



Contributing to Tomorrow as Your Partner

JALUX

COMPANY PROFILE

JALUX Inc.

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www.jalux.com/en/profile/



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Corporate Philosophy

“Contributing to Tomorrow as Your Partner for Brightening Humanity, Society and the Environment.”

Since its foundation in 1962, JALUX Group has extended its original aviation & airport business to the life service business, such as insurance and real estate, the retail business such as airport shops and mail-order sales, and the food & beverage business, which carries foodstuffs and wines.

To realize our corporate philosophy “Contributing to Tomorrow,” we have established our long-term vision for 2030, namely “to become a business leader creating JALUX-VALUE with partners all over the world.” For the first five years thereof, we have set our medium-term management plan “Next Stage 2020” (FY 2016 to FY 2020) and all of us are working together to achieve the plan’s goals and the vision.

In the medium-term management plan, under the policy of “new challenges for sustainable growth to become a global corporate group with its own strengths in the aviation and airport business domains,” we will engage in businesses with the following three key strategies: (i) expand our revenue base, (ii) create and develop a new core business, and (iii) optimize

our business portfolio. As our overseas areas of focus, we will target the ASEAN region and the U.S., in addition to the domestic market. In FY 2018, the midpoint of the five-year plan, we will increase our efforts to stabilize our revenue base and develop a new core business by further cultivating existing businesses.

In addition, we will enhance human resources development and diversity, and improve the working environment to enable all the employees to maximize their abilities.

JALUX Group will strive to contribute to society by realizing its corporate philosophy through these business activities. We appreciate your continued support and patronage, and look forward to serving you in the future.

Masahiro Vince Komiyama
Representative Director & CEO

Business Segments



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

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

Aviation & Airport Unit

Specialists in aviation

Expansive business fields, including machinery and equipment

Aerospace Business



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 develops 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 and overseas airlines and aviation-related ministries through our networks in the U.S., Europe and Asia using its IT system & stock function as a total solutions provider in all value chains.

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



Acquired ISO 9001 and AS9120 certification



Overseas 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

Offering safety and security through highly experienced professionals

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

Machinery & Materials Department

Handles bridge inspection vehicles, eco-friendly warm mix foaming equipment and road repair materials that have started to be promoted in the U.S., Europe and ASEAN countries. 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 vehicles ○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/>



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

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

Real Estate Department

Real Estate Development, Transaction and Management Section

Handles real estate development, subleasing and agency services surrounding airports in Japan. We also offer services such as the operation of dormitories and company housing. Overseas we develop the serviced apartment business in Thailand. We also run websites on which customers can earn miles, such as the general real estate website sumai.jalux.com, and operate JAL Vacations, which introduces travelers to resort condominiums.



Facility Management and Senior Business Section

JALUX Trust Inc. operates senior apartments and nursery care centers under the brand name "Solcias," and offers management of airport-related facilities and equipment.

 ソルシアス

Products & Services ○Real estate business ○Senior services ○Facility management business



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," emphasizing 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 for in-flight sales products, the Direct Marketing Department plans and runs the online shop "JAL-shopping" at which customers can earn and use miles, an in-flight mail-order magazine and direct mail-order catalogs. We search for 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



www.shop.jal.co.jp/



Original Mail-order catalog



Acquired ISMS certification
IS96028/ISO (JIS Q) 27001

Food Products Marketing & 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 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



Acquired ISMS certification
IS96028/ISO (JIS Q) 27001

Airport Retail Management Business

(Business Planning and Development Department/Airport Retail Team)

There are 76 JALUX Group airport shops named "BLUE SKY" across 27 airports in Japan, as of June 2018. We offer a broad range of products and services, including the original lunchbox (Sora-ben), sandwiches, 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 named "JAL DUTYFREE," at Narita Airport and Haneda Airport as of June 2018. We carry brands from Japan and overseas.

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



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

Import fresh seafood from around the world and sell it to marine products companies, wholesalers, mass retailers, convenience stores, restaurants and other customers. We process salmon and yellowfin tuna as slices for sushi, and other fish as boneless and breaded pieces in China and Vietnam. The department also exports perishable fish caught in the seas near Japan.

Products & Services ○Seafood (slices for sushi, fillets, other processed products)



Agricultural Products Department

Imports fresh vegetables, such as paprika, okra and asparagus, fresh fruits, such as mango, lime and melon, 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 as well as distributors in Japan.

