



Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2021

August 7, 2020

JALUX Inc. (TSE #2729)

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Consolidated Financial Summary

1. Consolidated P/L (Summary)



(Million yen)

| Consolidated P/L (Summary) | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|---|----------------|----------------|---------|---------|
| Net sales | 36,327 | 20,425 | ▲15,901 | 56.2% |
| Gross profit | 6,530 | 2,767 | ▲3,762 | 42.4% |
| SG&A expenses | 5,494 | 3,563 | ▲1,930 | 64.9% |
| Operating profit | 1,035 | ▲796 | ▲1,831 | — |
| Non-op. profit/expenses | 227 | 28 | ▲198 | 12.7% |
| Ordinary profit | 1,262 | ▲767 | ▲2,030 | — |
| Extraordinary profit/losses | 1 | ▲333 | ▲335 | — |
| Profit attributable to owners of parent | 765 | ▲950 | ▲1,715 | — |
| Gross profit to net sales ratio | 18.0 | 13.5 | ▲4.4 | |
| Ordinary profit to net sales ratio | 3.5 | — | — | |

<Net Sales> Decrease in : sales of airport shops and duty-free shops, wholesale to Duty-free shops, sales of souvenir sweets and lunch boxes, wholesale of marine products, agricultural products and wine, sales of aircraft-engine parts

<SG&A expenses> Decrease in : percentage rent, labor cost, sales commission

<Non-op. profit/losses> Increase in dividend income / Loss from equity method investments

<Extraordinary profit/losses> COVID-19 related Losses : Fixed costs of airport shops during temporary closure reported as an extraordinary losses

2. Breakdown of SG&A expenses

(Million yen)

| Breakdown of SG&A Expenses | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|-------------------------------------|----------------|----------------|--------|---------|
| Gross profit | 6,530 | 2,767 | ▲3,762 | 42.4% |
| Personnel expenses | 1,980 | 1,424 | ▲556 | 71.9% |
| Rent expenses | 1,142 | 395 | ▲747 | 34.6% |
| External service fee | 409 | 346 | ▲62 | 84.7% |
| Depreciation | 146 | 109 | ▲36 | 74.8% |
| Packing and transportation expenses | 436 | 359 | ▲76 | 82.4% |
| Other expenses | 1,378 | 927 | ▲451 | 67.3% |
| SG&A expenses | 5,494 | 3,563 | ▲1,930 | 64.9% |
| Operating profit | 1,035 | ▲796 | ▲1,831 | — |

3. Consolidated B/S (Summary)

(Million yen)

| Consolidated B/S (Summary) | March.31 2020 | June.30 2020 | YoY | YoY (%) |
|---|---------------|---------------|----------------|--------------|
| Current assets | 48,765 | 39,062 | ▲9,703 | 80.1% |
| Cash and deposits | 6,175 | 7,421 | +1,246 | 120.2% |
| Non-current assets | 12,079 | 11,770 | ▲308 | 97.4% |
| Property plant and equipment | 5,266 | 5,100 | ▲166 | 96.8% |
| Intangible assets | 673 | 707 | +34 | 105.1% |
| Investments and other assets | 6,138 | 5,962 | ▲176 | 97.1% |
| Total assets | 60,844 | 50,833 | ▲10,011 | 83.5% |
| Current liabilities | 31,704 | 20,466 | ▲11,237 | 64.6% |
| Non-current liabilities | 1,093 | 4,184 | +3,091 | 382.6% |
| Net assets | 28,046 | 26,181 | ▲1,864 | 93.4% |
| Total liabilities and net assets | 60,844 | 50,833 | ▲10,011 | 83.5% |

<Assets> Increase: Cash and deposits / Decrease: Account receivable, Inventory

<Liabilities> Increase: Long-term loans payable to secure liquidity at hand / Decrease: Accrued expenses,
Short-term loans payable, Redemption of the commercial paper

