



Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022

July 30, 2021

JALUX Inc. (TSE #2729)

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Accounting Standard for Revenue Recognition

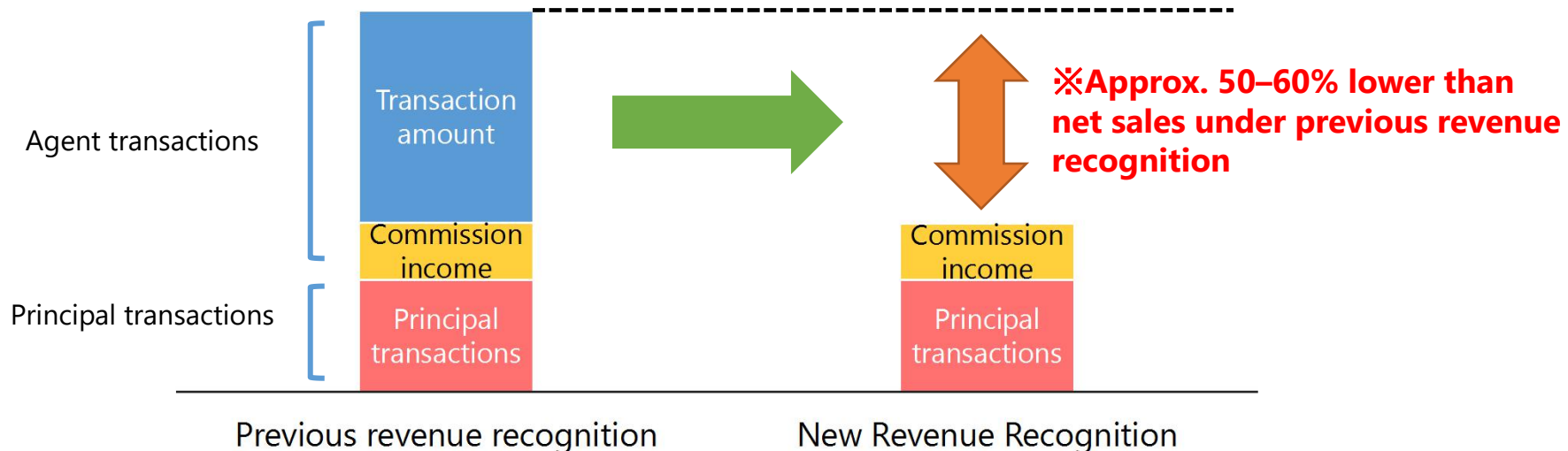
When control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

(ASBJ Statement No. 29; March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition")

Presentation of Net Value of Revenue

As agent transactions are presented at net value, revenue under “**Accounting Standard for Revenue Recognition**” lower than net sales under previous revenue recognition

Previous revenue recognition	Accounting Standard for Revenue Recognition
Gross value of transactions generally recorded	Only commission included in revenue for agent transactions



Consolidated Financial Summary

1. Consolidated P/L (Summary)

(Million yen)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition)	20,425	22,383	1,957	109.6
Net sales	-	9,913	-	-
Gross profit	2,767	3,312	545	119.7
SG&A expenses	3,563	3,769	205	105.8
Operating profit/loss(△)	△796	△ 456	339	-
Non-op. profit/expenses	28	192	164	668.7
Ordinary profit	△767	△ 263	503	-
Extraordinary profit/loss(△)	△333	△ 60	273	-
Profit/loss(△) attributable to owners of parent	△950	△ 203	746	-
Gross profit to net sales ratio	13.5	14.8	1.3	-
Ordinary profit to net sales ratio	-	-	-	-

