



We strive to realize a prosperous and sustainable society by making aircraft safer and better for the global environment.

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Toshiyuki Abe
President and CEO

Towards JAMCO Vision 2030

Overcoming the Challenging Business Environment by Breaking Away from Our Current Business Model and Changing as a Company

The novel coronavirus disease COVID-19 that first appeared in 2019 quickly became a global pandemic that not only had massive effects throughout the global economy, but also resulted in restrictions on the movement of people. Being involved in the aviation industry, our company was directly hit by the sudden lack of demand for air travel caused by the pandemic. In FY2020 and FY2021 in particular, we were forced to post two consecutive years of losses for the first time since our founding in 1955. 2020 was the year that the impact of the pandemic first became apparent, and a strong sense of uncertainty overshadowed the industry as a whole. In 2021, I along with the rest of top management determined that alleviating gloomy mood that had enveloped the company would require rethinking our vision for the future. To that end, we formulated “JAMCO Vision 2030,” which stipulates both the short-term perspective that will enable rapid and flexible initiatives, as well as our long-term vision for the JAMCO Group in 2030 and the direction we will take towards its realization over those 10 years.

At the core of the JAMCO Vision is a recognition of the need to “break away from our current business model that follows conventional wisdom and practices, and change as a

company.” Being a well-established company in business for over 65 years at the time, we had a deeply-rooted culture of doing business the “JAMCO way,” so our annual initiatives to affect change for the better were not yielding results. A bold change in mindset from this corporate culture was needed to facilitate our breakaway from business slump.

The JAMCO Vision sets forth an ideal of becoming a corporate group that creates value through aerospace. The realization of this ideal will require a strong mindset of self-transformation. To that end, we launched a transformational initiative we named “JAMCO Transformation,” or “JX” for short, at the beginning of FY2022. I am the Project Owner of this initiative, which is being advanced on a Group-wide basis.

Though the start of a transformation is often painful, the employees directly involved in JX2022 and those supporting them are proactively working together in the right direction. At the same time, we implemented the organizational reforms our transformation will require. Our new Technology & Innovation Control Department is engaging in company-wide discussions about potential new businesses with an aim of growing our business realms through advanced technology and innovation and further increasing corporate value. We also established a new Sustainability Promotion Office*1 in order to enhance our sustainability initiatives. We are beginning to see the effects

of improving our sustainability promotion system, such as our CDP*2 score increasing by several ranks.

In addition, in line with our policy of focusing the allocation of resources to the development of the human resources we need to facilitate the transformations of our business and our internal organization, we have launched the DX Human Resource Development Project. The purposes of this project are to develop DX human resources who are the next generation of transformative leaders with both long-term and broad perspectives, as well as to raise the mindset of transformation and foster digital literacy among all executives and employees. I, too, am learning alongside

with officers and employees through e-learning and other means. Delivering products and services that meet customer needs will require human resources with specialized and advanced knowledge, skills, and experience. As such, we recognize that our human capital is our most important asset.

By making every effort to resolve our basic issues by FY2024, we hope to make a smooth transition to the JX2025 Transform initiation phase, which will be the growth stage of JX. From there, we hope to usher in the JX2028 Transform expansion phase all while experiencing the evolution of the JAMCO Group with all of our stakeholders.

The Changing Business Environment and Our Recognition of Issues

Structural Reforms Beyond Overcoming the Current Challenging Business Environment

The global economic outlook remains uncertain due to factors such as soaring energy prices caused by the protracted troubles in Ukraine, rising raw material prices and interest rates, and concerns about an economic downturn caused by global inflation. On the other hand, the air transportation industry has seen recovering demand for air travel thanks to the subsiding of the COVID-19 pandemic, leading to airlines across the world returning idled aircraft to service and placing large orders for new aircraft. At the same time, aircraft manufacturers are working to increase production to keep up

with the recovering demand for air travel.

In preparation for further recovery in demand, we will strengthen our ability to respond to demand and continue our initiatives aimed at improving production efficiency. At the same time, we started to reinforce our domestic and global supply chain and have initiated a plan to expand the production capacity and functionality of JAMCO PHILIPPINES, INC.

Looking back at our FY2022, just as with the recovery in the number of domestic flights, the recovery in the number of international flights lead to a recovery in our business performance, resulting in the first posting of a profit in the three years since FY2019.

Contributing to a Sustainable Society

Provision of Products Aligned with JAMCO's Mission and Customers' Needs

Contributing to carbon neutrality is one of the key social concerns for the aviation industry. Addressing this concern is not only our responsibility, but a great business opportunity.

