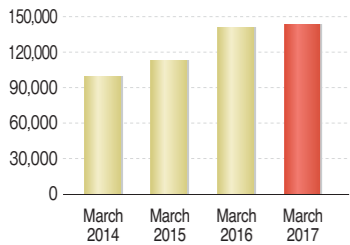


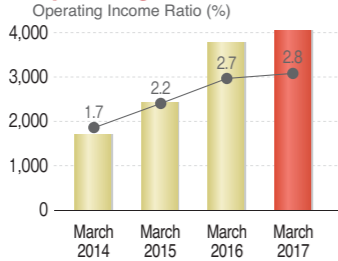
■Trends in Major Financial Indexes (Consolidated Basis)

Consolidated management indexes	Unit	March 2014	March 2015	March 2016	March 2017
Net sales	Million yen	99,837	112,717	141,502	143,217
Gross profit		19,539	20,296	22,881	23,369
Operating income		1,706	2,426	3,789	4,056
Ordinary income		1,766	2,684	3,937	4,222
Net income		967	1,148	2,014	2,572
Total assets		33,204	38,508	43,422	43,934
Net assets		15,848	17,606	19,426	21,445
Average shareholder's equity		14,425	15,782	17,253	18,979
Interest-bearing debt		4,089	4,914	5,737	5,802
Earnings per share		yen	76.56	90.86	159.41
Book value per share	1,186.64		1,311.25	1,418.98	1,583.80
Ordinary income to total assets ratio (ROA)	%	5.5	7.5	9.6	9.7
Return on equity (ROE)		6.7	7.3	11.7	13.6
Dividends per share	yen	20	25	40	50

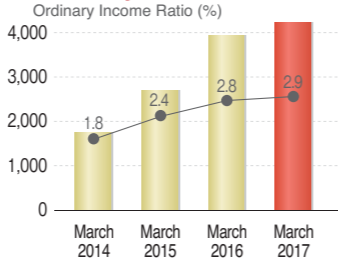
■Net Sales



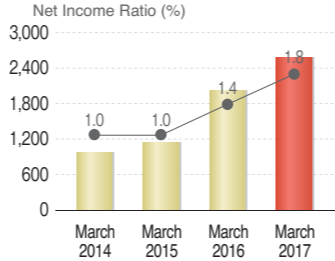
■Operating Income



■Ordinary Income



■Net Income



JALUX

COMPANY PROFILE

CHALLENGE & CHANGE

Corporate Overview

■Corporate Profile ※As of March 31, 2017

Corporate name	JALUX Inc.
Stock code	2729 (TSE 1st Section)
Established	March 28, 1962
Capitalization	2,558,550,000 yen
Number of employees	2,437 (Including 2,055 at consolidated subsidiaries)
Outstanding shares	12,775,000
Number of shareholders	13,730

■Major Shareholders (Top 10) ※As of March 31, 2017

Name of shareholder	Shares held (thousand)	Shareholding (%)
Sojitz Corporation	2,810	22.0%
Japan Airlines Co., Ltd.	2,727	21.4%
Japan Airport Terminal Co., Ltd.	1,022	8.0%
Aioi Nissay Dowa Insurance Co., Ltd.	465	3.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	455	3.6%
GOLDMAN,SACHS & CO.REG	263	2.1%
Japan Trustee Services Bank,Ltd.	246	1.9%
Airport Facilities Co.,Ltd.	168	1.3%
JALUX Inc.	123	1.0%
Japan Trustee Services Bank,Ltd.	117	0.9%

■Executives ※As of June 16, 2017

Representative Director Chief Executive Officer (CEO)	Masahiro Komiyama
Representative Director Co-Chief Executive Officer	Shigemitsu Kurusu
Director Managing Executive Officer(MEO)	Osamu Yamaguchi
Director (External)	Naoki Yokoyama
Director (External)	Ryuzo Toyoshima
Director (External)	Yoichi Ogawa
Director (External)	Shigeru Ota
Auditor	Kazuo Otsuki
Auditor (External)	Hiroshi Kinoshita
Auditor (External)	Tsutomu Terabayashi
Managing Executive Officer (MEO)	Takao Suzuki
Managing Executive Officer (MEO)	Yosuke Moriizumi
Executive Officer(EO)	Osamu Tateishi
Executive Officer(EO)	Shigeki Yamazaki

Under our Corporate Policy, “Contributing to Tomorrow” we will create high-quality, innovative businesses, products and services founded on safety and security.

