



Contributing to Tomorrow

JALUX

COMPANY PROFILE

JALUX Inc.

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Corporate Philosophy

**"Contributing to Tomorrow"
Your Best Partner to create the happiness
by bringing to the people, society and
environment bright future.**

JALUX Group is actively pursuing our business expansion and innovation, especially by focusing largely on our strong business areas of the aviation and airport in order to achieve our corporate philosophy of "Contributing to Tomorrow": Your Best Partner to create the happiness by bringing to the people, society and environment a bright future. I would like to take this opportunity to express our sincere appreciation for your continued understanding and support from our bottom of heart.

In view of creating sustainable growth in economy and more satisfaction in society, JALUX Group is always committed to make every and utmost effort to explore the solutions to the global environmental issues and a variety of the social issues which should certainly be addressed and solved in an effective and timely manner.

In order to ensure the positive outcomes based on our sustained efforts, we will continue to enhance our Corporate Governance system and pursue the way of working how all our employees at JALUX Group can accumulate their own skill and career in business through the ordinary day-to-day operation.

The business areas of aviation and airport, where JALUX Group has strengths and sufficient track records with success, are expected to grow significantly in line with the continued expansion of the global market economy. To introduce such favorable circumstances into our targeted growth, we will accelerate and make good on our Medium-Term Management Plan "Next Stage 2020", and simultaneously, start focusing more on the business opportunities in the overseas markets which are expected to have a high growth potential, by making the best use of our cumulative resources from expertise and experience which we have been cultivating until now.

JALUX Group will keep going forward with the spirit of our corporate philosophy to live up to the expectations of our stakeholders including valuable customers, esteemed partner companies and investors. We will truly be grateful for your continued support, help and encouragement.

Masashi Shinohara
Representative Director & CEO

Business Segments



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

- Specialized purchasing knowhow 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

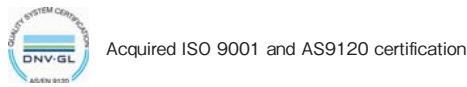
Expansive business fields, including machinery and equipment

Aerospace Department & Central-Japan Aerospace Department

Offers aircraft parts, materials and ground support equipment for the aerospace industry and aviation-related ministries through networks in the U.S., Europe and Asia using the IT system and stock function to be a total solutions provider.



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



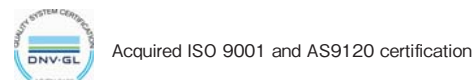
Airline Asset Management Department



Engaged in sales and remarketing of aircraft, aircraft engines, flight simulators, ground support equipment, vehicles, tools, parts and materials mainly for airlines and affiliate customers.

Also, offers registration services (JSPC) 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
 - Components, materials, vehicles, tools, equipment and consumables



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 Asia where we contribute to their development, harnessing our vast expertise and experience in the aviation and airport business in Japan and overseas.



Wattay International Airport in Vientiane, Lao PDR



Mandalay International Airport, Myanmar

- 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 asphalt 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 asphalt foaming equipment
 - Road repair materials
 - Printing, paper and packaging materials

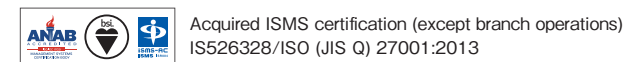
Insurance Department

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 business model of "Insurance Agent BPO (Business Process Outsourcing)" through our insurance business subsidiary (JALUX Insurance and Service Inc.).



<https://jaluxhs.com/>



- 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. Also offers services such as the operation of dormitories and company housing. Develops the serviced apartment business in Thailand.

Runs websites on which customers can earn miles, such as the general real estate website sumai.jalux.com, and operates 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 "Solcias," and offers management of airport-related facilities and equipment.



- 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 directly delivered products and services 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

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).

The department also plans, designs and distributes novelty goods to suit customers' needs, and distributes in-flight amenities to client airlines.



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" in which customers can earn and use miles, an in-flight mail-order magazine and direct mail-order catalogs, and directly manages and operates a store called "JAL Plaza TABITUS+ STATION." 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 and wine) In-flight merchandise

JAL Plaza
TABITUS+
STATION



Original Mail-order catalog



Gourmet First Class



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.



Products & Services Regional specialty products and gourmet commodities
 Food gifts Osechi Valentine's Day goods



Acquired ISMS certification
IS96028/ISO (JIS Q) 27001

Airport Retail Management Business

(Business Planning and Development Department/Airport Retail Team)

There are 74 JALUX Group airport shops named "BLUE SKY" across 27 airports in Japan, as of June 2019. 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 called "JAL DUTYFREE," at Narita Airport and Haneda Airport as of June 2019. 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 and frozen 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.