Products & Services ○Fresh vegetables and fruit ○Frozen vegetables and fruit



Wine Department



Imports hundreds of wines from producers around the world and sells them to hotels, restaurants, department stores, wine shops, mail order and in-flight 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

Processed Foods Department



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, it works to expand sales in the export of made in Japan foodstuffs to Asia, Europe and the U.S.

Products & Services ○In-flight meals
○Souvenir sweets, confectioneries, in-flight lunchboxes, frozen prepared dishes

Business Planning and Development Department

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

Network of Business Offices -Domestic-



Domestic Airport Shops (As of June 2018)

A total of 87 shops in 27 airports, including **New Chitose, Narita, Haneda, Kansai** and **Fukuoka**. (76 BLUE SKY Shops and 11 JAL DUTYFREE Shops)

West-Japan Unit

Aircraft Parts and Materials: Provides VMI for parts and materials to aircraft-related manufacturers and maintenance businesses in Western Japan and supports overseas sales.

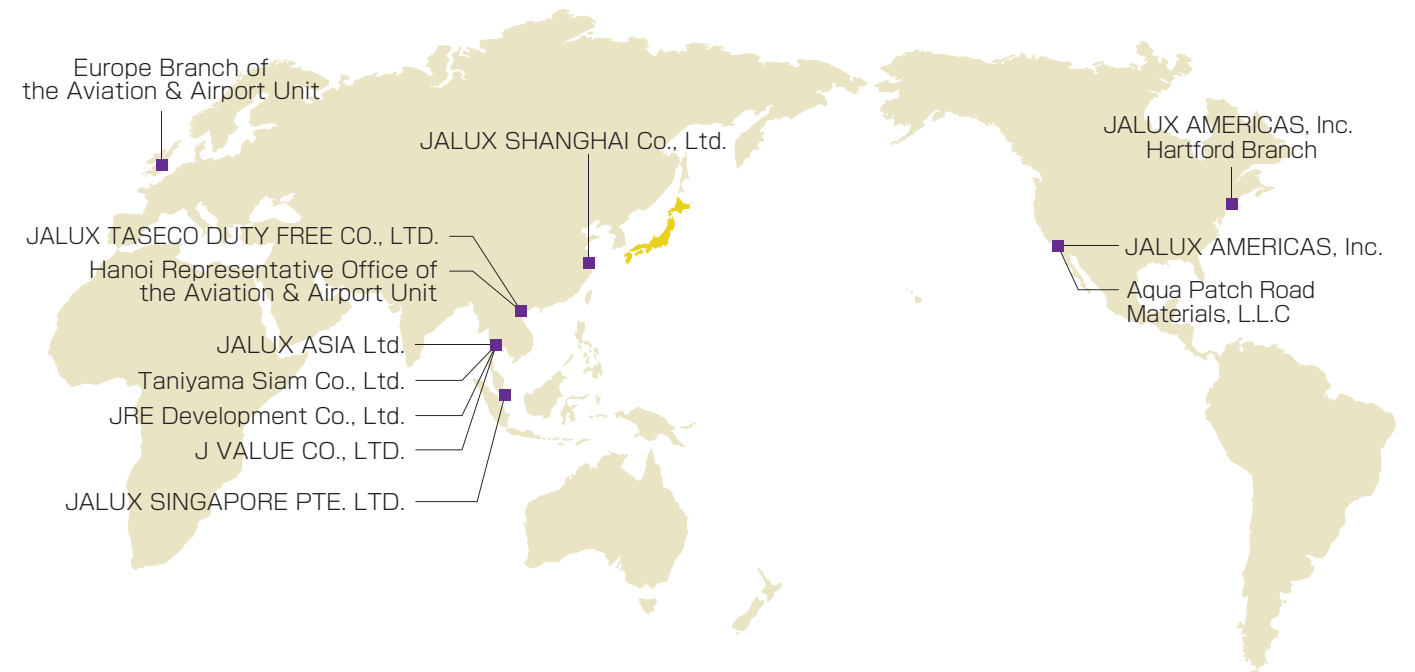
Real Estate: Develops company dormitories or housing, provides subleasing, agency services and operational management of real estate for customers in Western Japan. Also proposes a wide range of solutions for real estate owners, such as land usage, inheritance tax strategies and development of earning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

Insurance: Sell the best financial products to corporations and individual customers in Western Japan. Also proposes the promotion of the outsourcing business to realize management efficiency in the insurance agency business using a call center.