Message from the CEO



Since its founding in 1962, JALUX Group has extended its original aviation service business to a broad range of domains, from the retail business, such as airport shops and mail-order sales, to the food & beverage business that carries foodstuffs and wines.

We have recently established our long-term vision for 2030, namely “to become a business leader creating JALUX-VALUE with partners all over the world.” Considering this as a broader concept, we aim for the realization of “Next Stage 2020,” our medium-term management plan drawn up last year, to take

on “new challenges for sustainable growth to become a global corporate group with its own strengths in the aviation and airport business domains.”

In this medium-term management plan, under the basic policy of achieving sustainable growth by maximizing the strength of four business domains (Aviation & Airport, Life Service, Retail, and Food & Beverage), we will engage in businesses with the following strategies.

<The key strategies>

1. Expand our revenue base

We will expand our businesses by further cultivating the strengths of our existing businesses, enhancing customers, products, and services, and transforming our business model in each domain. We will also expand the scale of our businesses, and enhance and strengthen value chains by actively collaborating with others and pursuing investment opportunities.

2. Create and develop a new core business

We will aim to reinvent the core business for the next generation by stepping up our efforts to create a new core business in each business domain. At the same time, we will also accelerate our initiatives to develop candidates for the core business that we embarked on in the previous medium-term management plan.

3. Optimize the business portfolio

We will strive to build a business portfolio that is capable of withstanding environmental changes in each of our four business domains. To this end, we will redistribute our limited management resources appropriately and efficiently through the selection and concentration of businesses.

<The area strategy>

We will promote our businesses globally by further enhancing the system for overseas operations. As our overseas areas of focus, we will target the ASEAN region (a fast-growing and emerging region) and the United States (the center of the aviation industry) as well as the domestic market.

<The foundation of strategies>

1. Cultivate human resources and enhance our organizational power
2. Achieve strong funding capacity and sound financial standing
3. Deepen the Group management

Under our Corporate Policy, “Contributing to Tomorrow,” we will increase our corporate value and strive to achieve sustainable growth so that people, society and the environment shine ever more brilliantly. We appreciate your continued support and patronage, and look forward to serving you in the future.

Masahiro Vince Komiyama
Representative Director & CEO

Business Segments

Aviation & Airport Business

Developing our aviation and airport-related business through knowledge and experience.

Retail Business

Developing and providing high-quality products and services related to travel and lifestyle, and enhancing passenger experience through a network of 89 shops at 27 airports (as of June 2017).



Life Service Business

Offering safety and security in everyday life and business through highly experienced professionals.

Food & Beverage Business

Delivering fresh agricultural and marine products, wines, and processed foods through our delivery networks.

We provide original value-added products and services in our four business domains centering on the Aviation & Airport Business.

- Specialized purchasing know-how founded the aviation service business sector
- High-quality goods and services with safety and security guaranteed
- A unique network of offices and airport shops in Japan and abroad

Specialists in aviation

Expansive business fields, including machinery and equipment.

■ Aerospace Department

Aircraft Sales Section (Aircraft Sales Team Business Planning and Development Department)

Engaged in sales and remarketing for aircraft, aircraft engines and flight simulators as well as registration services for leased aircraft in Japan, and developing the leasing and part-out business. With our competency, knowledge and broad customer network developed over the years, we also provide consultancy services for aircraft sales and purchasing to global customers.



Products & Services ○Aircraft, aircraft engines and flight simulators

Aircraft Parts & Materials Section (Aerospace Department)

Offers aircraft parts & materials, ground support equipment for the aerospace industry, Japanese, overseas airlines and aviation-related ministries through our networks in the U.S., Europe and Asia using its specific IT system & stock function, as a total solutions providers in all value chains.