- Gross sales : Gradually recovering - Airport shops, Aircraft engine parts business. Expand sales channels : Food & Beverage segment.
- SG&A expenses : Increase in - percentage rent, labor cost.
- Non-op profit/expenses : Increase in - profit of equity method investments, subsidiaries, Decrease in: dividend income
- 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)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross profit	2,767	3,312	545	119.7
Personnel expenses	1,424	1,458	33	102.4
Rent expenses	395	543	148	137.4
External service fee	346	348	1	100.5
Depreciation	109	136	27	124.7
Packing and transportation expenses	359	322	△37	89.5
Other expenses	927	959	32	103.5
SG&A expenses	3,563	3,769	205	105.8
Operating profit	△796	△456	339	-

COVID-19 related losses: fixed costs of airport shops during temporary closure reported as an extraordinary loss (△60), △323 in FY20 1Q. In case of excluding its impact, SG&A expenses decreased JPY 57 million compared to the previous year.

3. Consolidated B/S (Summary)

(Million yen)

	March.31 2021	Jun.30 2021	YoY	YoY (%)
Current assets	40,788	39,411	△1,376	96.6
Cash and deposits	8,466	6,822	△1,643	80.6
Non-current assets	11,487	11,402	△84	99.3
Property plant and equipment	4,472	4,433	△39	99.1
Intangible assets	593	576	△16	97.2
Investments and other assets	6,421	6,392	△28	99.5
Total assets	52,276	50,814	△1,461	97.2
Current liabilities	23,159	22,391	△768	96.7
Non-current liabilities	4,431	4,022	△408	90.8
Net assets	24,685	24,400	△284	98.8
Total liabilities and net assets	52,276	50,814	△1,461	97.2

- <Current assets>Increase : Account receivables (Aircraft engine parts business)
Decrease : Inventory(the volume met agent transactions transferred to advanced payment),
Cash and deposits.
- <Current liabilities>Decrease : Account payables(Aircraft engine parts business)
- <Non-current liabilities>Decrease : Long-term dept repayment
- <Net assets>Decrease : retained earnings by the loss attributable to owners of parent

4. Financial Position



(Million yen)

	March.31 2021	Jun.30 2021	YoY	YoY (%)
Total assets	52,276	50,814	△1,461	97.2
Shareholders' equity	23,465	23,244	△221	99.1
Shareholders' equity ratio (%)	44.9	45.7	0.9	-
Interest bearing debt	13,904	13,713	△191	98.6
Debt/Equity ratio (times)	0.59	0.59	0	-

Performance per Operational Segment

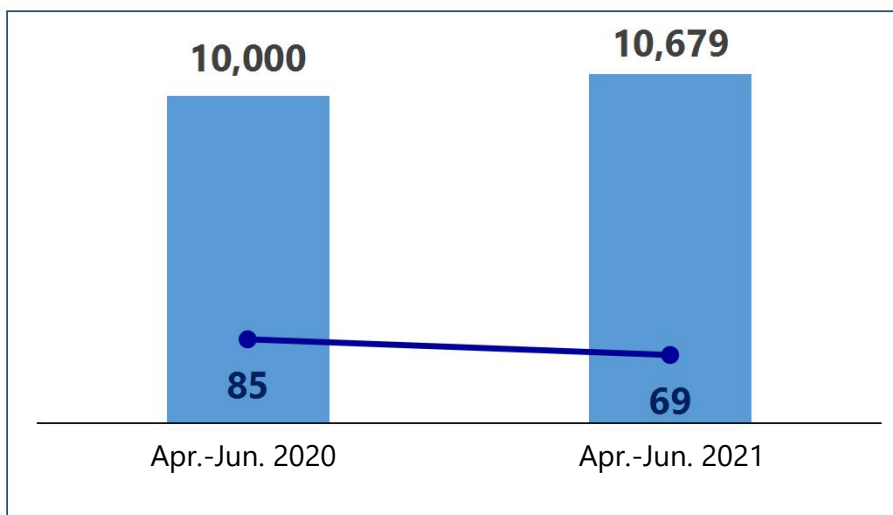
5. Aviation & Airport

(Million yen)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	10,000	10,679	678	106.8
Net sales	-	605	-	-
Operating profit/loss(Δ)	275	270	△5	98.1
Ordinary profit/loss(Δ) 	85	69	△15	81.7

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

※2 Operating profit before allocating common expense





Remarks

- Aircraft engine parts business
 maintenance : Recovered because of increasing demand of short-distance flights and international air cargo.
 manufacturing : Sluggish due to decreasing demand of long-distance (international) flights.
- Overseas airport operation business : Remain travel restrictions.
- Decrease investment loss by exchange gain.

