

**Consolidated Financial Results
for the Fiscal Year 2022
Ended March 31, 2023
[Japanese GAAP]**



May 12, 2023

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
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 Scheduled date of general meeting of shareholders held: June 28, 2023
 The start date of payout of dividend: —
 Submission date of securities report scheduled: June 28, 2023
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: Yes (for institutional investors)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Operating Results for the Fiscal Year 2022 (from April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (:%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended March 31, 2023	47,225	20.8	1,733	-	1,127	-	2,174	-
March 31, 2022	39,078	(21.9)	(3,174)	-	(3,512)	-	(4,081)	-

(Note) Comprehensive income: Year ended March 31, 2023: ¥2,319 million [-%]
 Year ended March 31, 2022: ¥(3,788) million [-%]

	Net income per share	Diluted net income per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
For the year ended March 31, 2023	81.05	-	18.3	1.2	3.7
March 31, 2022	(152.15)	-	(30.3)	(3.6)	(8.1)

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2023: ¥30 million
 Year ended March 31, 2022: ¥50 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	100,794	13,383	12.9	485.37
As of March 31, 2022	93,651	11,095	11.5	401.26

(Reference) Equity: As of March 31, 2023: ¥13,019 million
 As of March 31, 2022: ¥10,763 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
For the year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	87	(1,025)	(705)	6,958
March 31, 2022	6,801	(646)	(2,570)	8,174

2. Dividend distribution

	Dividend distribution per share					Total dividends	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year 2021	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year 2022	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year 2023 (Planned)	-	0.00	-	15.00	15.00		17.7	

3. Consolidated Financial Results Forecast for the Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	71,800	52.0	5,000	188.4	3,200	183.9	2,280	4.9	85.00

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year 2022 (Changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of common shares issued
 - 1) Number of common shares outstanding (including the number of treasury stock):
 - As of March 31, 2023: 26,863,974 shares
 - As of March 31, 2022: 26,863,974 shares
 - 2) Number of treasury stock:
 - As of March 31, 2023: 39,089 shares
 - As of March 31, 2022: 38,964 shares
 - 3) Average number of common shares outstanding:
 - For the year ended March 31, 2023: 26,824,969 shares
 - For the year ended March 31, 2022: 26,825,010 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended								
March 31, 2023	42,354	15.7	2,340	-	2,739	-	2,849	-
March 31, 2022	36,592	(21.7)	(1,845)	-	(2,099)	-	(5,413)	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
For the year ended				
March 31, 2023	106.21		-	
March 31, 2022	(201.80)		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	93,758	13,445	14.3	501.24
As of March 31, 2022	85,835	10,590	12.3	394.78

(Reference) Equity: As of March 31, 2023: ¥13,445 million
As of March 31, 2022: ¥10,590 million

***Notes:**

*1. This document is an English translation of a statement written initially in Japanese. The Japanese original document should be considered as the primary version.

*2. These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

***3. Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain premises that the Company deems to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. For the conditions that form the premises of the forecasts, please refer to "1.(4) Future Outlook" on page 6 of the Attachment.

The Company intends to hold a briefing session for institutional investors on May 24, 2023. The materials distributed at the briefing session are scheduled to be posted on the Company's corporate website.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

During FY 2022, while the global economy showed signs of recovery from the effects of the COVID-19 pandemic, the situation remained uncertain due to concerns about a recession resulting from global inflation, including soaring crude oil prices and rising raw material prices caused by the prolonged crisis in Ukraine. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥122 to ¥150 per US\$1.

In the air transportation industry, in addition to recovery in domestic flight demand, a gradual recovery is seen in demand for international flights as countries do away with entry restrictions, and some airlines have begun to return out-of-service aircraft to service and place a large order of new aircrafts. Aircraft manufacturers, as well, are working on increasing production of aircrafts with the recovery of air passenger demand.

As air passenger demand shows recovery in these ways, the Group has sought to achieve readiness for the rebound in demand by transferring back employees seconded to companies outside the Group and beginning to recruit new graduates. In the production process, we continued activities to improve operational efficiency in preparation for further demand rebound, initiated plans to expand the production capacity and functions of JAMCO PHILIPPINES, and to strengthen our supply chain both in Japan and overseas. In addition, we actively worked on sustainability initiatives.