Products & Services ○Aircraft components, materials, tools and consumables
○Aircraft engine components

■ Airport Business Development Department

Creates a range of airport-related businesses, such as the operation of airport terminals, facilities and their construction, particularly in Asian countries where we contribute to their development, harnessing our vast expertise and experience in the aviation and airport business in Japan and overseas.



Products & Services ○Airport and incidental business operations ○Airport-related equipment

Life Service Unit

A Team of professional staff delivers high-quality products and services

A team of professional staff delivers high-quality products and services for your business and personal life.

■ Machinery & Materials Department

Handles bridge inspection vehicles, warm mix foaming equipment and road repair materials which have started to be promoted in the U.S. and ASEAN countries. The department also provides comprehensive services ranging from the wholesale of paper materials and pulp to the design and printing of catalogues and packaging materials.



Products & Services ○Special vehicle ○Warm mix foaming equipment ○Road repair materials
○Printing, paper and packaging materials

■ Insurance Department

For many years, the Insurance Department has provided insurance products to corporate and individual customers as an agent for more than 30 non-life and life insurance companies, including foreign capitalized companies.

We are also expanding business under the new business model named "Insurance Agent BPO (Business Process Outsourcing)" through our insurance business subsidiary (JALUX Insurance and Service Inc.).



<http://jaluxhs.com/>

Products & Services ○Personal insurance products ○Corporate insurance products ○BPO (Business Process Outsourcing)

Acquired ISMS certification in April 2008 (except branch operations)
IS526328/ISO (JIS Q) 27001:2013

■ Real Estate Department

Real Estate and Building Management Section

Handles the real estate development, subleasing and agency services surrounding airports in Japan. We also offer services such as the operation of dormitories and company housing, the management of real estate facilities and equipment, and undertakes environmental management such as energy conservation and waste recycling. Overseas it develops the serviced apartment business in Thailand.

The department also runs lifestyle proposal businesses, such as the general real estate website sumai.jalux.com, and operates JAL Vacations, which introduces travelers to resort condominiums.

Products & Services ○Development, subdivision, and sale of land and buildings ○Real estate agency services
○Facility management business ○Environmental management

Senior Business Section

JALUX Trust Inc. operates housing for seniors with home-care services and nursery care centers under the brand name "Solcias."

Products & Services ○Real estate rental business ○Home-visit care business ○In-home long-term care support business
○Visiting-care facility business ○Facility management business



<http://vacation.jalux.com/>

<http://jaluxhs.com/>

Retail Unit

Providing customers with the finest products and services

Meeting sophisticated needs by contributing products and services that are delivered directly, or proposing the most suitable products and services backed by rigid quality control and cost management, making life more enjoyable for each customer.

■ Retail Business Department

Travel Retail Business

Applying our knowledge of in-flight sales and airport duty free shops and our product planning know-how, the Travel Retail Business seeks to uncover the finest brands for distribution to clients (duty free shops in Japanese airports, airlines and more).

Domestic Retail Business

Plans, designs and distributes our original brand "Tabitus," placing the greatest emphasis on the concepts of "travel" and "aviation." The Domestic Retail Business also directly manages and operates "JAL Plaza TABITUS+ STATION," a store organized around the concept of "adding value to travel." This particular store carries items such as suitcases, bags, shoes and watches intended to add a level of comfort for customers when they travel.

Products & Services ○Brands (general merchandise, cosmetics, alcohol and tobacco)



■ Direct Marketing Department

In addition to planning, purchasing and after-sales service of in-flight sales products, the Direct Marketing Department plans and runs an inflight mail-order magazine, direct mail-order catalog and online mail-order service. We search for the best-selling products and brands, develop original products and offer attractive products and services to delight customers.

