



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

October 30, 2020

JALUX Inc. (TSE #2729)

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Consolidated Financial Summary

1. Consolidated P/L (Summary)



(Million yen)

Consolidated P/L (Summary)	Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Net sales	74,017	39,159	▲34,857	52.9%
Gross profit	13,351	5,582	▲7,768	41.8%
SG&A expenses	10,981	7,369	▲3,611	67.1%
Operating profit/loss	2,370	▲1,786	▲4,157	—
Non-op. profit/loss	432	165	▲266	38.3%
Ordinary profit/loss	2,802	▲1,621	▲4,423	—
Extraordinary profit/loss	▲58	▲569	▲510	—
Profit/Loss attributable to owners of parent	1,710	▲1,879	▲3,590	—
Gross profit to net sales ratio	18.0	14.3	▲3.8	
Ordinary profit to net sales ratio	3.8	▲4.1	—	

<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> Non-operating income: dividend income, subsidies; Non-operating expense: loss of equity method investments
 <Extraordinary profit/losses> COVID-19 related losses: fixed costs of airport shops during temporary closure reported as an extraordinary loss

2. Breakdown of SG&A expenses



(Million yen)

Breakdown of SG&A Expenses	Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Gross profit	13,351	5,582	▲7,768	41.8%
Personnel expenses	3,988	3,003	▲985	75.3%
Rent expenses	2,340	926	▲1,413	39.6%
External service fee	815	701	▲113	86.0%
Depreciation	304	232	▲72	76.2%
Packing and transportation expenses	859	700	▲158	81.5%
Other expenses	2,674	1,806	▲867	67.6%
SG&A expenses	10,981	7,369	▲3,611	67.1%
Operating profit	2,370	▲1,786	▲4,157	—

3. Consolidated B/S (Summary)



(Million yen)

Consolidated B/S (Summary)	March 31 2020	Sep. 30 2020	YoY	YoY (%)
Current assets	48,765	37,351	▲11,414	76.6%
Cash and deposits	6,175	7,601	+1,425	123.1%
Non-current assets	12,079	11,756	▲322	97.3%
Property plant and equipment	5,266	5,103	▲163	96.9%
Intangible assets	673	685	+11	101.7%
Investments and other assets	6,138	5,968	▲170	97.2%
Total assets	60,844	49,107	▲11,736	80.7%
Current liabilities	31,704	19,830	▲11,874	62.5%
Non-current liabilities	1,093	4,121	+3,027	376.8%
Net assets	28,046	25,156	▲2,889	89.7%
Total liabilities and net assets	60,844	49,107	▲11,736	80.7%

<Assets> Increase: Cash and deposits / Decrease: Account receivables, Inventories

<Liabilities> Increase: Long-term loans for securing liquidity

Decrease: Account payables, Accrued expenses, Short-term loans payable, Commercial paper

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

4. Financial Position



(Million yen)

Financial Position	March 31 2020	Sep. 30 2020	YoY	YoY (%)
Total assets	60,844	49,107	▲ 11,736	80.7%
Shareholders' equity	26,337	23,817	▲ 2,519	90.4%
Shareholders' equity ratio (%)	43.3	48.5	+5.2	
Interest bearing debt	14,329	12,045	▲ 2,284	84.1%
Debt/Equity ratio (times)	0.54	0.50	▲ 0.04	

5. Consolidated Cash Flow (Summary)



(Million yen)

Consolidated Cash Flow	Apr.-Sep. 2019	Apr.-Sep. 2020	YoY
Cash Flow from Operating Activities	6,661	4,731	▲1,930
Cash Flow from Investing Activities	▲1,670	▲489	+1,181
Cash Flow from Financing Activities	▲4,142	▲2,811	+1,331
Free Cash Flow	4,990	4,242	▲748

- C/F from Operating Activities : (-) Pretax net loss for the six-month period, Payments of trade payables and accrued expenses
(+) Trade receivables collection
- C/F from Investing Activities : (-) Purchase of assets: Renovation of airport shops, System investment
- C/F from Financing Activities : (-) Dividends payment, Repayment of short-term loans, Redemption of the commercial paper
(+) Increase in long-term loans

Results by Operational Segment

6. Net Sales by Segment



Note: Sales including inter-segment transaction

(Million yen)