In the aircraft interiors business, the recovery in airline passenger demand has led to an increase in demand for maintenance parts and cabin modification in order to utilize aircraft owned by airlines, and we strengthened efforts toward a stronger production organization to meet the demand. To ease the anxiety of passengers onboard, we carried out product development for ensuring a clean and hygienic cabin and conducted research and proposals with a view to expanding into galleys, lavatories, and seats.

In the aircraft seat business, we devoted efforts to readying versions of the highly profitable Venture business class seat for additional aircraft types, as well as to the development of the next generation Quest for Elegance business class seat.

In the aircraft components business, we took initiatives to improve productivity, and continued with development of lightweight aircraft components using thermoplastic CFRP and expansion in application of CFRP components into fields other than the aircraft sector.

In the aircraft maintenance business, we aimed to strengthen a business base capable of generating stable profits by continuing with initiatives to ensure flight safety and enhance quality, while also endeavoring to acquire orders for aircraft maintenance for airlines and for government and municipal offices.

As a result, on a consolidated basis, during FY 2022, the Company posted net sales of ¥47,225 million (up ¥8,146 million compared to the previous fiscal year), operating income of ¥1,733 million (an operating loss of ¥3,174 million in the previous fiscal year), ordinary income of ¥1,127 million (an ordinary loss of ¥3,512 million in the previous fiscal year), and net income attributable to shareholders of parent company of ¥2,174 million (a net loss attributable to shareholders of parent company of ¥4,081 million in the previous fiscal year).

Provision for loss on construction contracts of ¥4,280 million for construction to be completed in or after the next fiscal year was recognized at the end of FY 2022. The impact of this provision for loss on construction contracts on income (loss) for the quarterly fourth quarter of FY 2022 was a decrease of ¥134 million in cost of sales (provision for loss on construction contracts as of December 31, 2022 was ¥4,414 million) and, for FY 2022, an increase of ¥451 million in cost of sales (provision for loss on construction contracts at the end of the previous fiscal year was ¥3,828 million).

For the entire Group, selling, general and administrative expenses, non-operating income (expenses), extraordinary income (loss), and income taxes - deferred are as follows:

Despite a decrease in testing and research expenses, etc., selling, general and administrative expenses were ¥8,339 million (an increase of ¥805 million compared to the previous fiscal year), due mainly to increases in sales commissions and personnel expenses.

The result for non-operating income (expenses) was a loss of ¥606 million (a loss of ¥337 million in the previous fiscal year), due to factors such as an increase in interest expenses mainly reflecting higher U.S. dollar interest rates, despite an increase in foreign exchange gains as the yen value dropped on the foreign exchange market from the end of the previous fiscal year.

The result for extraordinary income (loss) was a gain of ¥467 million (a gain of ¥530 million in the previous fiscal year), which consisted mainly of ¥463 million of gain on transfer from sales of non-current assets held by JAMCO SINGAPORE PTE LTD., the Company's consolidated subsidiary.

Income taxes - deferred amounted to ¥(1,186) million (¥1,070 million in the previous fiscal year), after recognition of deferred tax assets as a result of carefully considering their recoverability.

Business performance by segment is as follows.

[Aircraft Interiors Business]

In the aircraft interiors business, net sales increased from the previous fiscal year mainly due to increased sales of spare parts to airlines as the number of aircraft in operation grew and resumption of shipments for the Boeing 787 aircraft. Meanwhile, ordinary income increased thanks to improvement in operational efficiency, and foreign exchange gains resulting from the depreciation of the yen, as well as the increase in net sales.

As a result, the aircraft interiors business posted net sales of ¥29,614 million (up ¥8,729 million compared to the previous fiscal year) and ordinary income of ¥3,586 million (ordinary loss of ¥342 million in the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, net sales decreased from the previous fiscal year due mainly to delivery schedule changes by customers, although shipments of the Venture business class seat were started. Meanwhile, an ordinary loss was posted due mainly to the increase in dollar-denominated costs caused by the depreciation of the yen, in addition to the decrease in net sales.

As a result, the aircraft seat business posted net sales of ¥3,869 million (down ¥2,113 million compared to the previous fiscal year) and an ordinary loss of ¥2,708 million (ordinary loss of ¥3,109 million in the previous fiscal year).

