



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

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November 2, 2021

JALUX Inc (TSE #2729)

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## Accounting Standard for Revenue Recognition

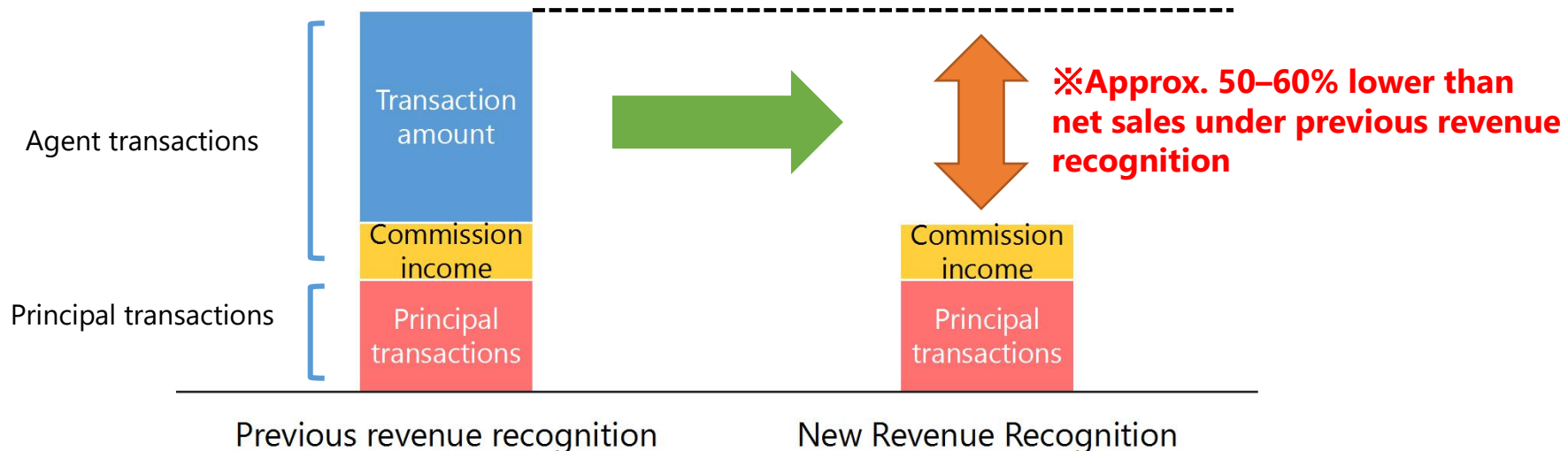
When control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

(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.-Sep. 2020	Apr.-Sep. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition)	39,159	<b>43,596</b>	4,437	111.3
Net sales	-	<b>20,218</b>	-	-
Gross profit	5,582	<b>6,841</b>	1,258	122.5
SG&A expenses	7,369	<b>7,627</b>	257	103.5
Operating profit/loss(△)	△1,786	△ <b>786</b>	1,000	-
Non-op. profit/expenses	165	<b>346</b>	181	209.4
Ordinary profit/loss(△)	△1,621	△ <b>439</b>	1,181	-
Extraordinary profit/loss(△)	△569	△ <b>102</b>	467	-
Profit/loss(△) attributable to owners of parent	△1,879	△ <b>340</b>	1,539	-
Gross profit to net sales ratio	14.3	<b>15.8</b>	1.6	-
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, depreciation and sales commission.
- Non-op profit/expenses : Increase in - profit of equity method investments, exchange gain Decrease in:-dividend income, subsidies.
- 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	5,582	<b>6,841</b>	1,258	122.5
Personnel expenses	3,003	<b>2,989</b>	△13	99.5
Rent expenses	926	<b>1,133</b>	207	122.4
External service fee	701	<b>682</b>	△18	97.3
Depreciation	232	<b>275</b>	42	118.5
Packing and transportation expenses	700	<b>635</b>	△65	90.7
Other expenses	1,806	<b>1,912</b>	105	105.8
SG&A expenses	7,369	<b>7,627</b>	257	103.5
Operating profit	△1,786	<b>△786</b>	1,181	-

COVID-19 related losses: fixed costs of airport shops during temporary closure reported as an extraordinary loss (△102), △538 in FY20 2Q. In case of excluding its impact, SG&A expenses decreased JPY 177 million compared to the previous year.