<Net assets> Loss attributable to owners of parent, Dividend payment

4. Financial Position

(Million yen)

| Financial Position | March.31 2020 | June.30 2020 | YoY | YoY (%) |
|--------------------------------|---------------|---------------|----------|---------|
| Total assets | 60,844 | 50,833 | ▲ 10,011 | 83.5% |
| Shareholders' equity | 26,337 | 24,742 | ▲ 1,595 | 93.9% |
| Shareholders' equity ratio (%) | 43.3 | 48.7 | +5.4 | |
| Interest bearing debt | 14,329 | 12,424 | ▲ 1,904 | 86.7% |
| Debt/Equity ratio (times) | 0,54 | 0.50 | ▲ 0.04 | |

Performance per Operational Segment

5. Net Sales by Segment

Note: Sales including inter-segment transaction

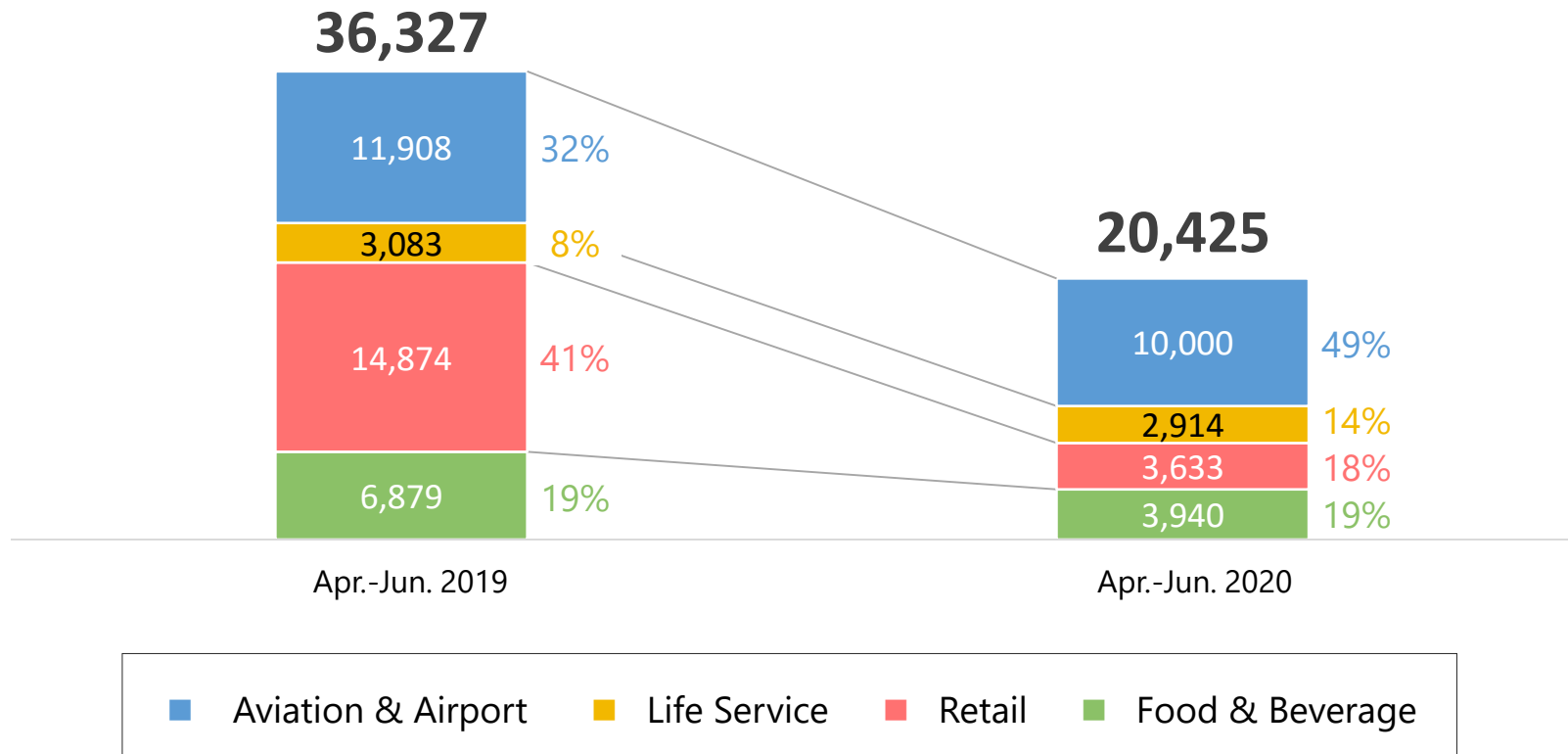
(Million yen)

