

Contributing to Tomorrow

JALUX

COMPANY PROFILE





Corporate Philosophy

"Contributing to Tomorrow"
Your partner in creating happiness
and bringing a bright future to people,
society and the environment.

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 partner in creating happiness and bringing a bright future to people, society and the environment. I would like to take this opportunity to express our sincere appreciation for your continued understanding and support from our bottom of heart.

JALUX Group is committed to solving a range of environmental and social issues through corporate activities while realizing sustainable society and continually improving corporate value. Incorporating sustainability perspectives into management and business strategies, it will also drive Sustainability Management in order to realize a prosperous society. In order to enable each and every employee to enjoy their work, we also advance Health & Productivity Management 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.

JALUX Group is working swiftly to implement our business strategy, taking into account people's lifestyles and values which are changing globally as we address the continuing COVID-19 pandemic. Despite a situation where it is very hard to foresee even the near future, we will definitely utilize all of our corporate resources such as the business experience, skills and ideas that have been provided by all our stakeholders over a long-term period, make sure to maintain our determination to get over this drastically tough change, and explore a new horizon.

By doing all these things in a timely fashion, we will continue to commit ourselves to increase our corporate value for the benefit of all our stakeholders. We will truly be grateful for your continued support, help and encouragement.

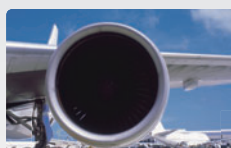
A handwritten signature in black ink, appearing to read 'Masashi Shinohara'.

Masashi Shinohara
Representative Director & CEO

Business Segments

Aviation & Airport Business

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



Life Service Business

Offering safety and security in daily life and business through highly experienced professionals



Food & Beverage Business

Offering fresh agricultural and marine products, wine and processed foods through our delivery networks



Retail Business

Developing and providing high-quality products and services related to travel and lifestyle, and enhancing passenger experience through a network of one of the largest domestic airport retail chain store at 27 airports across the country



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



Acquired ISO 9001 and AS9120 certification



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



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 Asia 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



Wattay International Airport
in Vientiane, Lao PDR



Mandalay International Airport,
Myanmar

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/>



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. 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 residential property.

 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 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 exports brand products to airport duty-free shops in Vietnam and Lao PDR and distributes goods for cross-border e-commerce.

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

www.shop.jal.co.jp/



©DISNEY

JAL Plaza
TABITUS+
STATION



Original Mail-order catalog



Gourmet First Class

Gourmet First Class



JALショッピング



Acquired ISMS certification
IS96028/ISO (JIS Q) 27001



Food Products Marketing & Distribution Department

The Food Distribution Department has provided food gifts, such as perishable foods and local specialties, directly from the producers to department stores, mass retailers and convenience stores for many years. We are considered a reliable partner because we provide safe, high-quality products that meet a variety of customer needs. In addition, we provide many kinds of high-quality products which are suitable for many different situations, such as mid-year gifts (Ochugen), year-end gifts (Oseibo), Osechi which is the traditional meal only prepared for the New Year, imported confections for Valentine's day events and foods for other special occasions. By utilizing our strong connections with local manufacturers in Japan, we contribute to regional revitalization through the Furusato nozei (hometown tax) donation program.

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 78 JALUX Group airport shops named "BLUE SKY" across 27 airports in Japan, as of March 2021. 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 6 duty-free shops called "JAL DUTYFREE," at Narita Airport and Haneda Airport as of March 2021. 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)



JAL DUTYFREE DFS

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 and other products from around the world and sells them to wholesalers, mass retailers, restaurants and other customers. The department builds a global supply chain and distributes various products through a sales subsidiary in Japan.

Products & Services

○Fresh vegetables and fruit ○Processed 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



We plan, develop, and sell in-flight meals for airlines, along with lunch boxes (soraben) and souvenir sweets for retailers at airports, railway companies, and along expressways.

We produce high-quality, safe, and high-value-added products in collaboration with a variety of partners, and sell them to upscale supermarkets and convenience stores.

In addition to the domestic market, we will expand our sales by exporting made-in-Japan foodstuffs mainly throughout Asia and the U.S.

