

**FOR IMMEDIATE RELEASE**

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**J. Alexander's to Retain Capital For Financial Flexibility**

Nashville, Tenn., January 6, 2009 — J. Alexander's Corporation (NASDAQ:JAX) announced today that its Board of Directors has determined that the Company will not pay an annual cash dividend.

Lonnie J. Stout II, Chairman, President and Chief Executive Officer, commented on the dividend decision. "Given the current economic environment, we felt it was prudent to conserve capital and maintain our financial flexibility."

The absence of a dividend payment at this time will have the effect of allowing the previously disclosed Amended and Restated Standstill Agreement between the Company and Solidus Company, L.P. to expire at the close of business on January 15, 2009.

J. Alexander's Corporation operates 33 J. Alexander's restaurants in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Michigan, Ohio, Tennessee and Texas. J. Alexander's is an upscale, contemporary American restaurant known for its wood-fired cuisine. The Company's menu features a wide selection of American classics, including steaks, prime rib of beef and fresh seafood, as well as a large assortment of interesting salads, sandwiches and desserts. J. Alexander's also has a full-service bar that features an outstanding selection of wines by the glass and bottle.

J. Alexander's Corporation is headquartered in Nashville, Tennessee.

This press release contains forward-looking statements that involve risks and uncertainties. Actual results, performance or developments could differ materially from those expressed or implied by those forward-looking statements as a result of known or unknown risks, uncertainties and other factors. These risks, uncertainties and factors include the Company's ability to maintain satisfactory guest count levels and increase sales and operating margins in its restaurants; changes in business or economic conditions, including rising food costs and product shortages as well as mandated increases in the minimum wage the Company is required to pay; the effect of higher gasoline prices and other economic factors on consumer demand; availability of qualified employees; increased cost of utilities, insurance and other restaurant operating expenses; potential fluctuations of quarterly operating results due to seasonality and other factors; the effect of hurricanes and other weather disturbances which are beyond the control of the Company; the number and timing of new restaurant openings and the Company's ability to operate them profitably; competition within the casual dining industry, which is very intense; competition by the Company's new restaurants with its existing restaurants in the same vicinity; changes in consumer spending, consumer tastes, and consumer attitudes toward nutrition and health; expenses incurred if the Company is the subject of claims or litigation or increased governmental regulation; changes in accounting standards, which may affect the Company's reported results of operations; and expenses the Company may incur in order to comply with changing corporate governance and public disclosure requirements of the Securities and Exchange Commission and The NASDAQ Stock Market. These as well as other factors are discussed in detail in the Company's filings made with the Securities and Exchange Commission and other communications.

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