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 other countries and sells them to luxury hotels, restaurants and liquor shops in Western Japan.

Network of Business Offices -International-



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.
(Facility Management Business, Senior Services)



Japan Airport Delica Inc.
(Food Manufacturer)



JAL-DFS Co., Ltd.
(Airport duty-free shop management business)



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)

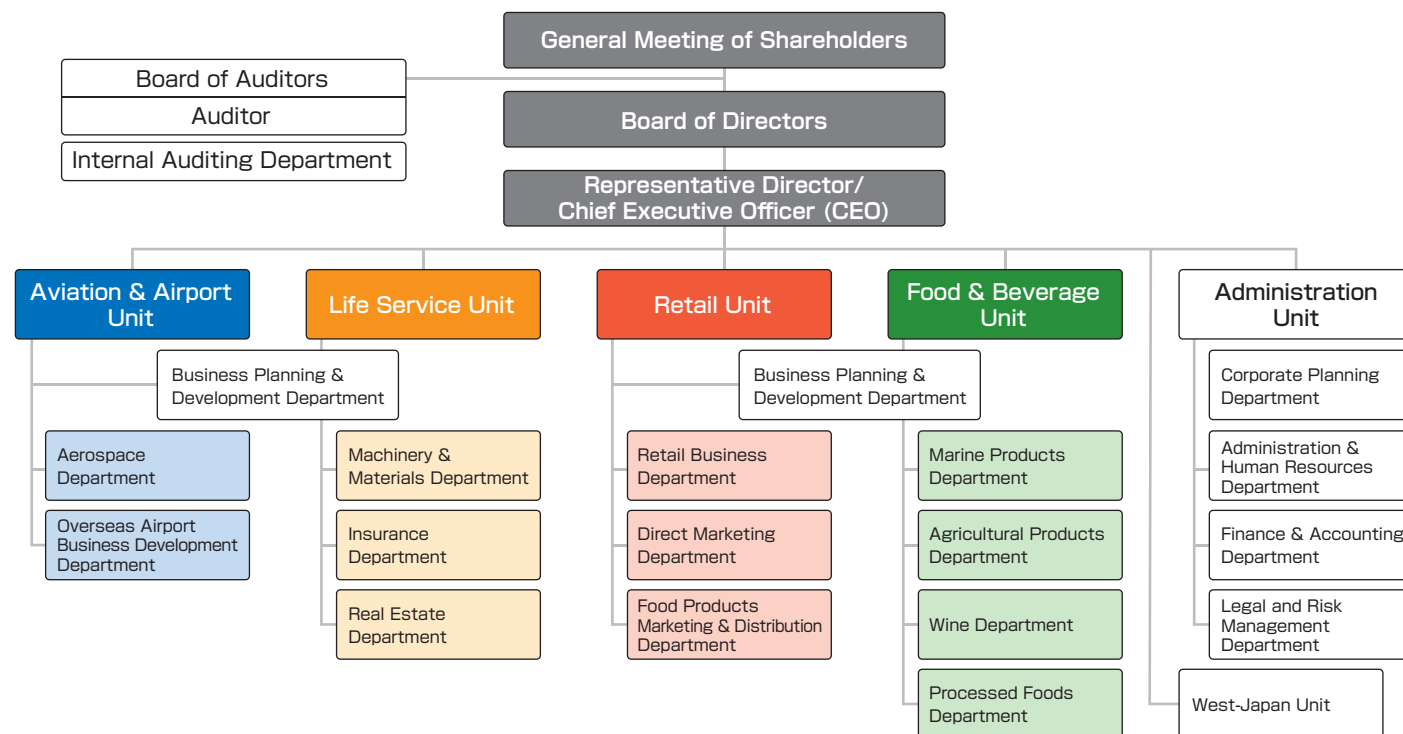


Taniyama Siam Co., Ltd.
(Bangkok)



J VALUE CO., LTD.
(Bangkok)

Organization



Corporate Overview

Corporate Profile *As of March 31, 2018

Corporate name	JALUX Inc.	Stock code	2729 (TSE 1st Section)
Established	March 28, 1962	Capitalization	2,558,550,000 yen
Number of employees	2,375 (Including 1,983 at consolidated subsidiaries)	Outstanding shares	12,775,000
Number of shareholders	12,433		