| Net Sales by Segment | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|----------------------|----------------|----------------|---------|---------|
| Aviation & Airport | 11,908 | 10,000 | ▲1,908 | 84.0% |
| Life service | 3,083 | 2,914 | ▲168 | 94.5% |
| Retail | 14,874 | 3,633 | ▲11,240 | 24.4% |
| Food & Beverage | 6,879 | 3,940 | ▲2,939 | 57.3% |
| Eliminations | ▲418 | ▲62 | 355 | |
| Total | 36,327 | 20,425 | ▲15,901 | 56.2% |

6. Sales composition ratio of Segment

※ Sales including inter-segment transaction

(Million yen)



- Net sales decreasing at every segment
- Considerable decline of 75.6% from the same term last year especially at Retail segment
- As for composition ratio, the rate of Aviation & Airport and Life service segment risen due to the significant decline of Retail segment
- Net sales and composition ratio maintained at Food & Beverage segment

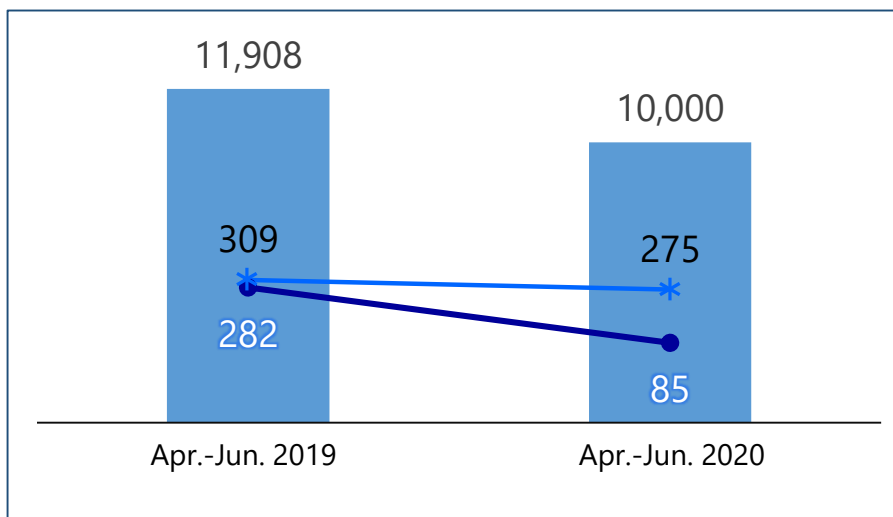
7. Aviation & Airport

(Million yen)

| Aviation & Airport | | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|---------------------|-----|----------------|----------------|--------|---------|
| Net sales ※1 | ■ | 11,908 | 10,000 | ▲1,908 | 84.0% |
| Operating profit ※2 | *—* | 309 | 275 | ▲33 | 89.2% |
| Ordinary profit | ●—● | 282 | 85 | ▲197 | 30.2% |

※1 Net sales and Operating profit including inter-segment transaction

※2 Operating profit before allocating common expense



Remarks

- Aircraft engine parts sales for heavy industry :
Decreased sales due to global decline of aircraft operations
- Overseas airport operation business in Lao PDR and Myanmar :
Decreased equity gains of affiliated companies due to decline of flight