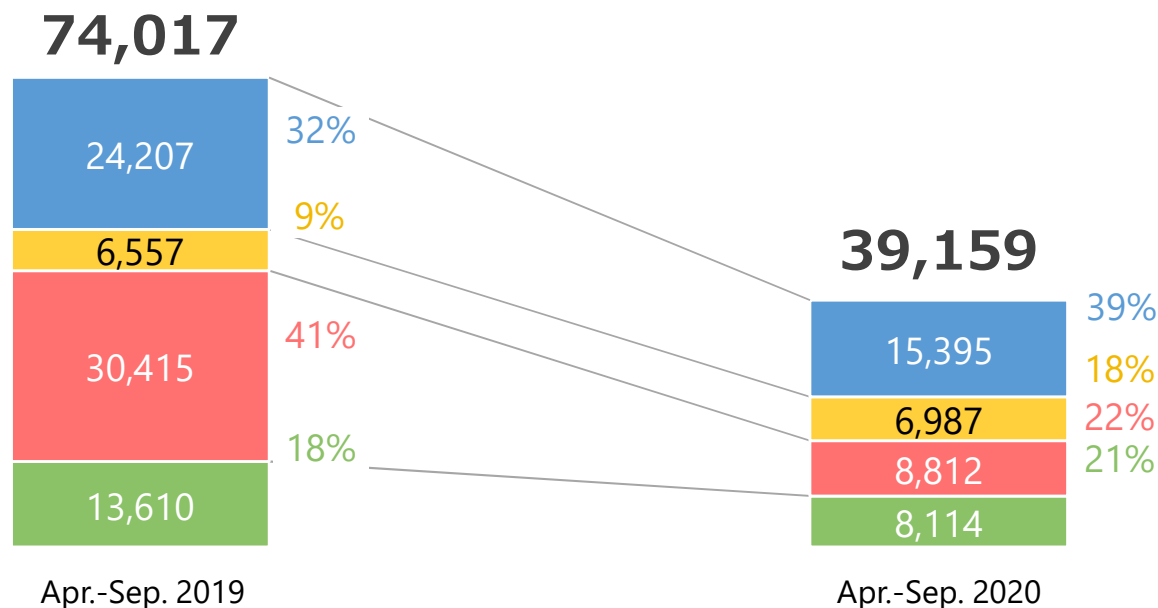
Net Sales by Segment	Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Aviation & Airport	24,207	15,395	▲8,811	63.6%
Life Service	6,557	6,987	+430	106.6%
Retail	30,415	8,812	▲21,603	29.0%
Food & Beverage	13,610	8,114	▲5,495	59.6%
Eliminations	▲772	▲151		
Total	74,017	39,159	▲34,857	52.9%

7. Sales Composition Ratio by Segment



(Million yen)

*Sales including inter-segment transaction



- Aviation & Airport : Maintenance demand decreased due to decline in global air traffic, delay in aircraft parts production
- Life Service : Steady insurance business, Demand for hygiene products
- Retail : Impacts on airport shops and duty-free shops due to the significant decline of air-passengers and inbound travelers
- Food & Beverage : Significant decrease in demand of hotels, restaurants, and transport-related retailers

8. Aviation & Airport

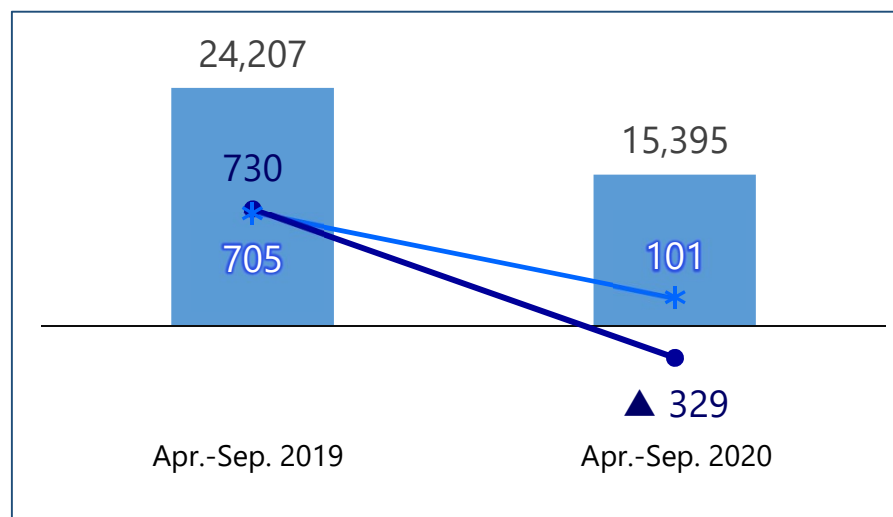


(Million yen)