[Aircraft Components Business]

In the aircraft components business, net sales increased from the previous fiscal year, due mainly to increased shipments of CFRP structure parts despite shipments of aerospace equipment and products including heat exchangers, and aircraft engine parts decreased from the previous fiscal year. Meanwhile, ordinary income was posted due to the increase in net sales and initiatives taken to improve profitability.

As a result, the aircraft components business posted net sales of ¥5,075 million (up ¥162 million compared to the previous fiscal year) and an ordinary income of ¥85 million (ordinary loss of ¥204 million in the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, net sales increased from the previous fiscal year due to an increase of construction to be completed for some programs in parts maintenance. On the other hand, ordinary income decreased from the previous fiscal year, due mainly to an increase in selling, general and administrative expenses,

despite an increase in net sales.

As a result, the aircraft maintenance business posted net sales of ¥8,663 million (up ¥1,366 million compared to the previous fiscal year) and an ordinary income of ¥170 million (down ¥9 million compared to the previous fiscal year).

[Others]

The Others segment includes the businesses of consolidated subsidiary Orange JAMCO Corporation. The focus is on inter-segment transactions, including cleaning and assistance work in the Company's facilities.

The Others segment posted net sales of ¥2 million (up ¥1 million compared to the previous fiscal year) and ordinary loss of ¥6 million (ordinary loss of ¥35 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year Under Review

(Assets, Liabilities, and Equity)

Total assets as of March 31, 2023 amounted to ¥100,794 million, up ¥7,143 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥6,050 million from the end of the previous fiscal year, as despite the decline in notes and accounts receivable - trade, and contract assets by ¥1,584 million, work in process increased by ¥6,068 million, and raw materials and supplies increased by ¥2,737 million from the end of the previous fiscal year. Total non-current assets increased by ¥1,092 million from the end of the previous fiscal year, as deferred tax assets increased by ¥1,262 million from the end of the previous fiscal year. Total liabilities amounted to ¥87,411 million, up ¥4,855 million from the end of the previous fiscal year. The main factors were increases in advances received by ¥2,133 million and in short-term loans payable by ¥1,866 million from the end of the previous fiscal year.

Total net assets amounted to ¥13,383 million, up ¥2,288 million from the end of the previous fiscal year. The main factor was an increase in retained earnings resulting from net income attributable to shareholders of parent company. As a result, the equity ratio stood at 12.9%.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents as of March 31, 2023, as a result of the cash flows described below, saw a cash outflow of ¥1,215 million.

[Cash flows from operating activities]

Operating activities during FY 2022 saw a cash inflow of ¥87 million. The main factor was increases in depreciation and income before taxes, despite an increase in inventories.

[Cash flows from investing activities]

Investing activities during FY 2022 saw a cash outflow of ¥1,025 million, due mainly to expenditures for purchase of property, plant and equipment.

[Cash flows from financing activities]

Financing activities during FY 2022 saw a cash outflow of ¥705 million. The main factor was long-term loan repayments to financial institutions.

(4) Future Outlook

In the air transportation industry in which the Group is involved, in addition to recovery in domestic flight demand, a recovery is seen in demand for international flights as countries do away with entry restrictions. As the number of existing aircraft going into operation increases, the production volume of new medium- to large-scale aircraft is expected to recover steadily.

For the Group, an increase in the number of operating aircraft has resulted in the recovery of demand by airlines for spare parts to pre-COVID-19 levels. We will therefore strengthen our spare parts supply capability to ensure capturing income. To achieve readiness for the resumption of new aircraft production, we will continue to carry out business process reforms and measures to enhance the efficiency of our production system on a company-wide level, aiming to improve quality and profitability, while continuing also with cost-cutting measures and building a solid business structure for further improvement of profitability.

In light of these circumstances, the outlook for consolidated operating results in FY 2023 is for net sales of ¥71,800 million, operating income of ¥5,000 million, ordinary income of ¥3,200 million, and net income attributable to shareholders of parent company of ¥2,280 million. The exchange rate assumed for the outlook is ¥130 to US\$1.