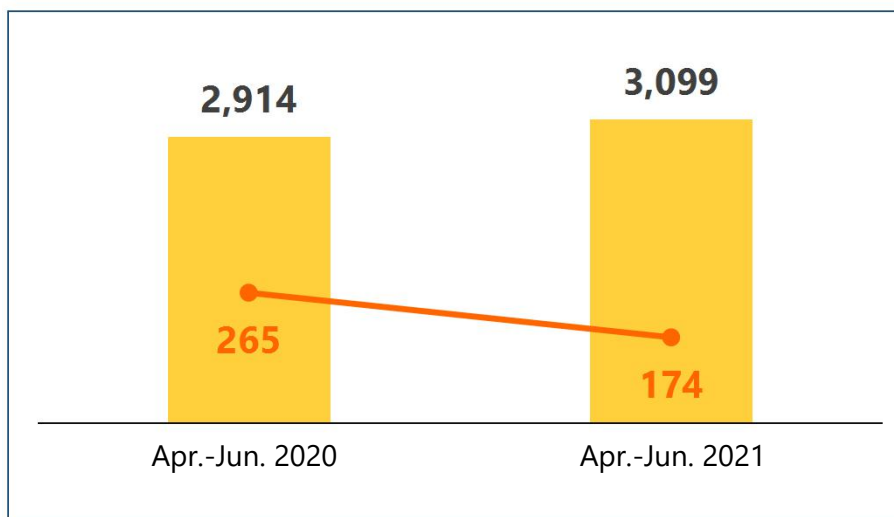
6. Life Service

(Million yen)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	2,914	3,099	184	106.3
Net sales	-	2,257	-	-
Operating profit/loss(Δ)	316	272	△44	86.1
Ordinary profit/loss(Δ) 	265	174	△91	65.7

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

※2 Operating profit before allocating common expense



Remarks

- Real estate : Development and leasing remain steady, Facility management slight increase, Nursery day- care services for seniors going well
- Insurance : Insurance sales for individuals and BPO business remaining steady
- Machinery& Materials : Increase in sales of "AQUA BLACK" Decrease in sales of hygiene product due to rebound from special demand in previous period
- Decrease in profit due to rebound from the Extra dividend income in previous period