### 3. Consolidated B/S (Summary)

(Million yen)

	March.31 2021	Sep.30 2021	YoY	YoY (%)
Current assets	40,788	<b>40,678</b>	△109	99.7
Cash and deposits	8,466	<b>7,194</b>	△1,271	85.0
Non-current assets	11,487	<b>11,252</b>	△235	98.0
Property plant and equipment	4,472	<b>4,287</b>	△185	95.9
Intangible assets	593	<b>542</b>	△51	91.4
Investments and other assets	6,421	<b>6,422</b>	0	100.0
Total assets	52,276	<b>51,931</b>	△344	99.3
Current liabilities	23,159	<b>23,883</b>	724	103.1
Non-current liabilities	4,431	<b>3,976</b>	△455	89.7
Net assets	24,685	<b>24,071</b>	△613	97.5
Total liabilities and net assets	52,276	<b>51,931</b>	△344	99.3

- <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>Increase : Account payables (Aircraft engine parts business) Commercial paper.  
Decrease : Short-term debt repayment.
- <Non-current liabilities>Decrease : Long-term debt 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	<b>51,931</b>	△344	99.3
Shareholders' equity	23,465	<b>22,965</b>	△499	97.8
Shareholders' equity ratio (%)	44.9	<b>44.2</b>	△0.7	-
Interest bearing debt	13,904	<b>13,376</b>	△528	96.1
Debt/Equity ratio (times)	0.59	<b>0.58</b>	△0.01	-



## 5. Consolidated Cash Flow (Summary)

(Million yen)



	Sep.30 2020	Sep.30 2021	YoY
Net Cash from Operating Activities	4,731	△ <b>645</b>	△5,377
Net Cash from Investing Activities	△489	△ <b>97</b>	391
Net Cash from financing Activities	△2,811	△ <b>598</b>	2,213
Free Cash Flow	4,242	△ <b>742</b>	△4,985

- C/F from Operating Activities : Net loss before adjustment of taxes, Increase of account payables for aircraft engine parts, Decrease of account receivables and inventory (advanced payment increased).
- C/F from Investing Activities : Purchased Investment securities, Fixed asset for system investment.
- C/F from financing Activities : Issuance of commercial paper, Repayment of debt (long and short term).

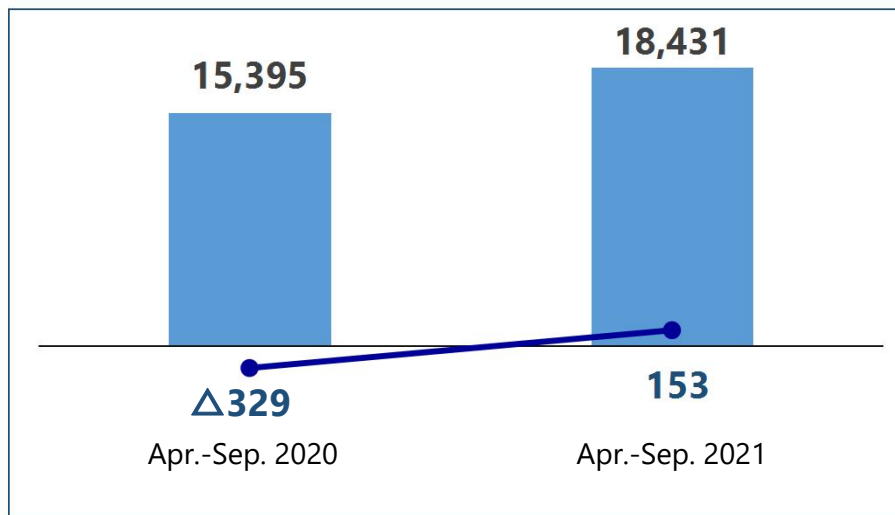
# Performance per Operational Segment

# 6. Aviation & Airport

(Million yen)

