

Japan Airlines Corporation
Mitsubishi UFJ Financial Group, Inc.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

JAL International & Bank of Tokyo-Mitsubishi UFJ Agreement on JALCARD Share Transfer & Business Partnership

Tokyo May 2, 2008: Japan Airlines International (JALI), a subsidiary of the JAL Corporation, and the Bank of Tokyo-Mitsubishi UFJ, Ltd (BTMU), a subsidiary of Mitsubishi UFJ Financial Group, Inc (MUFG), have reached an agreement on the transfer of 49.375% of the shares of JALCARD Inc., to BTMU.

Also as part of the agreement, JAL International, JALCARD, BTMU, Mitsubishi UFJ NICOS Co. Ltd, and JCB Co. Ltd (JCB) have agreed on a business partnership relating to the credit card business.

Against the backdrop of an expansion in the utilization and availability of credit cards, diversification of related awards and services, and advancements in related technology, the credit card market continues to expand both in the number of cards issued and card shopping sales income, and is expected to continue growing.

On the other hand, competition is becoming fierce due to retail, service, and other businesses entering the credit card market, and the advent of mergers and acquisitions. It is of urgent necessity that customer convenience is increased by improving services, conditions for use and expanding channels, and by developing and strengthening products, services, systems, channels in order to gain customer support.

Based on these business conditions and changes, the JAL Group and MUFG have agreed on a strategic business and capital alliance with regard to JALCARD's business.

Established in 1984, JALCARD, a 100% owned subsidiary of JAL International, offers a frequent flyer program card with a credit function to over 2.03 million cardholders (as of March 31, 2008). The average amount used per customer is markedly high in the industry.

Mitsubishi UFJ NICOS, the biggest card company in Japan and the core card company of MUFG, and JCB, Japan's only internationally recognized credit card brand, have played a central role in the development of JALCARD's business as the issuing companies for JALCARD. The business and capital tie-up will build on this existing relationship of trust and cooperation until, and through synergy effects, strive to improve customer service and increase customer convenience.

JALI will transfer 3,950 shares out its total holding of 8,000 JALCARD shares (share of voting rights 49.375%) to BTMU as of July 1, 2008.

JAL Group, MUFG Group and JCB will implement various measures utilizing their own strengths to expand the scope of business cooperation, centering on the areas below, aiming to become the No. 1 airline credit card chosen by the customer by providing high quality services to meet the customers' diversified needs.

As a result of this business alliance, JALI plans to grant BTMU certain priority rights relating to the issuance of JALCARD.

1) Committees

a) Steering Committee, Special Strategy Committee:

To facilitate JALCARD business operations, a Steering Committee and Special Strategy Committee, jointly chaired by executive directors of JAL Group and MUFG Group, will discuss and formulate the management policy and management/business strategies of JALCARD.

b) Business Alliance Committee:

To realize synergy effects through a business alliance, an administrator-level business alliance committee will be set up to study, prepare and implement measures to expand the customer base, improve member services, and strengthen competitiveness.

2) Expansion of customer base and improvement of member services

a) Gain new members utilizing Mitsubishi UFJ NICOS and JCB: Further expand the customer base of JALCARD, utilizing the marketing network and sales teams of Mitsubishi UFJ NICOS, and through active promotion activities conducted by JCB.

b) Development of new products/services, increasing alliance partners:

Joint studies will be made to

- develop a new type of premium card, utilizing MUFG's product and service development abilities
- new services linked with MUFG's financial products and services (priority interest rate service)
- promote alliances with strong enterprises of various business forms/types, based on MUFG's alliance partners, partner financial institutions, and corporate customers
- add awards offered by partners, etc.

c) Measures to improve services for current members:

By expanding JALCARD special partner shops, utilizing Mitsubishi UFJ NICOS's partner shop network (the biggest in the card industry), and the ability of Mitsubishi UFJ NICOS to explore new partner shops, we will strive to improve services and convenience to current JALCARD members.

d) Other measures to improve member services:

Optimize benefits from business efficiency and scale utilizing Mitsubishi UFJ NICOS and JCB's know-how and infrastructure relating to processing, and improve the ability to share/coordinate data on new membership

applications, screening results, change of address, membership withdrawal, and shopping mile crediting, through a highly advanced joint system of the alliance companies, and thereby improve member services.

3) Further collaboration between JAL Group and MUFG

To further develop JALCARD's business, we will actively collaborate with credit cards of JALCARD and group companies of MUFG and their alliance partners, and create high added-value products and services by combining the air services of JAL Group and financial services of MUFG.

4) Schedule

May 2, 2008: Decision at JALI executive directors' meeting & conclusion of share transfer agreement and business alliance agreement.

July 1, 2008: Planned date of transfer of shares and receipt of payment

5) Outlook

Through this business and capital alliance, JAL Group plans to post about 42 billion yen as extraordinary profit for the financial results for the year ending March 2009, on the transfer of share and effects of the business alliance.

6) Inquiries

JAL Public Relations 03-5460-3109

Mitsubishi UFJ Financial Group, Public Relations Division 03-3240-7651

Bank of Tokyo-Mitsubishi UFJ, Public Relations Division 03-3240-2950

Company Name	Japan Airlines International Co. Ltd
Date Established	August 1, 1951
Main Business	Airline operating company
Capital	100 billion yen (as of end of March, 2007)
Shares issued	1,829,361,418
Employees	17,321 (as of end of March 2007)
Shareholders	Japan Airlines Corporation 100%

Company Name	JALCARD Inc.
Date Established	October 30, 1984
Main Business	Credit card business
Capital	400 million yen (as of end of March, 2007)
Shares issued	8,000
Employees	292 (as of end of March 2007)
Shareholders	Japan Airlines International 100% (as of end of March 2007)

Company Name	The Bank of Tokyo-Mitsubishi UFJ, Ltd
Date Established	August 8, 1919
Main Business	Banking
Capital	996.97 billion yen (as of end of March, 2007)
Shareholders	Mitsubishi UFJ Financial Group, others (as of end of March, 2007)

Company Name	Mitsubishi UFJ NICOS Co.,Ltd
Date Established	June 7 , 1951
Main Business	Credit card business
Capital	101.71 billion yen (as of end of March, 2007)
Shareholders	Bank of Tokyo-Mitsubishi UFJ , others (as of end of March, 2007)

**Following merger with DC Card on April 1, 2007, capital increased by 7.6 billion yen.*

Company Name	JCB Co. Ltd
Date Established	January 25, 1961
Main Business	Credit card business
Capital	10.61 billion yen (as of end of March, 2007)
Shareholders	JCB employer shareholders association, Bank of Tokyo-Mitsubishi UFJ, Taiyo Life Insurance, Sumitomo Mitsui Banking Corp., ORIX, others (as of end of March, 2007)

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