The Company's basic policy for dividends to shareholders is to provide stable and continuous returns to shareholders by striving for efficient management and improving profits, and to determine the amount of dividends with a target consolidated payout ratio of 20-30%. On the other hand, the Group's results having been impacted significantly by COVID-19, and with strengthening of our business fundamentals being the priority issue for now, based on comprehensive consideration of such factors as our financial results forecast and finances, we plan to pay dividends of ¥15 per share for FY 2023 (resumption of dividend payments).

2. Basic Approach to the Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements by term and the comparability between companies, the Group's policy is to prepare consolidated financial statements based on Japanese GAAP.

The Group plans to carefully consider the adoption of IFRS (International Financial Reporting Standards), taking into account the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,276,034	8,334,303
Notes and accounts receivable - trade, and contract assets	19,199,303	17,615,106
Merchandise and finished goods	2,431,164	1,611,483
Work in process	20,162,684	26,231,269
Raw materials and supplies	18,152,211	20,890,021
Consumption taxes receivable	265,309	497,136
Other	1,904,669	2,184,707
Allowance for doubtful accounts	(120,235)	(42,366)
Total current assets	71,271,141	77,321,661
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,619,717	18,484,994
Accumulated depreciation	(13,564,296)	(13,000,213)
Buildings and structures, net	6,055,421	5,484,781
Machinery, equipment and vehicles	10,326,511	10,759,684
Accumulated depreciation	(8,576,563)	(9,001,505)
Machinery, equipment and vehicles, net	1,749,948	1,758,179
Land	3,464,134	3,508,809
Leased assets	1,141,894	974,643
Accumulated depreciation	(653,715)	(728,506)
Leased assets, net	488,178	246,136
Construction in progress	205,311	215,615
Other	7,984,101	8,155,165
Accumulated depreciation	(7,521,304)	(7,778,123)
Other, net	462,797	377,042
Total property, plant and equipment	12,425,792	11,590,565
Intangible assets		
Software	838,044	751,128
Leased assets	314,531	162,631
Other	129,982	893,921
Total intangible assets	1,282,559	1,807,682
Investments and other assets		
Investment securities	651,266	692,694
Long-term prepaid expenses	18,457	118,100
Guarantee deposits	79,693	76,147
Deferred tax assets	7,868,506	9,130,937
Other	53,689	56,829
Total investments and other assets	8,671,614	10,074,709
Total non-current assets	22,379,965	23,472,956
Total assets	93,651,107	100,794,618

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,248,801	4,719,765
Electronically recorded obligations - operating	2,665,270	2,997,441
Short-term loans payable	48,156,430	50,022,940
Current portion of long-term loans payable	960,000	1,060,000
Lease obligations	318,158	258,437
Accrued expenses	957,971	1,014,295
Income taxes payable	117,705	700,808
Accrued consumption taxes	51,626	150,762
Advances received	6,241,231	8,374,234
Accrued expense - salary	852,915	1,237,674
Provision for loss on construction contracts	3,828,854	4,280,336
Other	2,509,221	2,215,399
Total current liabilities	70,908,187	77,032,097
Non-current liabilities		
Long-term loans payable	2,310,000	1,250,000
Lease obligations	530,911	184,913
Liability for employee retirement benefits	6,540,444	6,702,461
Long-term accounts payable - other	172,088	98,694
Provision for loss on compensation	912,645	972,797
Provision for product warranties	1,166,789	1,166,789
Deferred tax liabilities	14,953	3,289
Total non-current liabilities	11,647,831	10,378,944
Total liabilities	82,556,019	87,411,041
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,318,925	4,318,925
Retained earnings	645,664	2,819,869
Treasury stock	(31,205)	(31,405)
Total shareholders' equity	10,293,277	12,467,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	169,773	176,474
Foreign currency translation adjustment	198,082	424,767
Accumulated adjustment for employee retirement benefits	102,624	(48,564)
Total accumulated other comprehensive income	470,480	552,677
Non-controlling interests	331,330	363,616
Total net assets	11,095,088	13,383,576
Total liabilities and net assets	93,651,107	100,794,618