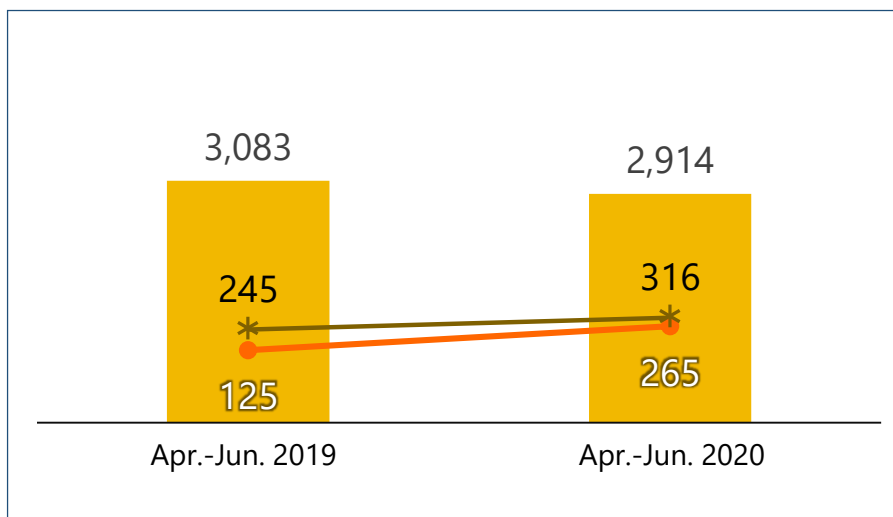
8. Life Service

(Million yen)

| Life Service | | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|---------------------|-----|----------------|----------------|-------|---------|
| Net sales ※1 | ■ | 3,083 | 2,914 | ▲ 168 | 94.5% |
| Operating profit ※2 | *→* | 245 | 316 | +71 | 129.0% |
| Ordinary profit | ●—● | 125 | 265 | +140 | 212.2% |

※1 Net sales and Operating profit including inter-segment transaction

※2 Operating profit before allocating common expense



Remarks

- Real Estate : Increased leasing,
Decreased facility management due to decline of airport users
Nursery day- care services for seniors temporary closing
- Insurance : Decreased insurance sales to overseas travelers
Increased non-life insurance sales to corporates
- Machinery & Materials : Decreased printing
Importing masks to make up for the shortage
Increased sales of special vehicles and road repair materials named "AQUA PATCH"
- Non-op. profit : Increased dividend income of investment securities

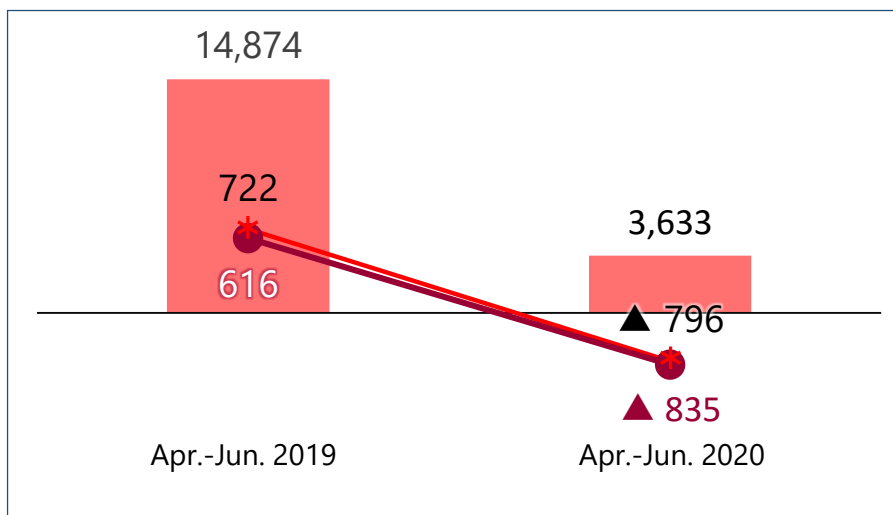
9. Retail

(Million yen)

| Retail | | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|---------------------|-----|----------------|----------------|---------|---------|
| Net sales ※1 | ■ | 14,874 | 3,633 | ▲11,240 | 24.4% |
| Operating profit ※2 | *—* | 722 | ▲796 | ▲1,519 | — |
| Ordinary profit | ●—● | 616 | ▲835 | ▲1,451 | — |