Aviation & Airport		Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Net sales* ¹	■	24,207	15,395	▲8,811	63.6%
Operating profit/loss* ²	*—*	705	101	▲604	14.4%
Ordinary profit/loss	●—●	730	▲329	▲1,060	—

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

*2 Operating profit/loss before allocating common expense



Remarks

- Decreased aircraft engine parts sales for heavy industry due to global decline of maintenance demand, delay in aircraft parts production
- Inventory write-down in JALUX AMERICAS, Inc.
- Overseas airport operation business in Lao PDR and Myanmar: decreased equity income of affiliated companies due to decline of flight

9. Life Service

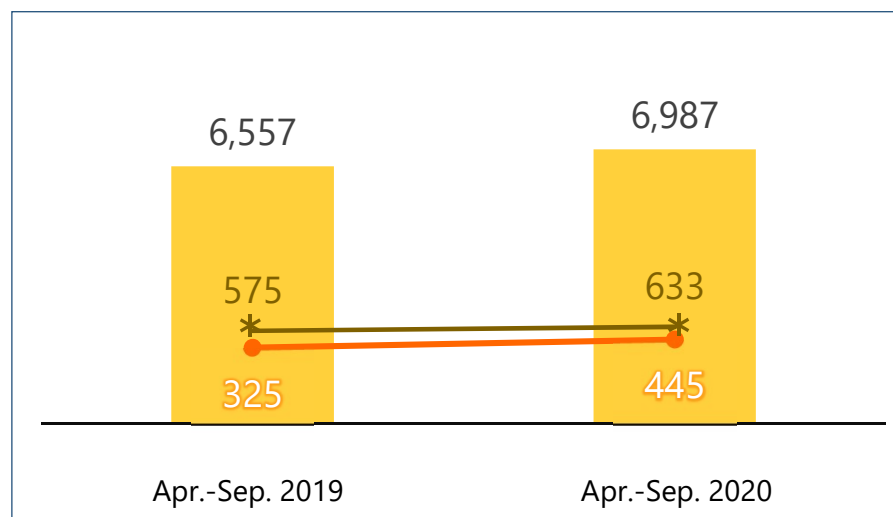


(Million yen)

Life Service		Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Net sales*1	■	6,557	6,987	+430	106.6%
Operating profit/loss*2	*→*	575	633	+57	110.1%
Ordinary profit/loss	●—●	325	445	+119	136.7%

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

*2 Operating profit/loss before allocating common expense



Remarks

- Real Estate : Decreased facility management due to decline of airport users
Temporary closure of elderly day-care services
- Insurance : Remaining steady; insurance sales to overseas travelers decreased while group insurance increased
- Machinery & Materials : Import and sales of hygiene products on growing demand in Japan
- Non-op. profit : Increase in dividend income

10. Retail

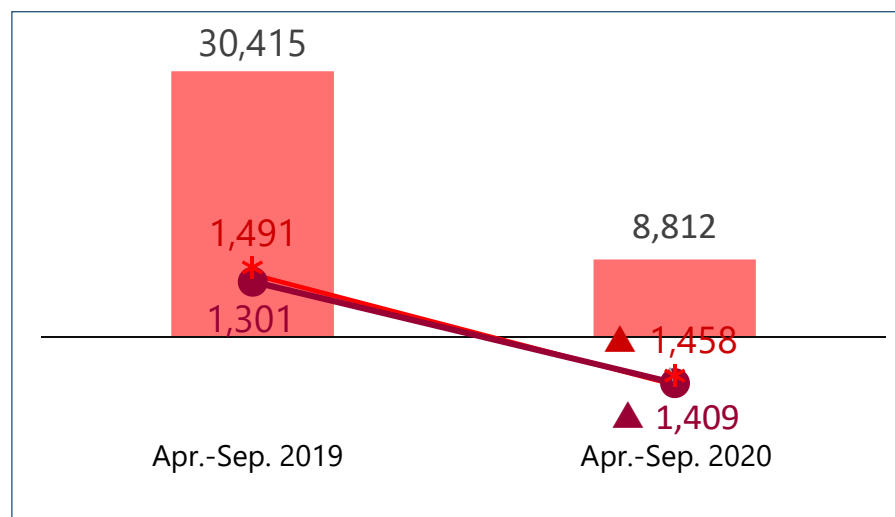


(Million yen)

