

JAL Sells London Property to Mitsui Fudosan

Tokyo, January 16, 2008: Japan Airlines International, a subsidiary of JAL Corporation, decided at today's board of directors' meeting to sell Hanover Court Building, its London property located in the Mayfair district of the West End. It will sell the property to a special subsidiary to be set up by Mitsui Fudosan (U.K.) Ltd, a 100% owned subsidiary overseas company of Mitsui Fudosan.

In the JAL Group medium term corporate revival plan issued February 2007, the company stated that it would concentrate its resources on core air transport business segment in order to achieve sustainable growth. The company is trying to improve asset efficiency by centralizing business resources in the air transport business whilst selling non-core assets. The sale of Hanover Court Building property forms part of this move.

A final agreement between JAL and Mitsui Fudosan will be concluded late January 2008 and the transfer of the property is expected last March 2008.

This asset is a commercial building housing JAL's Europe, Middle East, Africa Region (EMEAR) and London offices. The airline decided to sell the property after a comprehensive study of local real estate market conditions. JAL has already made arrangements to transfer its EMEAR and London offices to a new location in London with details to be announced at a later date.

As a result of the asset sale, JAL will post special income of about 5.6 billion yen in March 2008, but this was already included in the consolidated revised financial forecast, announced on November 6, 2007.

Outline of Fixed Asset Transfer

Asset & Location	Book Value*	Sale value
Hanover Court Building London West End Mayfair district Land: 12,077sq.ft (1,122 m ²) Property: Building with 7 floors and basement floor	JPY 5.5 billion	GBP 57 million (about JPY 12.0 billion**)

* Book value is only the price of land. As the building is planned to be demolished, an impairment loss of 2.5 billion yen has already been posted in the financial results for 1st half of FY2007

** Based on the foreign exchange rate on January 15, 2008 of GBP1 = JPY211.

Property to be Purchased by	A special subsidiary to be established by Mitsui Fudosan (U.K.) Ltd. which is a 100% overseas subsidiary of Mitsui Fudosan.
Relationship with JAL	None

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