	Apr.-Sep. 2020	Apr.-Sep. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	15,395	<b>18,431</b>	3,036	119.7
Net sales	-	<b>1,231</b>	-	-
Operating profit/loss( $\Delta$ )	101	<b>539</b>	438	533.7
Ordinary profit/loss( $\Delta$ ) 	$\Delta$ 329	<b>153</b>	483	-

- ※1 Net sales and Operating profit including inter-segment transaction
- ※2 perating profit before allocating common expense





### Remark

- Aircraft engine parts business
  - maintenance : Recovered because of increasing the 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.
- Increase in profit due to rebound from write-down (aircraft engine parts).

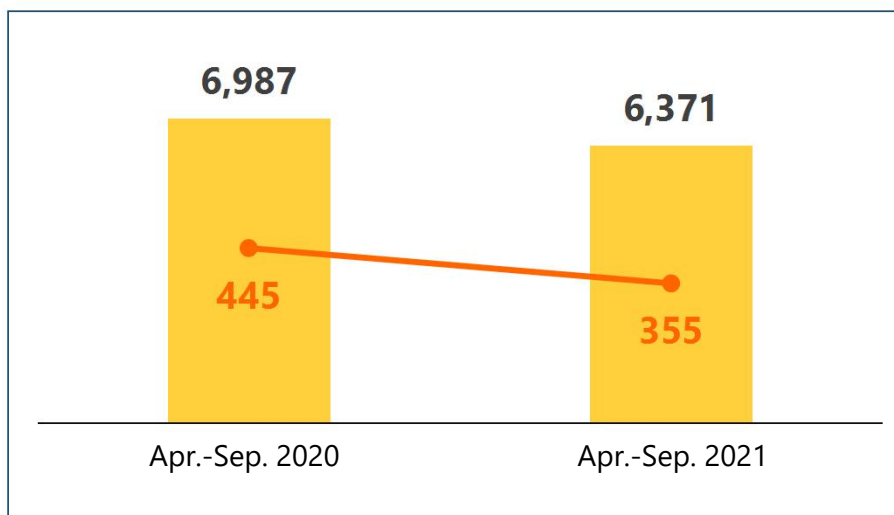
# 7. Life Service

(Million yen)

	Apr.-Sep. 2020	Apr.-Sep. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	6,987	<b>6,371</b>	△616	91.2
Net sales	-	<b>4,581</b>	-	-
Operating profit/loss(△)	633	<b>532</b>	△100	84.0
Ordinary profit/loss(△) 	445	<b>355</b>	△89	79.8

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

※2 perating profit before allocating common expense





## Remark

- Real estate : Development and leasing remain steady, Facility management decrease slightly because of decreasing the demand of airline passenger, Nursery day-care services for seniors going well by increase of vaccination.
- Insurance : Insurance sales for individuals and BPO business remaining steady.
- Machinery& : Increase in sales of "AQUA BLACK" and paper. Materials Decrease in sales of hygiene product due to rebound from special demand in 1Q of previous fiscal year.
- Decrease in profit due to rebound from the Extra dividend income in previous period(1Q).

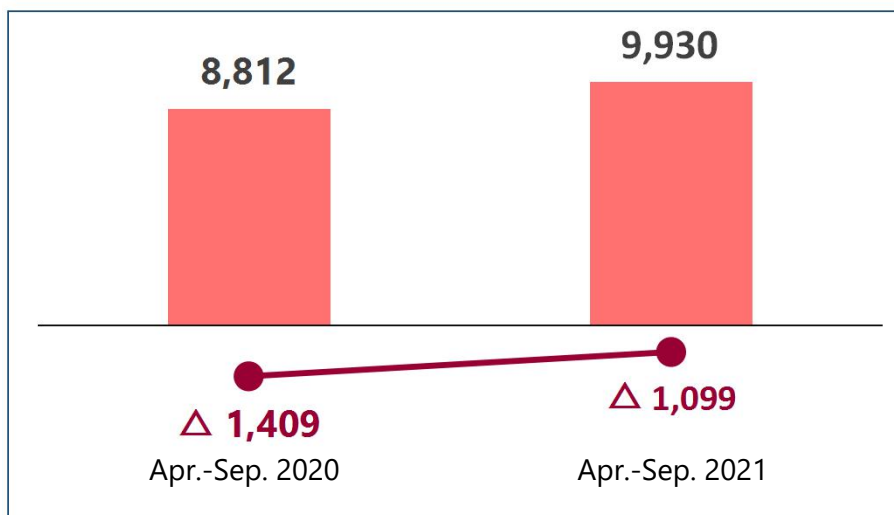
# 8. Retail

(Million yen)