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	FY 2021 From April 1, 2021 to March 31, 2022	FY 2022 From April 1, 2022 to March 31, 2023
Net sales	39,078,732	47,225,426
Cost of sales	34,719,935	37,152,464
Gross profit	4,358,796	10,072,961
Selling, general and administrative expenses	7,533,651	8,339,293
Operating income (loss)	(3,174,854)	1,733,668
Non-operating income		
Interest income	15,699	55,141
Dividend income	2,580	3,664
Foreign exchange gains	241,639	654,236
Share of profit of entities accounted for using equity method	50,481	30,688
Insurance income	47,480	16,245
Subsidy income	30,962	75,980
Other	86,997	56,422
Total non-operating income	475,842	892,377
Non-operating expenses		
Interest expenses	569,497	1,194,589
Loss on transfer of accounts receivable	4,737	152,989
Compensation expenses	170,110	32,837
Other	68,712	118,300
Total non-operating expenses	813,057	1,498,717
Ordinary income (loss)	(3,512,068)	1,127,327
Extraordinary income		
Gain on sales of non-current assets	2,581	463,111
Subsidy income	905,846	120,106
Reversal of extra retirement payments	1,444	-
Reversal of provision for loss on compensation	140,616	-
Total extraordinary income	1,050,489	583,217
Extraordinary loss		
Loss on disposal of non-current assets	45,698	9,076
Loss related to COVID-19	350,298	107,089
Extra retirement payments	21,166	-
Loss on liquidation of business	102,544	-
Total extraordinary loss	519,708	116,165
Income (loss) before taxes	(2,981,287)	1,594,379
Income taxes - current	82,310	573,461
Income taxes - refund	(53,208)	-
Income taxes - deferred	1,070,091	(1,186,103)
Total income taxes	1,099,193	(612,641)
Net income (loss)	(4,080,480)	2,207,020
Net income attributable to non-controlling interests	888	32,815
Net income (loss) attributable to shareholders of parent company	(4,081,368)	2,174,205

Consolidated Statements of Comprehensive Income

(Thousand yen)

	FY 2021 From April 1, 2021 to March 31, 2022	FY 2022 From April 1, 2022 to March 31, 2023
Net income (loss)	(4,080,480)	2,207,020
Other comprehensive income		
Valuation difference on available-for-sale securities	13,388	6,701
Foreign currency translation adjustment	211,777	257,446
Adjustment for employee retirement benefits	66,572	(151,189)
Total other comprehensive income	291,738	112,957
Comprehensive income	(3,788,741)	2,319,978
Comprehensive income attributable to shareholders of parent company	(3,821,102)	2,256,401
Comprehensive income attributable to non-controlling interests	32,361	63,577

(3) Consolidated Statements of Changes in Equity
For fiscal year 2021 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,318,925	6,360,683	(31,205)	16,008,296
Cumulative effects of changes in accounting policies			(1,633,650)		(1,633,650)
Restated balance	5,359,893	4,318,925	4,727,033	(31,205)	14,374,646
Changes in items during period					
Dividends of surplus			-		-
Net income (loss) attributable to shareholders of parent company			(4,081,368)		(4,081,368)
Purchase of treasury stock				-	-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(4,081,368)	-	(4,081,368)
Balance at the end of period	5,359,893	4,318,925	645,664	(31,205)	10,293,277

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	156,385	17,776	36,052	210,214	298,969	16,517,480
Cumulative effects of changes in accounting policies						(1,633,650)
Restated balance	156,385	17,776	36,052	210,214	298,969	14,883,830
Changes in items during period						
Dividends of surplus						-
Net income (loss) attributable to shareholders of parent company						(4,081,368)
Purchase of treasury stock						-
Net changes of items other than shareholders' equity	13,388	180,305	66,572	260,266	32,361	292,627
Total changes of items during period	13,388	180,305	66,572	260,266	32,361	(3,788,741)
Balance at the end of period	169,773	198,082	102,624	470,480	331,330	11,095,088

For fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,318,925	645,664	(31,205)	10,293,277
Cumulative effects of changes in accounting policies					
Restated balance	5,359,893	4,318,925	645,664	(31,205)	10,293,277
Changes in items during period					
Dividends of surplus			-		-
Net income (loss) attributable to shareholders of parent company			2,174,205		2,174,205
Purchase of treasury stock				(199)	(199)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,174,205	(199)	2,174,005
Balance at the end of period	5,359,893	4,318,925	2,819,869	(31,405)	12,467,283

