

JAL Sells Pacific Fuel Trading Corporation to Vitol Inc.

Tokyo January 17, 2008: Japan Airlines Corporation (JAL) approved the transfer of all 1,000 issued and outstanding shares of Pacific Fuel Trading Corporation (PFTC), a wholly owned consolidated subsidiary of JAL, to Vitol Inc., a wholly owned subsidiary of the Vitol Group, on January 16, 2008 (USA time).

In accordance with its medium-term business plan announced in February 2007, the JAL Group has been pursuing a strategy of focusing its resources on its core airline business. The sale of PFTC's shares is in line with this strategy. The JAL Group will continue to accelerate its efforts to realize its medium-term business plan.

Purchasing and distributing jet fuel in the USA are PFTC's primary business activities. In connection with this business, JAL will enter into a long-term supply agreement with PFTC, which will allow JAL to benefit from the Vitol Group's global logistic capabilities.

The Vitol Group is made up of separate affiliated companies engaged in a variety of oil trading and financial businesses and today is widely acknowledged by the oil industry as one of the largest and most influential oil trading companies in the world. Vitol moves 4.5 million barrels of oil daily, managed from its global offices including Geneva, London, Houston and Singapore. The long-term agreement with the Vitol Group should enable JAL to diversify and stabilize its fuel supply.

Outline of the transfer:

Pacific Investment Holdings Corporation, an indirect wholly owned subsidiary of JAL and the sole shareholder of PFTC, has agreed to transfer all 1,000 issued and outstanding shares of common stock of PFTC to Vitol Inc., subject to customary closing conditions, with an expected closing date of January 31, 2008.

Impact of the transfer on JAL's business performance:

Although JAL expects to realize an extraordinary profit from the transaction, this has already been accounted for in the JAL Group's previously announced forecast results for fiscal year 2007, the year ending March 31, 2008. Consequently, JAL Group's FY2007 financial forecast will be unaffected by the share sale.

Outline of PFTC:

Name: Pacific Fuel Trading Corporation

Primary business: Sale of Jet fuel to airlines in Los Angeles, Honolulu, etc.

Year established: 1982

Head office: El Segundo, California

President: Masakuni Abe (seconded to PFTC by Japan Airlines International Co., Ltd., a wholly owned subsidiary of JAL)

Paid in capital: US\$ 1 million

Shareholder: Pacific Investment Holdings Corporation (a wholly owned subsidiary of Japan Airlines International Co., Ltd.)

Outline of Vitol Inc.:

A U.S. subsidiary of the Vitol group, one of the world's largest independent oil trading company, based in the Netherlands and Switzerland (a private company). The Vitol Group's annual sales exceeded US\$ 135.0 billion in 2007.

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