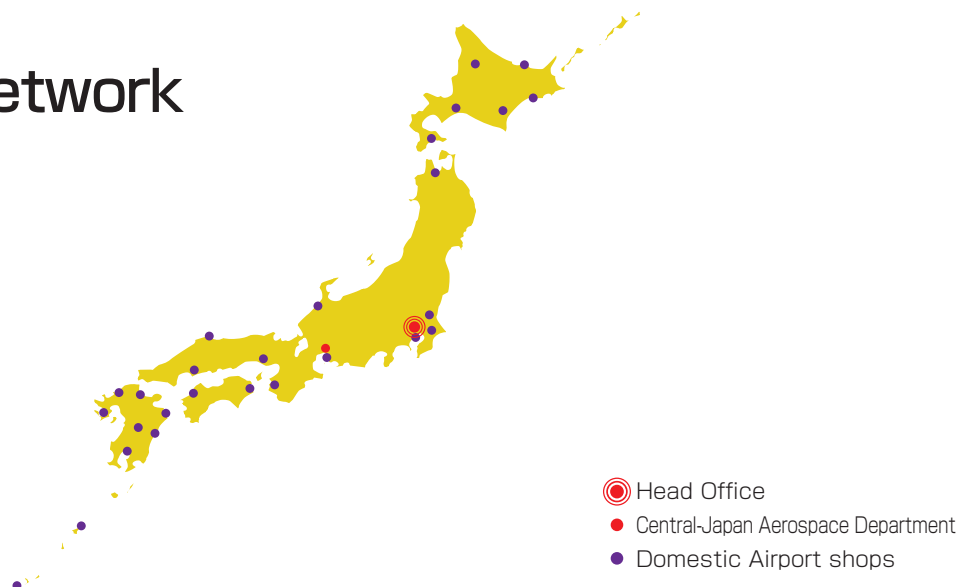
Products & Services

○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



Domestic Airport Shops (As of March 2021)

A total of 84 shops in 27 airports, including **New Chitose, Narita, Haneda, Kansai and Fukuoka.**

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)



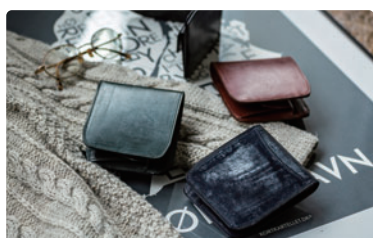
JALUX Trust Inc.
(Facility Management Business, Senior Services)



Japan Airport Delica Inc.
(Food Manufacturer)

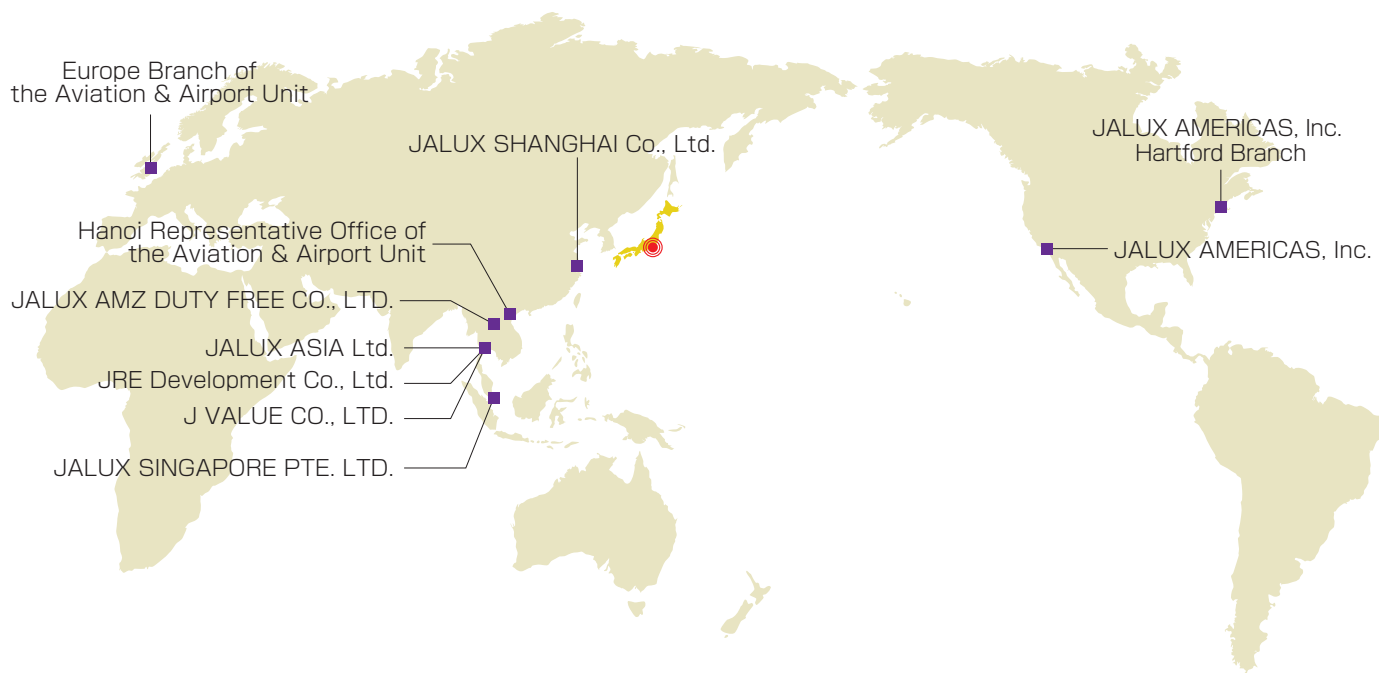


JAL-DFS Co., Ltd.
(Airport duty-free shop management business)