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	169,773	198,082	102,624	470,480	331,330	11,095,088
Cumulative effects of changes in accounting policies						
Restated balance	169,773	198,082	102,624	470,480	331,330	11,095,088
Changes in items during period						
Dividends of surplus						-
Net income (loss) attributable to shareholders of parent company						2,174,205
Purchase of treasury stock						(199)
Net changes of items other than shareholders' equity	6,701	226,685	(151,189)	82,196	32,286	114,482
Total changes of items during period	6,701	226,685	(151,189)	82,196	32,286	2,288,488
Balance at the end of period	176,474	424,767	(48,564)	552,677	363,616	13,383,576

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY 2021 From April 1, 2021 to March 31, 2022	FY 2022 From April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Income (loss) before taxes	(2,981,287)	1,594,379
Depreciation	2,208,636	2,108,602
Increase (decrease) in allowance for doubtful accounts	6,626	(79,791)
Increase (decrease) in accrued expense - salary	576,780	384,759
Increase (decrease) in provision for loss on construction contracts	232,380	451,482
Increase (decrease) in liability for employee retirement benefits	(289,335)	(128,957)
Increase (decrease) in provision for loss on compensation	(539,789)	60,152
Interest and dividend income	(18,280)	(58,805)
Interest expenses	569,497	1,194,589
Foreign exchange losses (gains)	273,456	298,280
Share of loss (profit) of entities accounted for using equity method	(50,481)	(30,688)
Loss (gain) on sale and retirement of non-current assets	43,116	(454,035)
Loss related to COVID-19	350,298	107,089
Extra retirement payments	21,166	-
Loss on liquidation of business	102,544	-
Subsidy income	(905,846)	(120,106)
Other non-operating expenses (income)	78,118	155,480
Decrease (increase) in notes and accounts receivable - trade	4,100,615	1,788,454
Decrease (increase) in inventories	1,349,396	(7,406,462)
Increase (decrease) in notes and accounts payable - trade	(376,616)	729,009
Increase (decrease) in advances received	2,384,743	1,885,080
Other	149,300	(1,152,105)
Subtotal	7,285,039	1,326,408
Interest and dividend income received	18,240	58,772
Interest expenses paid	(541,704)	(1,273,997)
Income taxes paid	(46,485)	(32,498)
Income taxes refund	86,614	8,585
Net cash provided by (used in) operating activities	6,801,704	87,271

(Thousand yen)

	FY 2021 From April 1, 2021 to March 31, 2022	FY 2022 From April 1, 2022 to March 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(790,697)	(885,991)
Proceeds from sales of property, plant and equipment	8,148	791,557
Purchase of investment securities	(773)	(1,080)
Payments of loans receivable	(12,306)	(1,990)
Collection of loans receivable	2,389	5,058
Decrease (increase) in time deposits	337,140	(176,111)
Other payments	(196,460)	(765,101)
Other proceeds	6,377	8,189
Net cash provided by (used in) investing activities	(646,182)	(1,025,469)
Cash flows from financing activities		
Increase in short-term loans payable	79,725,460	71,421,930
Decrease in short-term loans payable	(81,196,960)	(70,790,850)
Proceeds from long-term loans payable	300,000	-
Repayments of long-term loans payable	(1,030,000)	(960,000)
Repayments of lease obligations	(367,473)	(345,018)
Purchase of treasury stock	-	(199)
Cash dividends paid	(1,290)	(60)
Cash dividends paid to non-controlling interests	-	(31,290)
Net cash provided by (used in) financing activities	(2,570,264)	(705,488)
Effect of exchange rate changes on cash and cash equivalents	642,420	428,183
Net increase (decrease) in cash and cash equivalents	4,227,679	(1,215,502)
Cash and cash equivalents, beginning of period	3,946,665	8,174,344
Cash and cash equivalents, end of period	8,174,344	6,958,841

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of the Group are determined from those that can provide separate financial information, and are regularly reviewed by the Board of Directors to determine the allocation of management resources and to evaluate achievements among the constituent units of the Group.

The Group is composed of three divisions (Aircraft Interiors Division, Aircraft Components Manufacturing Division, and Aircraft Maintenance Group), each of which conducts business activities by developing independent management strategies for the products and services it handles. The Group consists of segments organized by product and service based on divisions, and the reportable segments comprise “Aircraft Interiors Business,” “Aircraft Seat Business,” “Aircraft Components Business” and “Aircraft Maintenance Business.”