※1 Net sales and Operating profit including inter-segment transaction

※2 Operating profit before allocating common expense



Remarks

- Airport shops : Most of the shops at Narita Airport and Haneda Airport temporary closing
「BLUE SKY」
Temporary closure and shortening opening hours at other airports
- Duty-free shops : All the shops at Narita Airport and Haneda airport temporary closing
「JAL DUTYFREE」
- Duty-free wholesale : Decreased due to temporary closure of clients
- Mail Order : Increased due to the demand of Stay-at-home consumption
- Food gifts : Increased online sales of department stores in Mother's day and summer gift season
- Extraordinary losses : COVID-19-related loss :Fixed costs of airport shops during temporary closure

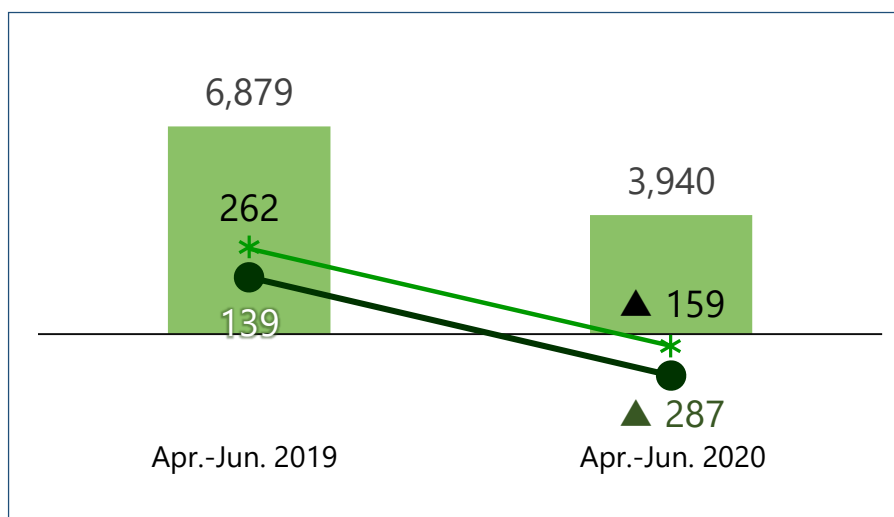
10. Food & Beverage

(Million yen)

| Food & Beverage | | Apr.-Jun. 2019 | Apr.-Jun. 2020 | YoY | YoY (%) |
|---------------------|-----|----------------|----------------|--------|---------|
| Net sales ※1 | ■ | 6,879 | 3,940 | ▲2,939 | 57.3% |
| Operating profit ※2 | *→* | 262 | ▲159 | ▲421 | — |
| Ordinary profit | ●—● | 139 | ▲287 | ▲426 | — |

※1 Net sales and Operating profit including inter-segment transaction

※2 Operating profit before allocating common expense



Remarks

- Marine :** Decreased sales of fish processed for sushi-go-round to be eaten raw
 Decreased sales of "Thonglor Nihon Ichiba" for restaurants in Thailand
- Agricultural :** Increased sales of red-peppers and cherry tomatoes named "Vanity" from Netherlands to mass retailers
 Decreased sales of okra due to high transportation cost
- Wine :** Decreased wholesale to hotels and restaurants
- Processed foods/ Food manufacturer :** Decreased in-flight meals sales
 Decreased sales of souvenir sweets and lunch boxes for transport-related retailers

Forecasts for Fiscal Year Ending March 31, 2021

11. Forecasts for the Fiscal Year Ending March 31, 2021



(Published figures)