Major Shareholders (Top 10) *As of March 31, 2018

Name of shareholder	Shares held	Shareholding (%)
Sojitz Corporation	2,810,500	22.0%
Japan Airlines Co., Ltd.	2,727,500	21.4%
Japan Airport Terminal Co., Ltd.	1,022,000	8.0%
Aioi Nissay Dowa Insurance Co., Ltd.	465,200	3.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	455,500	3.6%
GOLDMAN,SACHS & CO.REG	400,533	3.1%
Japan Trustee Services Bank,Ltd.	274,200	2.1%
Airport Facilities Co.,Ltd.	168,000	1.3%
The Master Trust Bank of Japan, Ltd.	160,200	1.3%
JALUX Inc.	123,512	1.0%

Executives *As of June 15, 2018

Representative Director/Chief Executive Officer (CEO)	Masahiro Komiyama
Representative Director/Co-Chief Executive Officer	Shigemi Kuruu
Director Managing Executive Officer(MEO)	Osamu Yamaguchi
Director (External)	Naoki Yokoyama
Director (External)	Ryuzo Toyoshima
Director (External)	Yoichi Ogawa
Director (External)	Shigeru Ota
Auditor	Daisuke Kadono
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
Executive Officer(EO)	Toshiyuki Shima
Executive Officer(EO)	Osamu Yamamoto
Executive Officer(EO)	Masahiko Miura

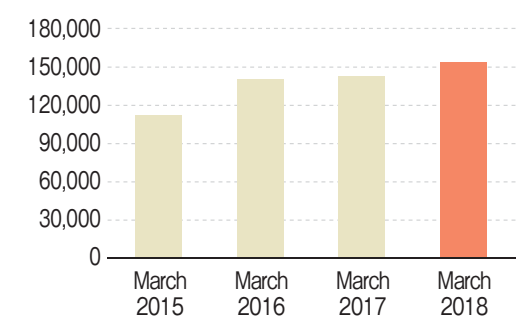
Financial Highlights

*As of March 31, 2018

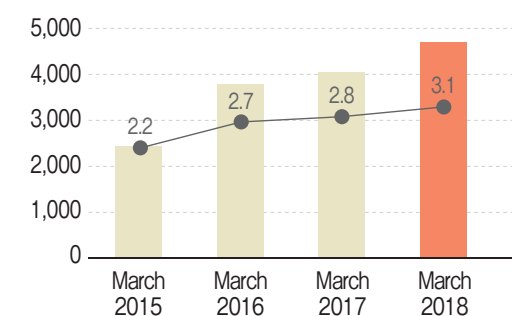
Trends in Major Financial Indexes (Consolidated Basis)

Consolidated management indexes	Unit	March 2015	March 2016	March 2017	March 2018
Net sales	Million yen	112,717	141,502	143,217	153,404
Gross profit		20,296	22,881	23,369	25,151
Operating income		2,426	3,789	4,056	4,709
Ordinary income		2,684	3,937	4,222	5,166
Net income		1,148	2,014	2,572	2,693
Total assets		38,508	43,422	43,934	49,013
Net assets		17,606	19,426	21,445	23,634
Average shareholder's equity		15,782	17,253	18,979	20,996
Interest-bearing debt		4,914	5,737	5,802	5,629
Earnings per share		90.86	159.41	203.48	213.02
Book value per share	yen	1,311.25	1,418.98	1,583.80	1,737.48
Ordinary income to total assets ratio (ROA)	%	7.5	9.6	9.7	11.1
Return on equity (ROE)	%	7.3	11.7	13.6	12.8
Dividends per share	yen	25	40	50	55

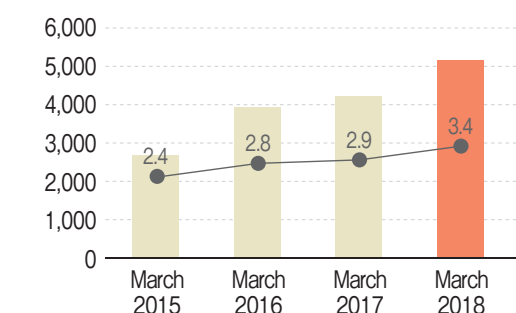
Net Sales



Operating Income Operating Income Ratio (%)



Ordinary Income Operating Income Ratio (%)



Net Income Net Income Ratio (%)