Products & Services Seafood (slices for sushi, fillets and 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 and 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, and Errazuriz from Chile. 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



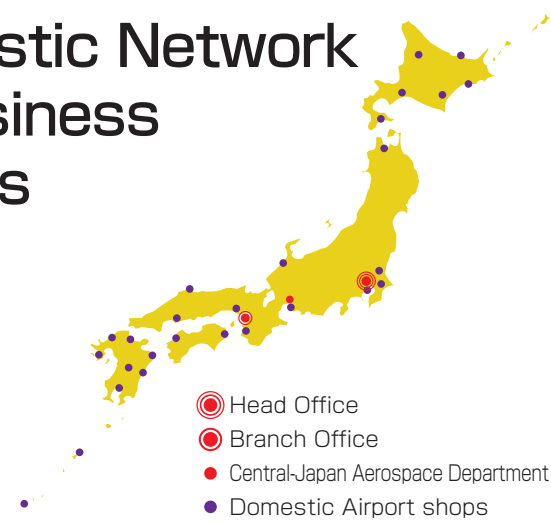
Plans, develops and sells in-flight meals for airlines, lunchboxes (Soraben) and souvenir sweets for retailers at airports, railway companies and expressways. Produces quality, safe and high value-added products in collaboration with a variety of partners and sells them to upscale supermarkets and convenience stores. In addition to the domestic market, we also expand sales with the export of made in Japan foodstuffs mainly to Asia and the U.S.

Products & Services In-flight meals Souvenir sweets, confectioneries, in-flight lunchboxes and frozen 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.

Domestic Network of Business Offices



- Head Office
- Branch Office
- Central-Japan Aerospace Department
- Domestic Airport shops

Domestic Airport Shops (As of June 2019)

A total of 85 shops in 27 airports, including **New Chitose, Narita, Haneda, Kansai and Fukuoka.**

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.

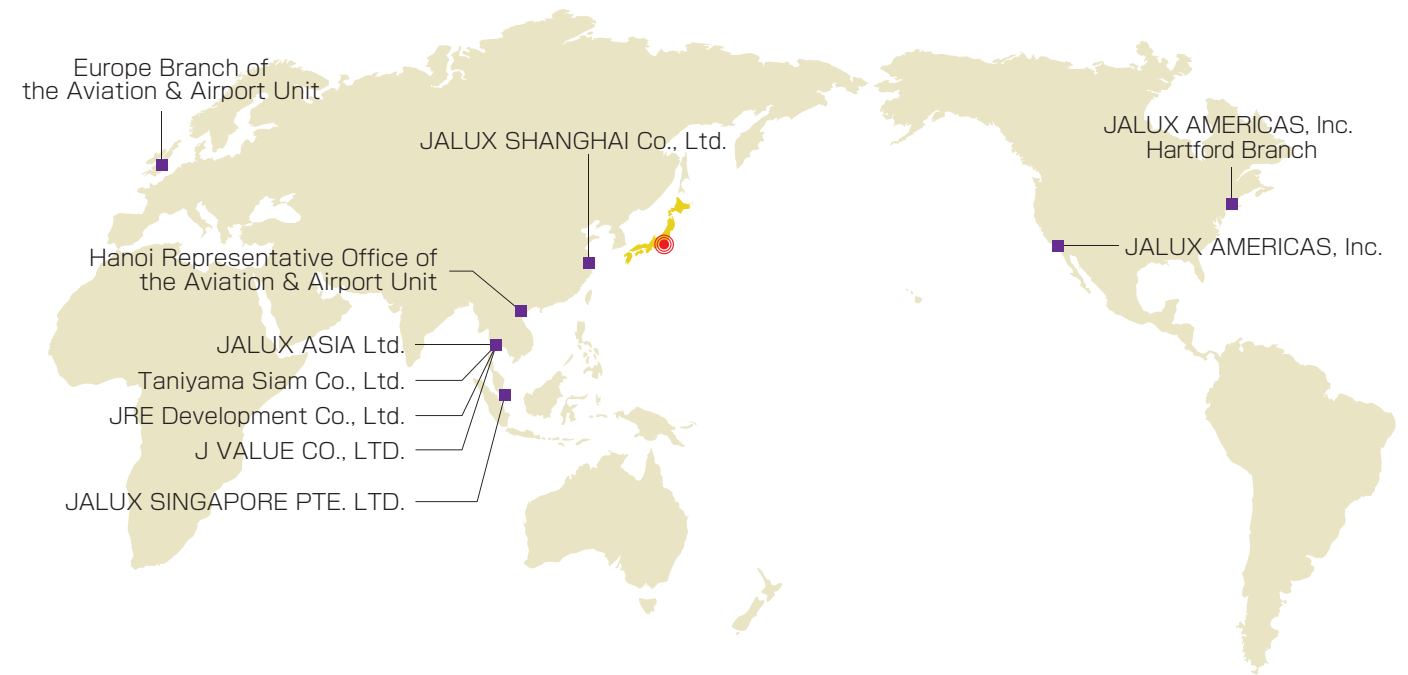
Real Estate: Develops company dormitories and housing, provides subleasing, agency services and operational management of real estate for customers in Western Japan. Also proposes a wide range of solutions to property owners such as effective land usage as inheritance tax solutions.