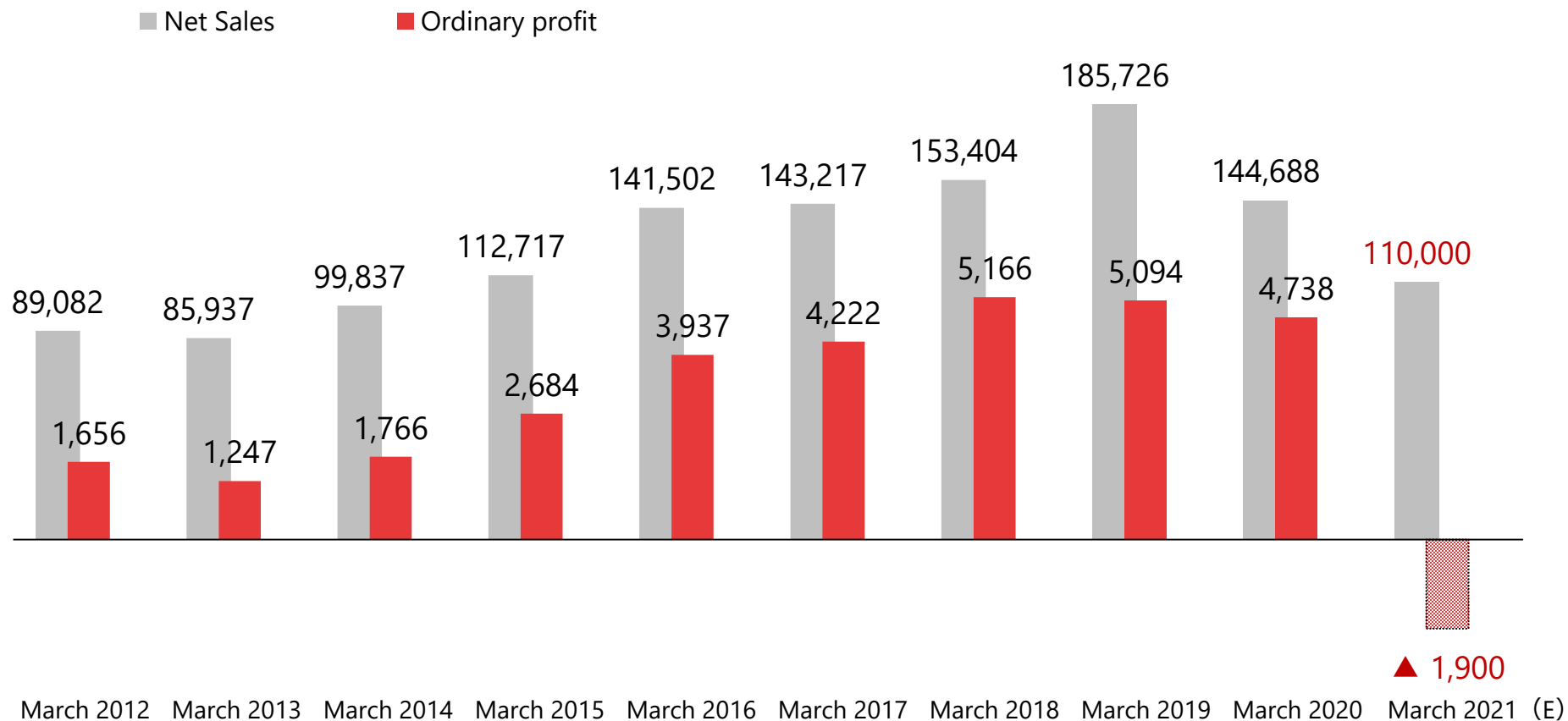
(Million yen)

| Forecasts for the Fiscal Year Ending March 31, 2021 | March 2020 | March 2021 (E) | YoY | YoY (%) |
|---|------------|----------------|---------|---------|
| Net sales | 144,688 | 110,000 | ▲34,688 | 76.0% |
| Operating profit | 3,969 | ▲2,200 | ▲6,169 | — |
| Ordinary profit | 4,738 | ▲1,900 | ▲6,638 | — |
| Profit attributable to owners of parent | 3,081 | ▲1,200 | ▲4,281 | — |
| Earnings per share (yen) | 243.69 | ▲94.91 | ▲338.60 | — |

JALUX has left unchanged its forecasts based on the assumption that was announced on 30 April, 2020. In the second quarter, the company will decide if the forecast should be updated depending on COVID-19 impact on global economic conditions and a recovery trend in the second half of FY2020.

12. Performance trends

(Million yen)



Previous medium-term management plan

Current medium-term management plan

Caution Regarding Forward-Looking Statements

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable.

JALUX makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such forward-looking statements due to various factors including changes in economic conditions in key markets, both in Japan and overseas, and exchange rate movements.

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