supplies, in-flight sales, and textile supplies (consulting service and supporting work, wholesale business, etc.)
- (2) Lifestyle services ----- Jewelry & 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 current first quarter, non-allocatable operating expense included in the elimination or unallocated amount totalled 774 million yen. The main reason was costs relating to the Management Department including General Affairs Division at the parent company's headquarters.

Current 1 <sup>st</sup> quarter (April 1 to June 30, 2007)						
						(thousand yen)
	Aviation-related	Lifestyle services	Customer services	Total	Elimination or unallocated amount	Consolidated
Net sales, operating income and loss						
Net sales						
1. External customers	11,584,075	6,581,353	9,788,631	27,954,061	—	27,954,061
2. Inter-segment internal sales / transfers	299,231	27,512	—	326,744	(326,744)	—
Total	11,883,307	6,608,866	9,788,631	28,280,805	(326,744)	27,954,061
Operating expenses	11,272,350	6,432,972	9,213,358	26,918,681	622,919	27,541,601
Operating income	610,957	175,894	575,273	1,362,124	(949,664)	412,460

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 current first quarter, non-allocatable operating expense included in the elimination or unallocated amount totalled 949 million yen. The main reason was costs relating to the Management Department including General Affairs Division at the parent company's headquarters.