	Apr.-Sep. 2020	Apr.-Sep. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	8,812	<b>9,930</b>	1,118	112.7
Net sales	-	<b>7,375</b>	-	-
Operating profit/loss(△)	△1,458	△ <b>1,082</b>	375	-
Ordinary profit/loss(△) 	△1,409	△ <b>1,099</b>	310	-

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

※2 perating profit before allocating common expense





### Remark

- Airport shops : 「BLUE SKY」  
Increase sales because of increasing in the number of domestic passenger, decrease deficit by cost reduction effect.
- Duty-free shops : 「JAL DUTYFREE」  
Decrease deficit due to cost reduction effect. Increase sales during Tokyo Olympic and Paralympic.
- Duty-free wholesale :  
Most clients still closed.
- Mail order :  
Online sales is increased.
- Food gifts :  
Seasonal gift is steady, "JAL Furusato Nozei" hometown tax service strengthen its sales system.
- COVID-19 related losses : Fixed costs of airport shops during temporary closure reported as an extraordinary loss.

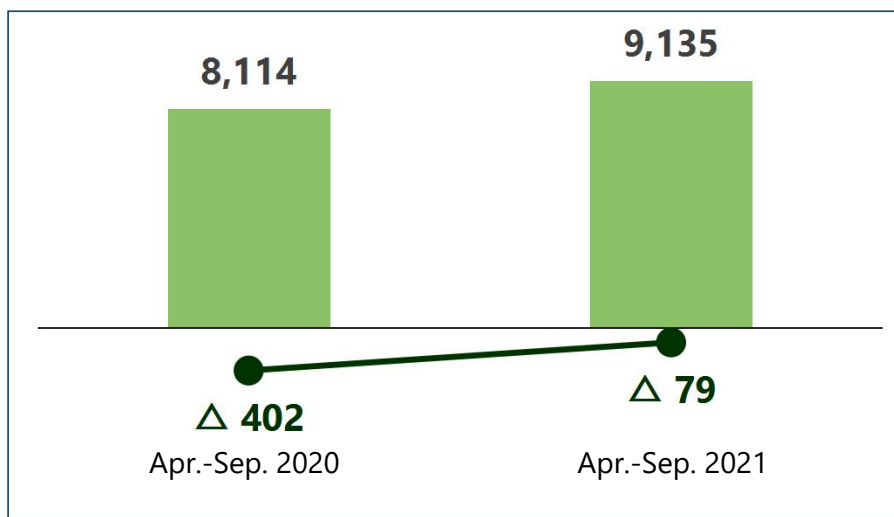
# 9. Food & Beverage

(Million yen)

	Apr.-Sep. 2020	Apr.-Sep. 2021	YoY	YoY (%)
Gross sales (under previous revenue recognition) 	8,114	<b>9,135</b>	1,020	112.6
Net sales	-	<b>7,301</b>	-	-
Operating profit/loss(Δ)	Δ187	<b>116</b>	304	-
Ordinary profit/loss(Δ) 	Δ402	<b>Δ79</b>	323	-

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

※2 perating profit before allocating common expense



Remark	
➤ Marine products	: Increase in wholesales of mackerel for domestic processing factory.
➤ Agricultural products	: Decreased demand of imported vegetables due to enough national products, influenced by unseasonable weather.
➤ Wine	: Expand sales channels = focus on wholesales for retail stores and EC. increase the sales especially in Chilean wine "ERRAZURIZ".
➤ Processed foods Food manufacturing	: New product development. Expand sales channels: holding fairs and events at supermarkets.