Insurance: Sells 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 wine shops in Western Japan.

International 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.
(Facility Management Business, Senior Services)



Japan Airport Delica Inc.
(Food Manufacturer)



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



JALUX STYLE, Inc.
(Imported goods sales and Run EC Shops)

International Affiliates (consolidated subsidiaries)



JALUX AMERICAS, Inc.
(Los Angeles)



JALUX ASIA Ltd.
(Bangkok)



JALUX SHANGHAI Co., Ltd.
(Shanghai)



JALUX SINGAPORE PTE. LTD.
(Singapore)



JRE Development Co., Ltd.
(Bangkok)

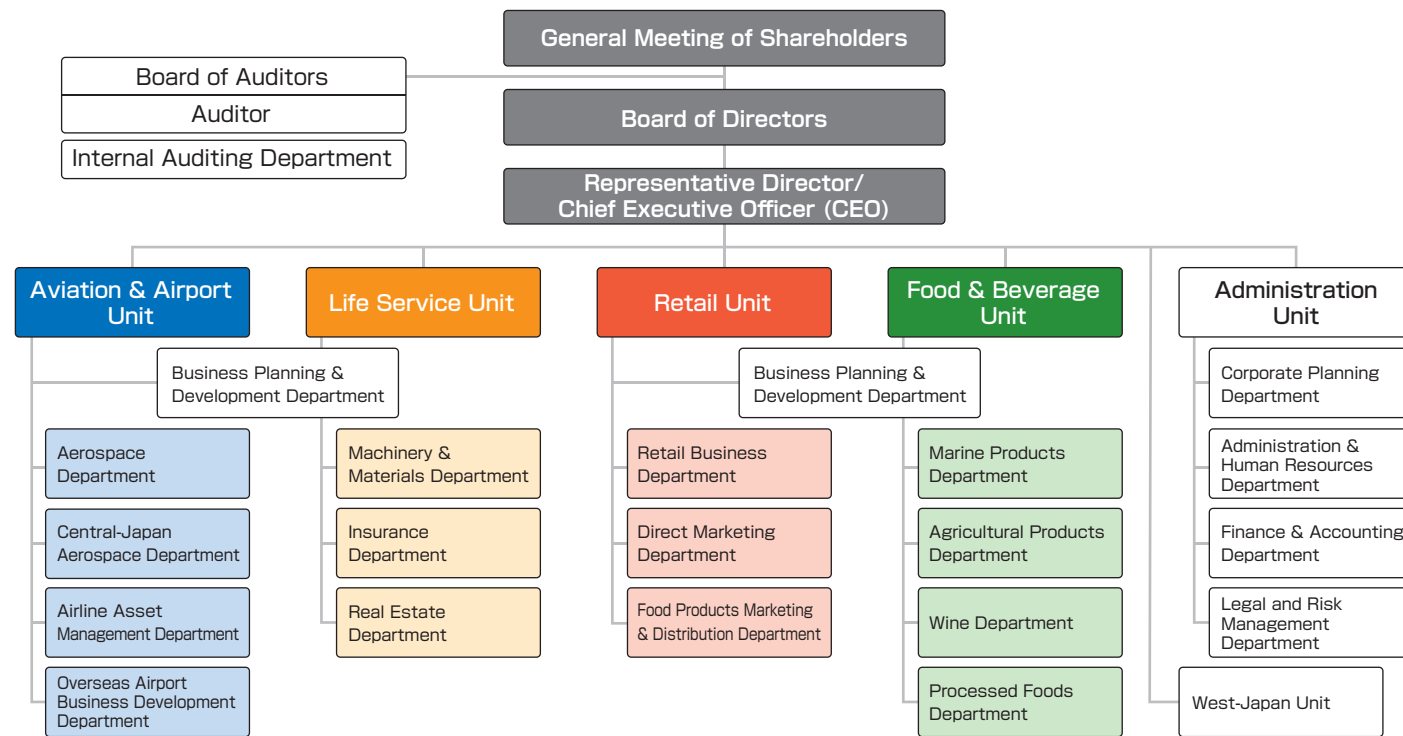


Taniyama Siam Co., Ltd.
(Bangkok)



