

## JALUX's Midterm Vision

# “Lighting the Way to a Brighter Future.” JALUX is creating new business fields.

### Midterm Business Strategy

In our three-year mid-term management plan starting in the year ending March 2005, we aim to enhance market competitiveness and customer satisfaction with higher business quality. At the same time, we aim to enhance corporate values by exploiting management resources with a strategic approach. In order to realize our corporate philosophy and management stance while raising mid- to long-term profitability, we aim to develop new business in the three fields of environment, culture, and welfare for sustainable growth.

#### Strengthening marketing ability

- Competitiveness exploiting the best approach with good quality and brand value
- For the mail order business, expand customer base by introducing FSP<sup>(\*)</sup> and strengthening CRM<sup>(\*\*)</sup>
- For the food business, expand development and sales of high-quality, excellent foodstuffs and direct delivery of foodstuff from the area of production

#### Strengthening group management

- Strengthen affiliated companies and businesses in the China/Southeast Asia region
- Expand sales of equipment and materials by participating in international airport infrastructure and Chinese public infrastructure business

#### Demonstrate the merger effect

- Optimize sales channels and improve management efficiency of airport shops
- Improve profitability of airport businesses by reviewing business conditions and functions, and consolidating and improving business efficiency of stores

#### Redistribute management resources

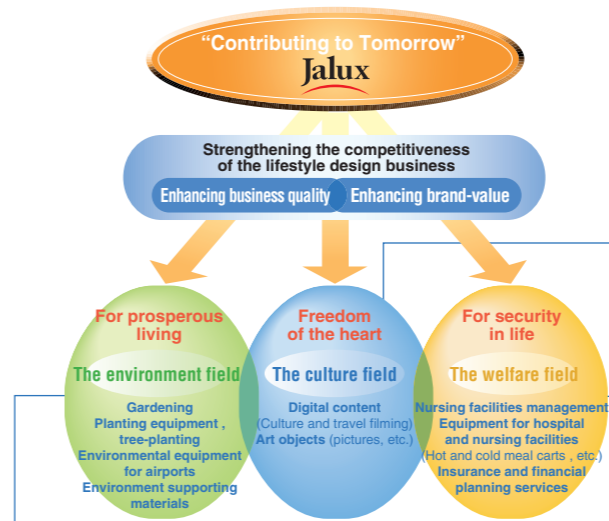
- Verify and reorganize business portfolio for overall optimization
- “Scrap and Build” through distributing business resources for growth and examining medium- and long-term profitability

#### Promoting new business development

- Actively invest in growth fields and expansion of existing business
- Develop environment field exploiting mail order, flower arrangement, real estate, and materials business resources
- Develop cultural field exploiting online and media businesses
- Develop public welfare field exploiting senior citizen lifestyle design, insurance, and real estate business resources

\* 1 FSP—Frequent Shoppers Program  
\* 2 CRM—Customer Relationship Management

### New business development image



#### New investments in content production

JALUX has decided to invest 100 million yen in producing a travelogue (a set of 10 DVDs) imparting the eternal charm of China. This production consists of a travelogue shot digitally by the Evergreen Company, which handles World Heritage video production. It will take advantage of growing interest in China in the runup to the Beijing Olympics. JALUX is planning to start selling the DVD in 2005 as a sole sales agency. Looking to the future, we plan to actively promote and create content with high cultural value.

#### New developments in the nursing business

JALUX and Sousei Jigyoudan Co., Ltd. jointly established the nursing facilities management company JALUX Life Design Inc. (capitalized at 100 million yen) in April 2004. JALUX Life Design will open the 76-room “JALUX Good-time Home” in the west Tokyo suburb of Chofu in November 2004. The home will provide high-quality comfortable services for senior citizens. As the aging society draws nearer, JALUX Life Design will be helping senior citizens to live full and rich lives. We will seek for entry into businesses connected with the management of the nursing facilities.

#### Specialist “green” catalog issued

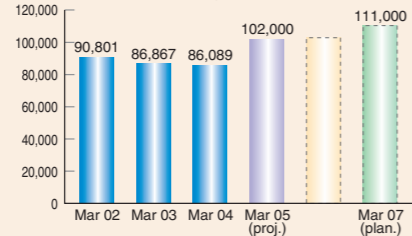
The interior design catalog “Living Green” was launched in June 2004. The catalog introduces plants grown through hydroculture with the theme of spacious living areas. Looking forward, we aim to develop garden planning, plant equipment, and other garden businesses, as well tree planting to sustain the environment.

### Consolidated Performance Trends and Plan

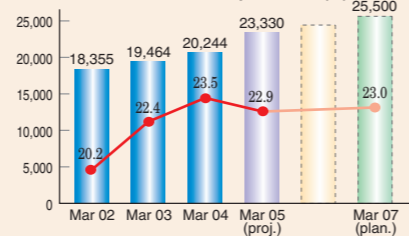
(Unit: million yen)

The description concerning the plan for the future is based on information and assumptions available now. Actual performance may differ from the plan as a result of various factors.

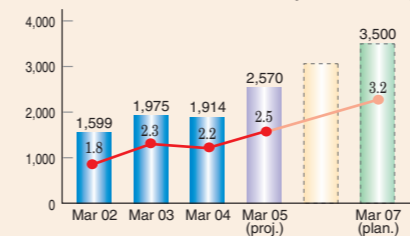
■ Sales (Period ending)



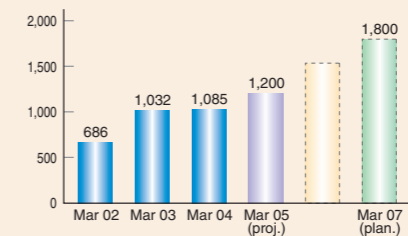
■ Gross profit — Gross profit ratio (%)



■ Ordinary income — Ordinary income ratio (%)



■ Net income



■ Earnings per share (yen)