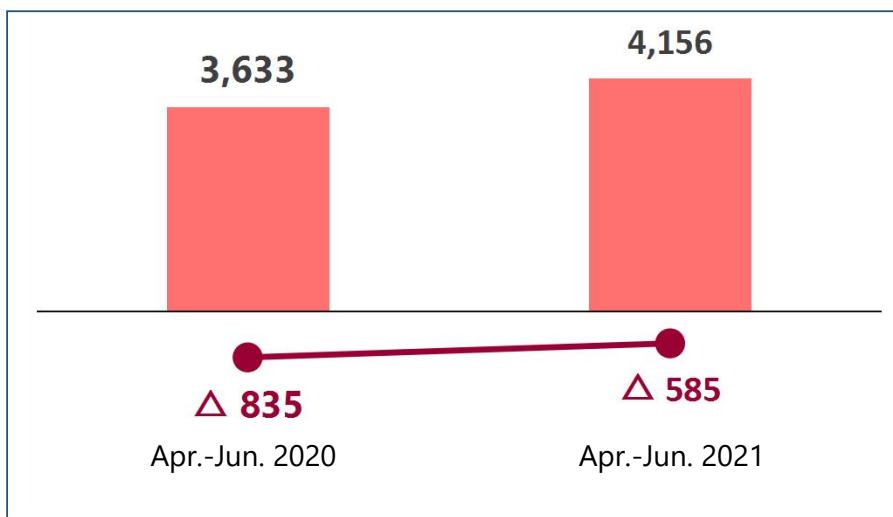
7. Retail

(Million yen)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) ■	3,633	4,156	523	114.4
Net sales	-	3,426	-	-
Operating profit/loss(△)	△796	△ 602	193	-
Ordinary profit/loss(△) ●—●	△835	△ 585	250	-

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

※2 Operating profit before allocating common expense





Remarks

- Airport shops : [BLUE SKY] Increase sales because of increase in domestic passengers, decrease deficit due to cost reduction effect.
- Duty-free shops : [JAL DUTYFREE] Store reopening, decrease deficit due to cost reduction effect.
- Duty-free wholesale : Most clients still closed.
- Mail order : Online sales is steady.
- Food gifts : Increase sales of "JAL SELECTION GIFT", "JAL Furusato Nozei" hometown tax service.
- COVID-19 related losses: closure reported as an extraordinary loss. Fixed costs of airport shops during temporary

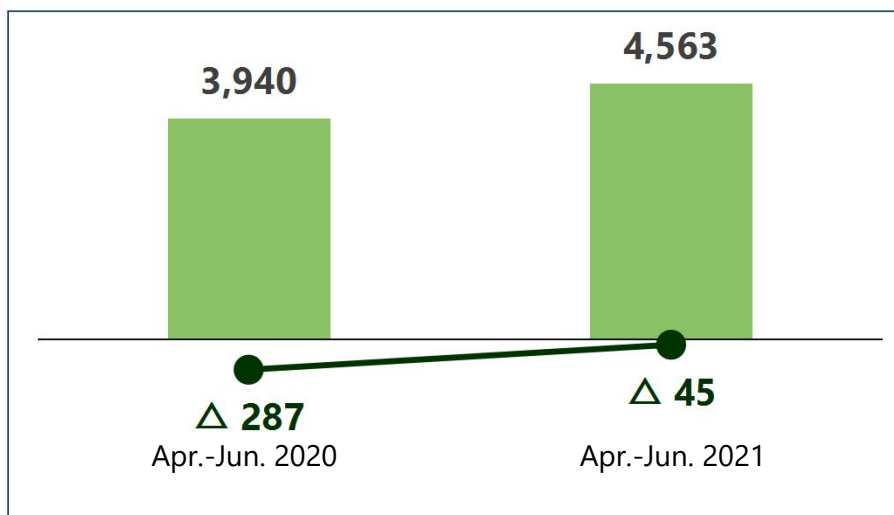
8. Food & Beverage

(Million yen)

	Apr.-Jun. 2020	Apr.-Jun. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	3,940	4,563	623	115.8
Net sales	-	3,739	-	-
Operating profit/loss(Δ)	Δ159	50	209	-
Ordinary profit/loss(Δ) 	Δ287	Δ45	241	-

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

※2 Operating profit before allocating common expense



Remarks	
➤ Marine products	: Increase in wholesales of mackerel for retail stores.
➤ Agricultural products	: Decreased demand of imported vegetables due to enough national products, influenced by high air transportation cost. Cost reduction affected reducing the deficit.
➤ Wine	: Expand sales channels = focus on wholesales for retail stores and EC.
➤ Processed foods Food manufacturer	: Expand sales channels: holding fairs and events at supermarkets.