# Consolidated performance forecast

# 10. Consolidated performance forecast

(Million yen)

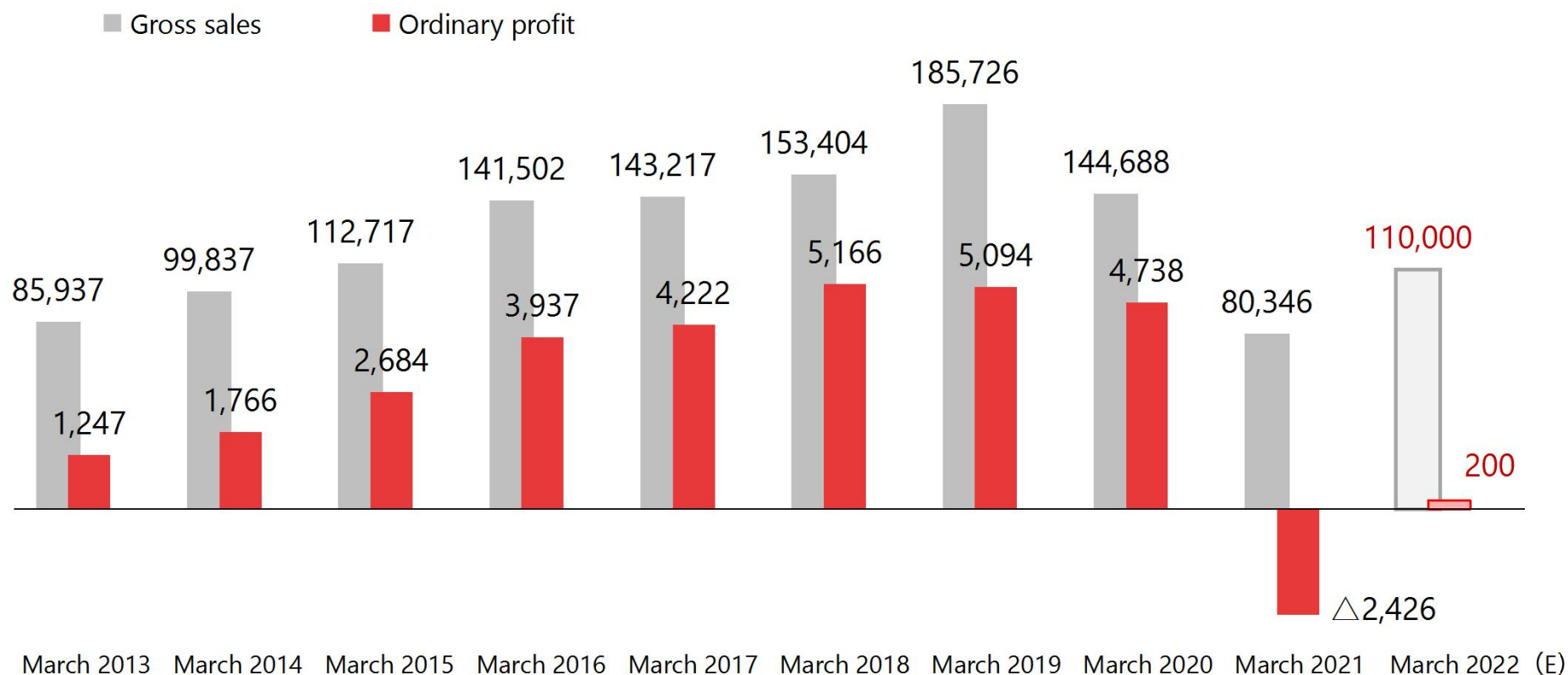
	March 2021	March 2022 (E)	YoY	YoY (%)
Gross sales (under previous revenue recognition)	80,346	<b>110,000 (Rf)</b>	29,654	136.9%
Operating profit/loss(Δ)	△2,915	<b>300 (Rf)</b>	3,215	-
Ordinary profit/loss(Δ)	△2,426	<b>200</b>	2,626	-
Profit/loss(Δ) attributable to owners of parent	△2,366	<b>100</b>	2,466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

(Published figures)



# 11. 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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