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

International Network of Business Offices



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)

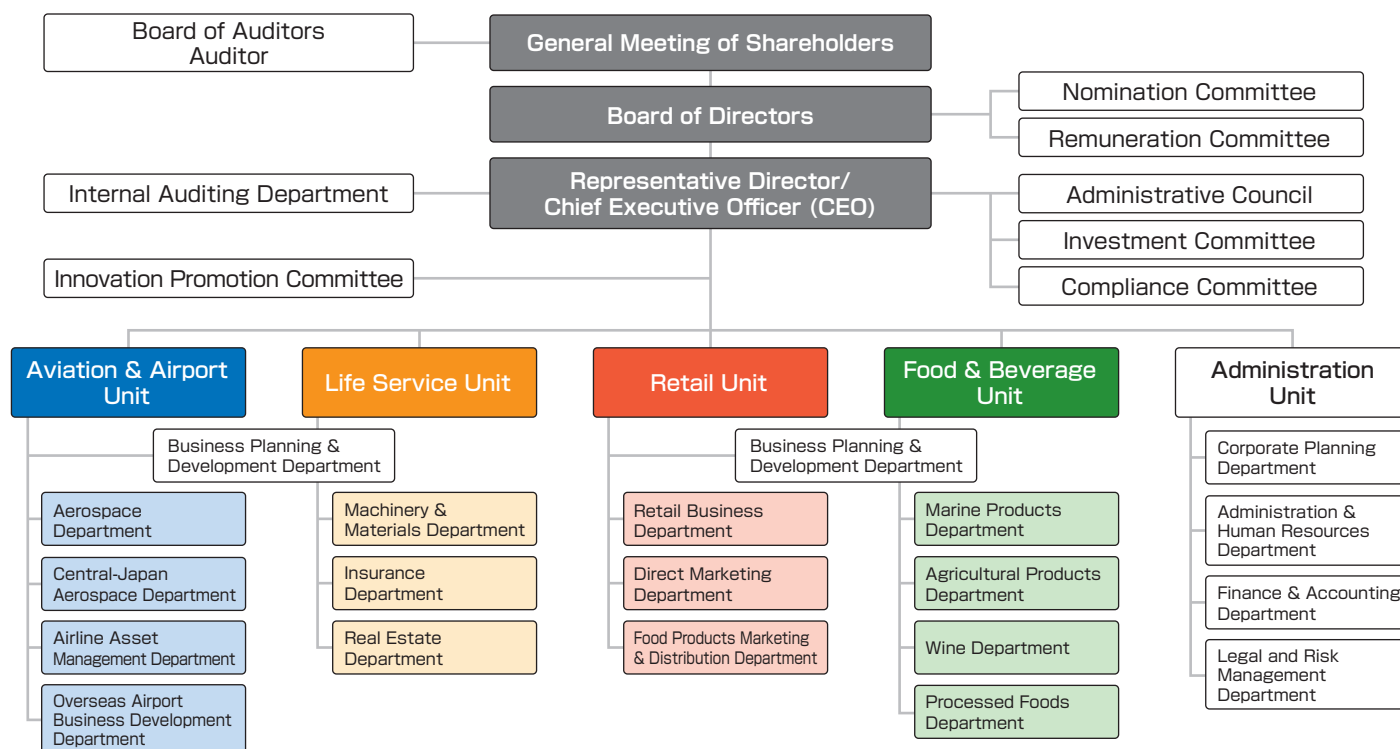


J VALUE CO., LTD.
(Bangkok)



JALUX AMZ DUTY FREE CO., LTD.
(Vientiane)

Organization



Corporate Overview

Corporate Profile *As of March 31, 2021

| | | | |
|------------------------|--|--------------------|------------------------|
| Corporate name | JALUX Inc. | Stock code | 2729 (TSE 1st Section) |
| Established | March 28, 1962 | Capitalization | 2,558,550,000 yen |
| Number of employees | 1,739 (Including 1,326 at consolidated subsidiaries) | Outstanding shares | 12,775,000 |
| Number of shareholders | 18,609 | | |