Products & Services ○Mail-order sales (general merchandise, food, wine, etc.)
○In-flight merchandise

JALショッピング
マイルがたまるショッピングサイト
www.shop.jal.co.jp/



Original Mail-order catalog

JAL World Shopping Club

JAL World Shopping Club offers items that enhance travel and everyday life, such as high-quality fashion items, general merchandise and travel goods selected through the JAL Group's exclusive networks. This mail-order catalog introduces carefully selected products from Japan and other countries aimed at adult customers who understand authentic value.



Gourmet First Class

Gourmet First Class is a catalog offering food products that promote the joy of eating and discerning culinary preferences. In addition to guaranteeing the safety and value of food, it offers high-quality select products that are first class, such as rare products, which are sourced through the JAL Group's extensive network in Japan and overseas.



Food Distribution Department

Through its own gift ordering system, the Food Distribution Department offers food gifts such as perishable and processed foods directly from the producers to department stores, mass retailers and convenience stores. We are considered to be a reliable partner because we provide safe and high-quality products that meet a variety of customer needs and wants.



- Products & Services**
- Regional specialty products and gourmet commodities
 - Food gifts
 - Osechi

Airport Retail Management Business

(Business Planning and Development Department/Airport Retail Team)

There are 78 JALUX Group airport shops named "BLUE SKY" across 27 airports in Japan, as of June 2017. We offer a broad range of products and services, including the original lunchbox (Sora-ben), sandwiches and pastries (Sora-pan) and sweets (Sora-sweets), as well as souvenirs. As one of the largest airport retail chains in Japan, We also run restaurants serving local delicacies. JAL-DFS operates 11 duty free shops, as of June 2017, at Terminals 1 and 2 in Narita Airport and at the International Terminal in Haneda Airport. We carry brands from Japan and overseas.



www.jaldfs.co.jp

http://bluesky.jalux.com/

- Products & Services**
- Souvenirs from across Japan
 - Lunchboxes, sky sandwiches, sky pastries and sky sweets
 - Brands (general merchandise, cosmetics, alcohol and tobacco)

West-Japan Branch

Aircraft Parts and Materials

Provides Supply Chain Management solutions to aircraft-related manufacturers and maintenance businesses in Western Japan and supports their overseas sales.

Real Estate

Develops company dormitories or housing and provides subleasing, agency services or operational management of real estate for customers in Western Japan. Also proposes a wide range of solutions for real estate owners, such as land usage, inheritance tax strategies and developments of earning properties.

Marine Products

Processes seafood caught around the world into ingredients for sushi, fish fillets, fried products and other food products at factories in Southeast Asian countries, and sells them to marine products companies, wholesalers, mass retailers and restaurants in Western Japan.

Agricultural Products

Imports foodstuffs from around the world, ranging from popular ingredients to processed products, and sells them to wholesalers, mass retailers and restaurants in Western Japan.

Wines

Imports wines from selected producers in France, the U.S. and Australia and sells them to luxury hotels, restaurants and liquor shops in Western Japan.

Business Planning and Development Department

Supports the further growth of current businesses and takes strategic initiatives in mid- to long-term business development to maximize the returns on the unique abilities and resources across the organization.

Food & Beverage Unit

Supply of fresh and high-quality food items

Adding greater value, creating diversified high quality products and services through skillful planning.

Marine Products Department

Imports fresh seafood from around the world and sells it to marine products companies, wholesalers, mass retailers, convenience stores, restaurants and other customers. Salmon, mackerel and horse mackerel are processed into slices for sushi, boneless and breaded products respectively, in China and Vietnam and sold as value-added products. The department also exports perishable fish caught in the seas of Japan to the U.S. and Southeast Asian countries.



- Products & Services**
- Sea food (slices for sushi, fillets, other processed products)

Agricultural Products Department

Imports paprika, lime, okra, asparagus, mango, frozen vegetables and other products from around the world and sells them to wholesalers, mass retailers, restaurants and other customers. The department has built a supply chain that consists of production bases in Thailand and Laos as well as distributors in Japan and Taiwan. We also export fresh vegetables to neighboring Asian countries.