J VALUE CO., LTD.
(Bangkok)

Organization



Financial Highlights

*As of March 31, 2019

Trends in Major Financial Indexes (Consolidated Basis)

Consolidated management indexes	Unit	March 2016	March 2017	March 2018	March 2019	
Net sales	Million yen	141,502	143,217	153,404	185,726	
Gross profit		22,881	23,369	25,151	26,590	
Operating income		3,789	4,056	4,709	4,628	
Ordinary income		3,937	4,222	5,166	5,094	
Net income		2,014	2,572	2,693	2,962	
Total assets		43,422	43,934	49,013	56,887	
Net assets		19,426	21,445	23,634	26,051	
Interest-bearing debt		5,737	5,802	5,629	11,750	
Earnings per share		yen	159.41	203.48	213.02	234.34
Book value per share		yen	1,418.98	1,583.80	1,737.48	1,908.38
Ordinary income to total assets ratio (ROA)	%	9.6	9.7	11.1	9.6	
Return on equity (ROE)	%	11.7	13.6	12.8	12.9	
Dividends per share	yen	40	50	55	65	

Corporate Overview

Corporate Profile *As of March 31, 2019

Corporate name	JALUX Inc.	Stock code	2729 (TSE 1st Section)
Established	March 28, 1962	Capitalization	2,558,550,000 yen
Number of employees	2,425 (Including 2,026 at consolidated subsidiaries)	Outstanding shares	12,775,000
Number of shareholders	13,446		

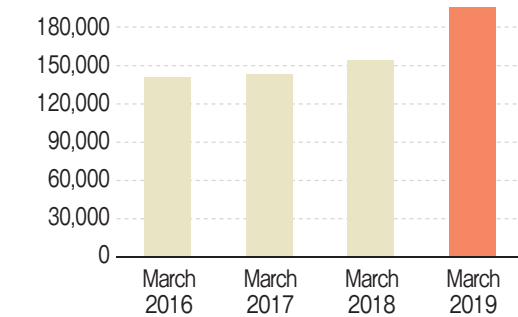
Major Shareholders (Top 10) *As of March 31, 2019

Name of shareholder	Shares held	Shareholding (%)
Sojitz Corporation	2,810,500	22.00%
Japan Airlines Co., Ltd.	2,727,500	21.35%
Japan Airport Terminal Co., Ltd.	1,022,000	8.00%
Aioi Nissay Dowa Insurance Co., Ltd.	465,200	3.64%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	455,500	3.56%
GOLDMAN,SACHS & CO.REG	455,469	3.56%
Japan Trustee Services Bank, Ltd.	241,400	1.88%
The Master Trust Bank of Japan, Ltd.	206,000	1.61%
Airport Facilities Co., Ltd.	168,000	1.31%
JALUX Inc.	123,628	0.96%

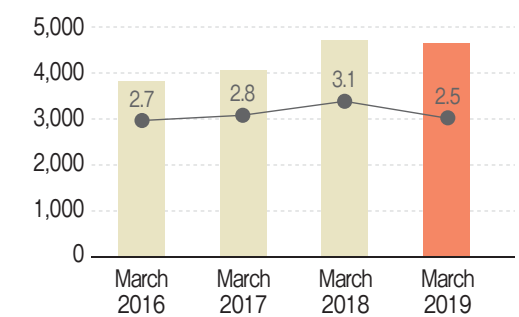
Executives *As of June 14, 2019

Representative Director/Chief Executive Officer (CEO)	Masashi Shinohara
Representative Director/Co-Chief Executive Officer	Kiyoshi Marukawa
Director Managing Executive Officer (MEO)	Osamu Yamaguchi
Director (External)	Naoki Yokoyama
Director (External)	Yuji Saito
Director (External)	Yoichi Ogawa
Director (External)	Shigeru Ota
Auditor	Daisuke Kadono
Auditor (External)	Hiroshi Kinoshita
Auditor (External)	Hiroyuki Goto
Managing Executive Officer (MEO)	Takao Suzuki
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

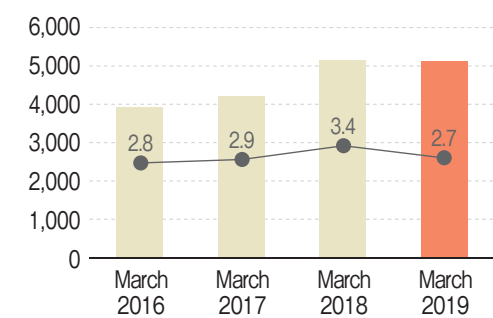
Net Sales



Operating Income Operating Income Ratio (%)



Ordinary Income Operating Income Ratio (%)



Net Income Net Income Ratio (%)