Major Shareholders (Top 10) *As of March 31, 2021

| 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 |
| The Master Trust Bank of Japan, Ltd. | 178,400 | 1.39 |
| Airport Facilities Co., Ltd. | 168,000 | 1.31 |
| JALUX Inc. | 123,709 | 0.96 |
| Maeda Road Construction Co., Ltd. | 104,700 | 0.81 |
| Japan Trustee Services Bank, Ltd. | 85,000 | 0.66 |

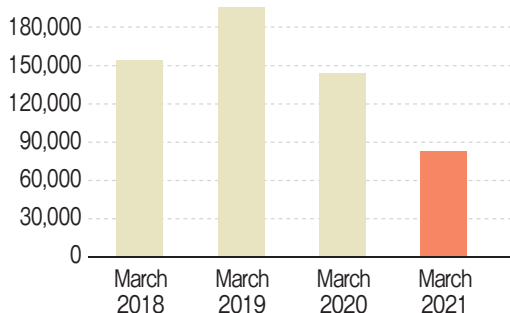
Executives *As of June 16 2021

| | |
|---|-------------------|
| Representative Director/Chief Executive Officer (CEO) | Masashi Shinohara |
| Representative Director/Co-Chief Executive Officer | Kiyoshi Marukawa |
| Managing Executive Officer (MEO) President of Administration Unit | Osamu Tateishi |
| Director (External) | Shigeru Ota |
| Director (External) | Yuji Saito |
| Director (External) | Hiroto Murai |
| Director (External) | Shigeyuki Taguchi |
| Director (External) | Yukari Yomo |
| Auditor | Daisuke Kadono |
| Auditor (External) | Seiichi Suzuki |
| Auditor (External) | Seita Matsuda |
| Executive Officer (EO) President of Food & Beverage Unit | Shigeki Yamazaki |
| Executive Officer (EO) Vice President of Administration Unit | Toshiyuki Shima |
| Executive Officer (EO) President of Retail Unit | Masahiko Miura |
| Executive Officer (EO) President of Life Service Unit | Shigeki Nakai |
| Executive Officer (EO) President of Aviation & Airport Unit | Hiroshi Naito |

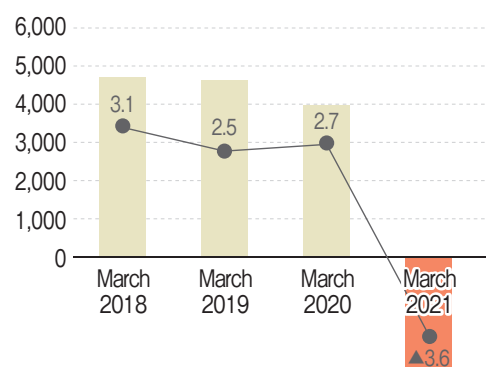
Trends in Major Financial Indexes (Consolidated Basis)

| Consolidated management indexes | Unit | March 2018 | March 2019 | March 2020 | March 2021 |
|---|-------------|------------|------------|------------|------------|
| Net sales | Million yen | 153,404 | 185,726 | 144,688 | 80,346 |
| Gross profit | | 25,151 | 26,590 | 25,840 | 12,518 |
| Operating income | | 4,709 | 4,628 | 3,969 | △2,915 |
| Ordinary income | | 5,166 | 5,094 | 4,738 | △2,426 |
| Net income | | 2,693 | 2,962 | 3,081 | △2,366 |
| Total assets | | 49,013 | 56,887 | 60,844 | 52,276 |
| Net assets | | 23,634 | 26,051 | 28,046 | 24,685 |
| Interest-bearing debt | | 5,629 | 11,750 | 14,329 | 13,904 |
| Earnings per share | yen | 213.02 | 234.34 | 243.69 | △187.16 |
| Book value per share | | 1,737.48 | 1,908.38 | 2,083.12 | 1855.93 |
| Ordinary income to total assets ratio (ROA) | % | 11.1 | 9.6 | 8.0 | △4.3% |
| Return on equity (ROE) | | 12.8 | 12.9 | 12.2 | △9.5% |
| Dividends per share | yen | 55 | 65 | 50 | 0 |

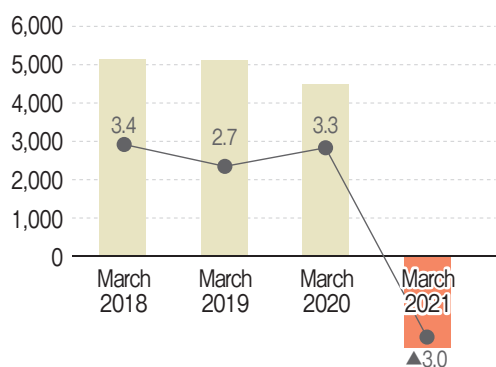
Net Sales



Operating Income



Ordinary Income



Net Income