Retail		Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Net sales*1	■	30,415	8,812	▲21,603	29.0%
Operating profit/loss*2	*→*	1,491	▲1,458	▲2,949	—
Ordinary profit/loss	●—●	1,301	▲1,409	▲2,711	—

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

*2 Operating profit/loss before allocating common expense



Remarks

- Airport shops : Haneda airport : Reopened except some stores
「BLUE SKY」
Narita airport : Continued closure of all the 10 stores
- Duty-free shops : Narita & Haneda airport : Almost all stores still closed
「JAL DUTYFREE」
- Duty-free wholesale : Almost all clients still closed
- Mail Order : Online sales, mainly in gourmet products, going well due to the demand of Stay-at-home consumption
- Food gifts : Increase in online sales of department stores due to increasing demand for private consumption as well as Mother's day and summer gift
- Non-op.profit : Subsidies for temporary closure of airport shops
- Extraordinary losses : Fixed costs of airport shops during temporary closure

11. Food & Beverage

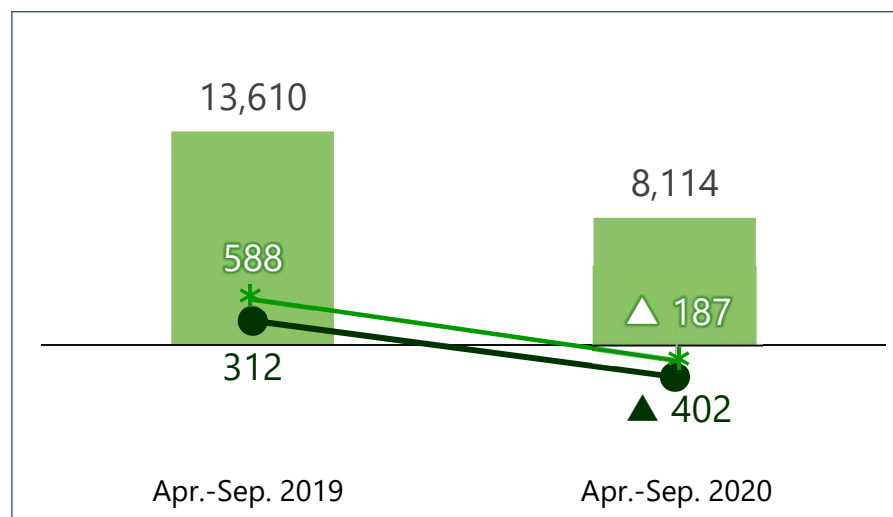


(Million yen)

Food & Beverage		Apr.-Sep. 2019	Apr.-Sep. 2020	YoY	YoY (%)
Net sales*1		13,610	8,114	▲5,495	59.6%
Operating profit/loss*2		558	▲187	▲746	—
Ordinary profit/loss		312	▲402	▲714	—

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

*2 Operating profit/loss before allocating common expense



Remarks

- Marine :** Decreased sales of fish processed to be eaten raw and other processed marine products
 Decreased sales of Thonglor Nihon Ichiba in Thailand
- Agricultural :** Sales of red peppers to mass retailers remaining steady
 Decreased sales of okra due to high transportation cost
- Wine :** Decreased wholesale to hotels and restaurants
 Increased sales to new clients such as mass retailers
- Processed foods/ Food manufacturer :** Decreased in-flight meal sales
 Decreased sales of souvenir sweets and lunch boxes for transport-related retailers
 Increased sales to new clients such as mass retailers

Forecasts for Fiscal Year Ending March 31, 2021

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



(Published figures)

(Million yen)