We are directing our efforts in two main directions. One is the pursuit of weight reduction. The other is promoting the use of renewable energy sources to achieve net-zero energy consumption in the manufacture and assembly of our products, the use of recycled materials in our products, and the recycling of waste generated in the manufacturing process as well as the products themselves.

In addition, the accelerating trend toward decarbonization in aircraft manufacturing, which has a high environmental impact requires the technological development of carbon fiber as an alternative material. Our aim in this research is to apply our knowledge and experience we have accumulated supplying carbon fiber composite materials to the aircraft sector, thereby implementing the results of our research in society.

We also believe we will be able to contribute in various

ways to the coming new mobility age that eVTOL*3 aircraft represent. Because eVTOLs are powered by batteries, they must be lighter than conventional aircraft, so this is an area where we can take advantage of our expertise in manufacturing lightweight yet durable products. In addition, regular aircraft maintenance is essential for safe flights. We maintain a wide range of aircraft, from helicopters to fixed-wing aircraft, and we believe that our expertise in this area will contribute to the realization of safe operations in the new mobility age.

Providing a hygienic cabin environment is another important service in this post-COVID era. While the air in an aircraft cabin is replaced with clean air every few minutes, some passengers experience psychological unease about spending time inside an aircraft. We believe that improving the sanitary environment of the lavatory in particular is a necessary measure to alleviate this anxiety. To that end, we began offering a hands-free lavatory door developed jointly with ALL NIPPON AIRWAYS CO., LTD. in 2021. Moving forward, we will continue development of lavatory products with “touchless” as a keyword, as well as other efforts that create a cabin environment that gives air travelers peace of mind.



ESG Management Initiatives

Helping Address Pressing Social Concerns

After World War II, Japan was prohibited from engaging in any aircraft-related activities. In 1955, after the expiration of this ban, ITOCHU Corporation established our predecessor as a company for maintaining its imported American aircraft. The company would eventually go on to develop and obtain type certifications for aircraft of its own design. Based on the aircraft development, certification, and manufacturing know-how we acquired through this experience, we continue to respond to a variety of customer needs to this day.

In 1970, we received our first order for galley and began developing and manufacturing interior components for passenger aircraft. In the ensuing mass transportation era represented by the jumbo jet, we received more and more orders, growing as a result. After the September 11, 2001 terrorist attacks in the United States, we developed more robust cockpit doors to keep intruders out of cockpits at the request of the aircraft manufacturers and began supplying them ahead of competitors. We also entered the premium class seat business to meet the demand of today's travelers for luxury. In these and other ways, our business has been diligently responding to the demands of the times.

On the occasion of our 50th anniversary, however, we took the opportunity to reaffirm the universal principles of conduct underlying the management policies that have been handed down by generations of management since our founding. In 2005, we reviewed our 50 years of history and formulated the management philosophy below as a guidepost for the path we should take in the future.

To Our Stakeholders

Growing as Corporate Group that Creates Value Through Aerospace

During the two years of FY2020 and FY2021, we faced unprecedented difficulties due to the COVID-19 pandemic, resulting in the post of our largest deficits in our company's history. During that time, we continued to receive the same support and cooperation from our stakeholders as in the past, which allowed us to record a profit last fiscal year, in FY2022. For this, we would like to express our deepest

gratitude and appreciation.

Toward our goal of becoming the next generation company set forth in JAMCO Vision 2030, the JAMCO Group will continue to contribute to a comfortable and sustainable society as a group that leverages the technology and quality we have cultivated based on the aviation industry to create value through the aerospace industry.

We look forward to your continued support.

Management Philosophy

JAMCO, a Technology Oriented Company with Samurai Values:

- **Rising to the eternal challenge of realizing our aspirations.**
- **Bringing joy and satisfaction to our customers and employees.**
- **Striving for coexistence with nature, contributing to a prosperous and progressive society.**

Our aim with this management philosophy was to further enhance our corporate value by ensuring that all Group employees understood and shared it, but in retrospect we can see how it encompassed the spirits of E (Environmental), S (Social), and G (Governance).

Even as we now face many challenges related to sustainability, we hope to remain a company that, based on our management philosophy, provides products and services that address social concerns, in turn creating value that contributes to the sustainable development of our company and is returned to all our stakeholders.