- Products & Services**
- Fresh vegetables and fruit
 - Frozen vegetables and fruit

Wine and Foods Department

Wine Section

Imports hundreds of wines from producers around the world and sells them to hotels, restaurants, department stores, wine shops, mail order and inflight service. The wine list includes Joseph Perrier and Billecart Salmon from Champagne, Henri Bourgeois from Loire, Clos du Val, Silver Oak Cellars and Calera from California. The department continually strives to improve its marketing by offering high-quality wines while building a sales network throughout Japan.



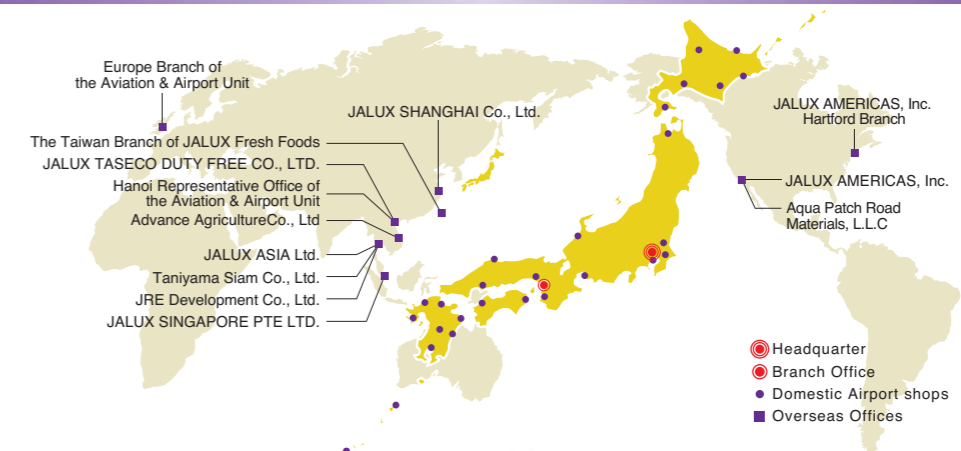
- Products & Services**
- Wines and sparkling wines from all over the world

In-Flight Meals & Processed Foodstuffs Section

Plans, develops, and sells in-flight meals as well as foodstuffs and beverages for retailers at airports, railway companies, and expressways. Produces quality, safe and high value-added products and sells them to upscale supermarkets and convenience stores, as well as retailers in the transport industry. In addition to the domestic market, works to expand sales in the export of foodstuffs made in Japan to Asia, Europe and the U.S.

- Products & Services**
- In-flight meals
 - Souvenir sweets, confectionery, sky lunchboxes, frozen prepared dishes

Network of Business Offices



Domestic Affiliates (consolidated subsidiaries)



JALUX Airport Inc.
(Airport shop management business)



JALUX Insurance and Service Inc.
(Insurance business)



JALUX Fresh Foods, Inc.
(Fruit and vegetable sales)



JALUX Trust Inc.
(Real Estate Management Business, Silver Business)



Japan Airport Delica Inc.
(Food Manufacturer)



JAL-DFS Co., Ltd.
(Duty-free sales)



GLENFIELD Corporation
GLENCHECK Corporation
(Imported goods sales and Run EC Shops)



Thierry Marx Japan Inc.
(Planning and operation of restaurants, etc.)

International Affiliates (consolidated subsidiaries)



JALUX AMERICAS, Inc.
(Los Angeles)



JALUX ASIA Ltd.
(Bangkok)



JALUX SHANGHAI Co., Ltd.
(Shanghai)



JALUX SINGAPORE PTE. LTD.
(Singapore)



JALUX TASECO DUTY FREE CO., LTD.
(Hanoi)



JRE Development Co., Ltd.
(Bangkok)



Aqua Patch Road Materials, L.L.C.
(Los Angeles)

Taniyama Siam Co., Ltd.
(Bangkok)

Advance Agriculture Co., Ltd.
(Sekong, Laos)

Domestic Airport Shops (As of June 2017)

A total of 89 shops in 27 airports, including **New Chitose, Narita, Haneda, Kansai and Fukuoka.** (78 BLUE SKY Shops and 11 JAL-DFS Shops)