Consolidated performance forecast

9. Consolidated performance forecast

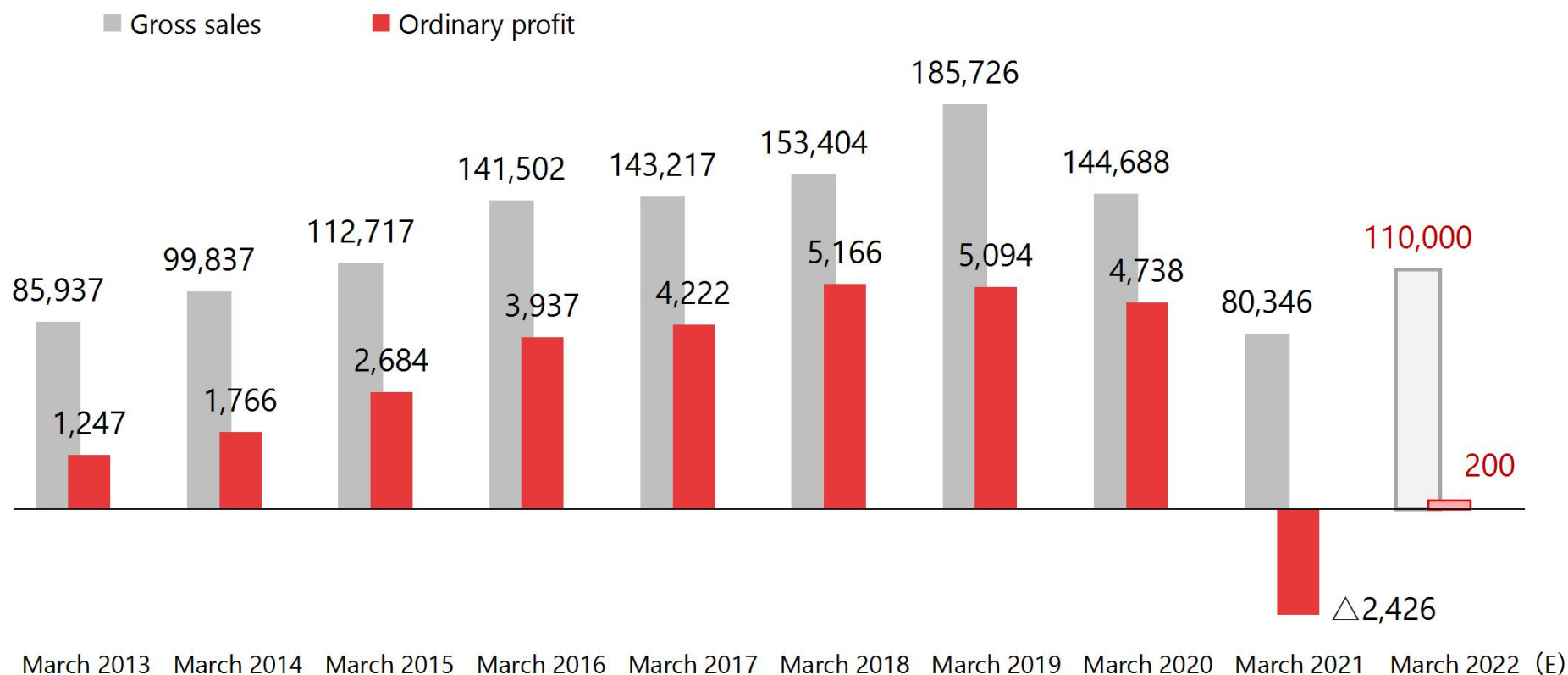
(Million yen)

	March 2021	March 2022 (E)	YoY	YoY (%)
Gross sales (under previous revenue recognition)	80,346	110,000 (Rf)	29,654	136.9%
Operating profit/loss(△)	△2,915	300 (Rf)	3,215	-
Ordinary profit/loss(△)	△2,426	200	2,626	-
Profit/loss(△) attributable to owners of parent	△2,366	100	2,466	-
Earnings per share (yen)	△187.16	7.91	195.07	-

(Published figures)

10. 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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