Approach to Social Concerns

Since its founding, the JAMCO Group has contributed to comfortable, safe, and secure air travel by providing aircraft maintenance, and manufacturing and servicing of interior furnishings, aircraft parts and components. We are also engaging with solutions for many social concerns as time goes on, including the environment. In August 2021, we instituted a Sustainability Promotion Board (SPB) and have promoted sustainability efforts to further enhance our solutions initiatives.

Promoting Sustainability Management

The JAMCO Group's Basic Principles of Management mandates that we help build a sustainable world through business operation promoting sustainability efforts aimed at realizing our management philosophy of "striving for coexistence with nature, contributing to a prosperous and

progressive society." We will also contribute going forward to building an affluent and sustainable society while focusing on relations of trust with all of our stakeholders on a foundation of sustainability management.

Sustainability Management

The SPB is positioned as an internal control organization relating to sustainability by the management, and is constituted by executive officers in charge of Sustainability Promotion, Corporate Planning & Business Development, and Finance & Accounting, with the President of the company as chairman. At the SPB, we decide crucial policy and important issues (materialities) regarding sustainability that may have an impact on our corporate vision and management strategy, decide on measures and crucial matters relating to these same sustainability concerns, and conduct monitoring and direction of efficacy of overall sustainability efforts. Additionally, we report to the Board of Directors as appropriate regarding such decisions and progress in efforts.

Additionally, we promote sustainability initiatives over the medium to long-term based on ESG (Environmental-Social-Governance) and Sustainable Development Goals (SDGs) to address environmental issues such as achieving carbon neutrality by 2050.

Basic Sustainability Policy

The JAMCO Group strives for coexistence with nature, pursuing people's satisfaction and a prosperous society through business activities, and contributing to society's sustainable development.

- To take on various concerns such as global environmental issues that the global community faces
- To recognize global warming as an urgent issue and engage in every possible measure to reduce the environmental impact
- To seize changes in the business environment as new growth opportunities, and aim for the creation of a sustainable society and improved corporate value through the provision of safer and more reliable products and services



As part of its focus on solutions to social concerns, JAMCO examines correlations between business and SDGs, conducts SDG-themed educational activities to raise company-wide awareness and strives to fulfill these goals through our business activities.

*1: Upgraded to the Sustainability Promotion Department as of April 1, 2023

*2: The CDP (formerly the Carbon Disclosure Project) is a non-profit organization that aims to build a sustainable economy. It analyzes the efforts of companies and other entities in areas such as climate change, water security, and deforestation risk commodities, and scores them on a scale of A to D.

*3: eVTOL: Electric vertical take-off and landing aircraft. Source: MLIT website (Japanese text only): 001400794.pdf (mlit.go.jp) 001429460.pdf (mlit.go.jp)

Sustainability Efforts Promotion Framework

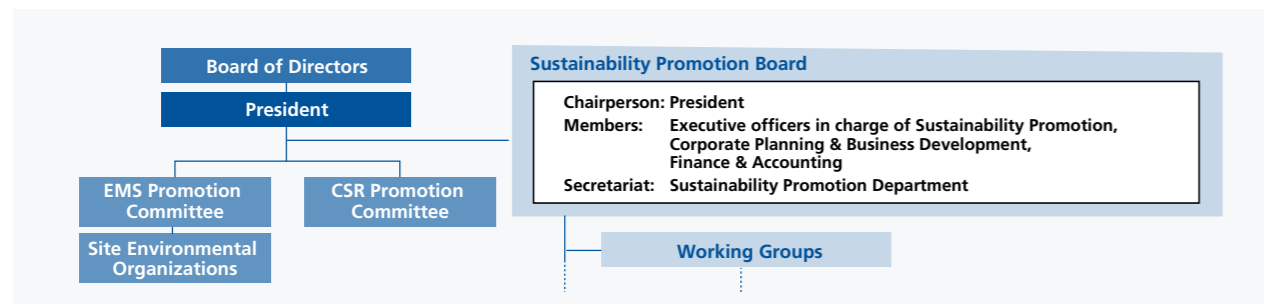
We have installed a Sustainability Promotion Department in our head office organization, which oversees the Group's overall sustainability efforts as the SPB secretariat, guides the efforts of our working group which carries out the practical work of such as materialities in line with SPB policy, and promotes efforts including climate change initiatives. The Executive Officer in charge of the Sustainability Promotion reports periodically to the Board of Directors on progress on these efforts.