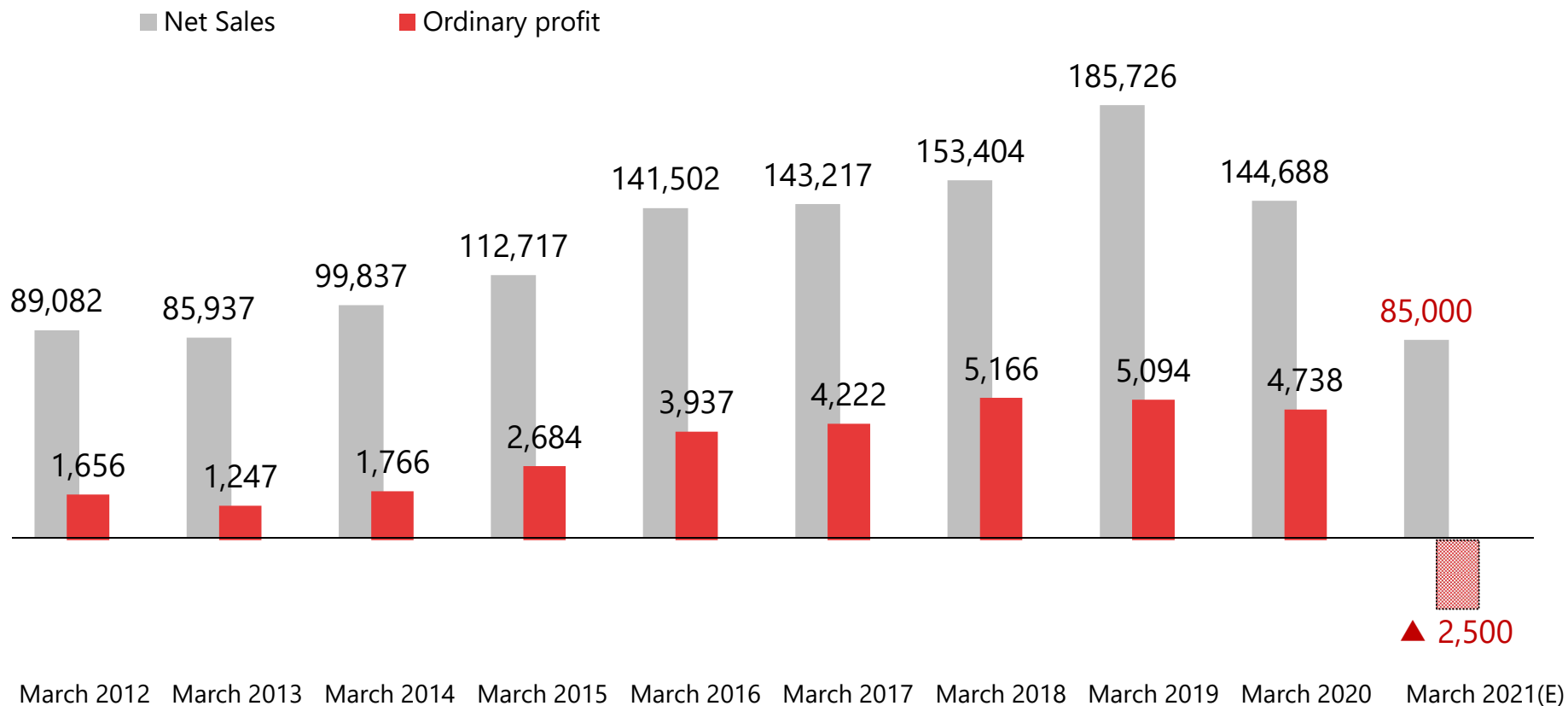
Revised consolidated earnings forecast	Previous announcement	Revised forecast	Increase/decrease	Rate of change
Net sales	110,000	85,000	▲25,000	▲22.7%
Operating profit/loss	▲2,200	▲3,000	▲800	—
Ordinary profit/loss	▲1,900	▲2,500	▲600	—
Profit/loss attributable to owners of parent	▲1,200	▲2,100	▲900	—
Earnings per share (yen)	▲94.91	▲166.09	▲71.18	—

JALUX has announced the revision of its forecasts for the fiscal year ending March 31, 2021 above. Global economic conditions are still uncertain as COVID-19 pandemic has not restored and seems to be long-standing. It is assumed that negative impacts of COVID-19 on aviation and airport business domains will continue for full-year.

13. 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 foreign exchange rate fluctuation.

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