“Aircraft Interiors Business” mainly engages in manufacturing and sales of products including galleys and lavatories for passenger aircraft. “Aircraft Seat Business” primarily engages in manufacturing and sales of products including passenger aircraft seats. “Aircraft Components Business” engages in manufacturing and sales primarily of aerospace equipment and products including heat exchangers, aircraft equipment including aircraft engine parts, and CFRP structure parts. “Aircraft Maintenance Business” conducts operations such as maintenance and alteration of regional jets, medium- and small-sized aircraft and helicopters, as well as repairs of equipment for these aircraft.

2. Method of calculating net sales, income (loss), assets, liabilities and others by reportable segment

The accounting method used for reportable business segments is a method that is in compliance with the accounting principles and procedures adopted for the preparation of consolidated financial statements. Reportable segment income figures are based on ordinary income. Inter-segment net sales and transfers are based on market prices.

3. Information on net sales and income (loss) by reportable segment

For fiscal year 2021 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Reportable segment					Others (Note)	Total
	Aircraft Interiors Business	Aircraft Seat Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Net sales							
Net sales to outside customers	20,884,952	5,982,429	4,913,593	7,297,036	39,078,012	720	39,078,732
Inter-segment net sales or transfers	449,396	-	6,591	22,478	478,466	73,775	552,242
Total	21,334,349	5,982,429	4,920,184	7,319,515	39,556,479	74,495	39,630,974
Segment income (loss)	(342,883)	(3,109,663)	(204,206)	180,192	(3,476,561)	(35,506)	(3,512,068)

(Note) The Others segment includes the businesses of affiliate Orange JAMCO Corporation. Orange JAMCO Corporation is a special-purpose subsidiary, dedicated to promoting the employment of people with disabilities and provides cleaning and assistance work in the Company's facilities, which is one of the corporate social responsibilities.

For fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Reportable segment					Others (Note)	Total
	Aircraft Interiors Business	Aircraft Seat Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Net sales							
Net sales to outside customers	29,614,594	3,869,393	5,075,831	8,663,179	47,222,999	2,427	47,225,426
Inter-segment net sales or transfers	344,903	-	3,184	36,522	384,610	118,292	502,903
Total	29,959,498	3,869,393	5,079,016	8,699,701	47,607,609	120,720	47,728,329
Segment income (loss)	3,586,243	(2,708,451)	85,663	170,403	1,133,859	(6,531)	1,127,327

(Note) The Others segment includes the businesses of affiliate Orange JAMCO Corporation. Orange JAMCO Corporation is a special-purpose subsidiary, dedicated to promoting the employment of people with disabilities and provides cleaning and assistance work in the Company's facilities, which is one of the corporate social responsibilities.

(Per share information)

	Fiscal year 2021 (from April 1, 2021 to March 31, 2022)	Fiscal year 2022 (from April 1, 2022 to March 31, 2023)
Net assets per share	401.26 yen	485.37 yen
Net income (loss) per share	(152.15) yen	81.05 yen
Diluted net income per share	Not presented because there are no latent shares.	Not presented because there are no latent shares.

(Notes) 1. The basis for calculating net income per share is as shown below.

	Fiscal year 2021 (from April 1, 2021 to March 31, 2022)	Fiscal year 2022 (from April 1, 2022 to March 31, 2023)
Net income (loss) attributable to shareholders of parent company (thousand yen)	(4,081,368)	2,174,205
Amount not attributable to common shareholders (thousand yen)	-	-
Net income (loss) attributable to shareholders of parent company related to common shares (thousand yen)	(4,081,368)	2,174,205
Average number of common shares (thousand shares)	26,825	26,824

2. The basis for calculating net assets per share is as shown below.

	Fiscal year 2021 (as of March 31, 2022)	Fiscal year 2022 (as of March 31, 2023)
Total net assets (thousand yen)	11,095,088	13,383,576
Amount deducted from total net assets (thousand yen)	331,330	363,616
[including non-controlling interests (thousand yen)]	[331,330]	[363,616]
Year-end net assets related to common shares (thousand yen)	10,763,757	13,019,960
Number of common shares at year- end used to calculate net assets per share (thousand shares)	26,825	26,824

(Significant subsequent events)

There is no relevant information