EMS Promotion Committee

The EMS Promotion Committee promotes environmental conservation in line with company regulations and ISO 14001 Environmental Management Systems. We have installed an EMS Promotion Committee Secretariat in the Sustainability Promotion Department, with the Executive Officer in charge of the Sustainability Promotion (Environmental Control Supervisor) as committee chairman, and constituted of all Group General Managers, the Sustainability Promotion Department General Manager (also the Environmental Management Supervisor), and all work site ecology leaders as members.

CSR Promotion Committee

The CSR Promotion Committee promotes CSR for responding to social concerns overall, including core ISO 26000 themes. We have installed a CSR Promotion Committee Secretariat in the Sustainability Promotion Department, with the Executive Officer in charge of Sustainability Promotion as committee chairman, and constituted of members representing the Groups responsible for each such social concern and each head office department.



Message

JAMCO's Sustainability Management Contributes to the Realization of a Sustainable Society



Toshikazu Kimura
Director, Executive Vice President
Executive Officer in Charge of
Sustainability Promotion

Approach to Solving Social Concerns

We see responding to sustainability issues as not only essential for a company's survival, but also as an opportunity for value creation that will lead to the company's own development.

In order to systematically oversee and reliably promote the JAMCO Group's sustainability activities, we established a Sustainability Promotion Board (SPB) chaired by the President and CEO and comprised of top management. To date, the SPB's achievements include drafting the JAMCO Group's basic policy on sustainability, which was then approved by the Board of Directors and put into effect, as well as identifying seven materialities (important issues) to be focused on and defining the ideal vision for the JAMCO Group in 2030 with respect to each materiality.

Promoting JAMCO Vision 2030

Action Plan 2030 (AP2030) is the strategy by which the JAMCO Group will realize its long-term vision, JAMCO Vision 2030. It sets forth the roadmap by which we transform our business model through the three strategies of JX (JAMCO Transformation: Execution of Our Growth Strategy), SX (Responding to Sustainability Issues), and HRX (Strategic DX Human Resource Development) and develop into a corporate group that creates value through the aerospace industry. With regard to promoting SX in particular, we will implement the strategy by responding to a wide range of issues including but not limited to the seven materialities in accordance our basic policy on sustainability, "striving for coexistence with nature, pursuing people's satisfaction and a prosperous society through business activities, and contributing to society's sustainable development," which was established based on the JAMCO Group's management philosophy.

Contributing to Carbon Neutrality

Reducing the weight of aircraft improves fuel efficiency and reduces CO₂ emissions. Carbon fiber composites combine light weight and high strength, and are widely used in aircraft for structural components such as fuselages and wings, as well as cabin interiors, making them indispensable materials. One concrete example of their use in our products is in our honeycomb panels. These panels are used in areas of aircraft including the galleys and lavatories, which are currently the mainstay of our Aircraft Interiors Group. Previously, the primary material was glass fiber reinforced plastic (GFRP), but for the Boeing 787, we switched to carbon fiber reinforced plastic (CFRP), resulting in a weight reduction of approximately 20%. Meanwhile, Airbus uses our CFRP structural components in many of their aircraft, contributing to reduced weight. Recently, there has been an increased demand for products that emphasize not only lighter weight, but also a strong consciousness of ESG and the SDGs. In response to this, we are developing products that utilize more advanced and innovative technologies and also researching the recycling of products such as carbon fiber composite materials.

The JAMCO Group will continue to strive to help solve various social concerns through the provision of our products and services as we aim to develop as a company that creates value.

On Human Capital

Having made "work through the aviation industry to supply high value-added products and services harnessing rich technical expertise" one of our basic principles of management, JAMCO strives to provide products and services that meet customers' needs while making the upholding of flight safety and the enhancement of quality our top priority. Achieving this requires human resources with specialized and advanced knowledge, skills, abilities, and experience, so it can be said that our human resources are our most important asset. In this age of volatility, uncertainty, complexity, and ambiguity, the ability to continue increasing corporate value while responding flexibly to changes in the environment will require even greater responsiveness to new business risks, as well as creation of new business opportunities. There is an urgent need to secure and develop the human resources we need to adapt to these changes. In consideration of this need to develop such human resources, we launched the Strategic DX Human Resource Development Project mentioned earlier. We have made the "cultivation of human resources capable of pioneering a new future" a key part of one of our seven materialities, "the creation of lively workplaces." By focusing on creating work environments where every employee can work with pride and vigor, we will create workplaces that are not only safe, but also conducive to the physical and mental wellbeing of employees. At the same time, we will also continue to promote diversity in the workplace and work-life balance.