

Message from the President

We will contribute to improving sustainability in the aviation industry with JAMCO's strength in advanced technological capabilities.



Koichi Tsunematsu

President and Chief Executive Officer

The Strengths I Realized JAMCO Had after Joining the Company

Establishing our position in the industry, wielding our "three strengths" as our weapon

I joined JAMCO in April 2023 and was appointed as Representative Director and President in June 2024.

JAMCO possesses three strengths that I also witnessed in my previous work experience. The first is having the technology and structure to provide consistent in-house support from development to production, sales, and after-sales service. The second is not adopting a low-price strategy, but creating solid, superior products and obtaining appropriate compensation once customers recognize their value. Lastly, our excellent products and services are recognized in the global market and have established a fixed leading position. While there are management challenges, I have the impression that there is also great room for growth.

Sustainability in the Aviation Industry

The most critical issue directly linked to our business

While dealing with internal issues and being in charge of business reform for about a year since joining the company, I have had time to think about sustainability in the aviation industry.

The realization I had was that the aviation industry is particularly sensitive to sustainability. In recent years, as attention has been drawn to carbon dioxide emissions from



jets, passenger interest in this subject has increased, which in turn has made it a concern for airlines as well as a top priority for aircraft manufacturers. Airlines and aircraft manufacturers are our main customers, and I have come to recognize anew that sustainability is now an essential element directly linked to our business.

Contributing to Sustainability Through Our Business

Balancing safety with new technology and the promotion of recycling

In the field of aircraft interiors, our main business, we first need to meet the safety and durability standards that have traditionally been required. On top of that, we believe that refining environmental technologies such as weight reduction and demonstrating our superiority will lead to business expansion and allow us to contribute to sustainability.

One example is our active use of Carbon Fiber-reinforced Plastic (CFRP).^{*1} By providing lighter galleys (kitchen facilities), lavatories, and seats, we can reduce the fuel needed for flights, and by using durable products for longer periods, we can contribute to reductions in carbon dioxide emissions. We are also working on recycling CFRP, and our joint research with Nagoya University and others has been selected as a registered theme for FY2023 by the New Energy and Industrial Technology Development Organization (NEDO). Furthermore, in collaboration with JAXA^{*2}, we are engaged in research and development of inclusive accessible lavatories, with the aim of creating restrooms that can accommodate everyone.

To engage in the development of these kinds of next-generation products and innovative technologies from a medium- to long-term perspective, as well as to nurture human resources that support the foundation of JAMCO's technological development, we expanded and strengthened the functions of the former Technology & Innovation Control Department and reorganized it into the Technology & Innovation Center^{*3} in April 2024. (See P. 14 for details)

Medium-Term Management Plan Measures

Improving profitability and strengthening our financial foundation through selection and concentration

To contribute to sustainability through our business, the Company must be functioning in a sound manner and be able to give due consideration to sustainability, but it must be recognized that we are currently in a challenging business environment. The travel restrictions due to COVID-19 had a massive impact on the aviation industry, and subsequent shortages of engineers and other human resources and delays in financial recovery have made it so that we have yet to achieve a full recovery.

In our Medium-Term Management Plan^{*4}, we have prioritized improving profitability and strengthening our financial foundation through selection and concentration, and we are taking measures to lead the company to a healthy state, such as by freezing new development in the seat business and integrating interior manufacturing subsidiaries and Groups.

We will invest limited resources in areas where steady profits can be expected within our current business to gradually restore our business foundation. Once our foundation is strengthened and we have surplus capacity, we will expand the areas in which we invest resources while leveraging our superiority in environmental technologies to contribute to sustainability. These are the stages through which we intend to shift our management resources.

The President's Role in Sustainable Management

Instilling decision-making, making changes, and a culture of profitability

In corporate management, I believe that the role of executives is threefold: to make decisions, to make changes, and to create a culture of profitability. I communicate this belief throughout the company as well. While I myself demonstrate making decisions and instituting changes, creating a culture of profitability is something that cannot be conveyed with a single word, so I want employees to develop a sense of what this means through various opportunities.

Profitable companies have several behaviors. One of these is "Bad News Fast." This is because bad news is useful information and an opportunity to improve this company. I want to gradually instill a culture of profitability within the company by offering these kinds of concrete examples.

^{*1}: Reducing weight by using CFRP in products ▶ P. 18

^{*2}: Joint research and development with JAXA ▶ P. 15

^{*3}: Establishing the Technology & Innovation Center ▶ P. 14

^{*4}: Medium-Term Management Plan for FY2024 ▶ P. 2

My Perspective on Human Capital

Emphasizing cycles that lead to employee job satisfaction

From the perspective of human resource utilization^{*5}, it is definitely effective to focus on developing their capabilities and areas related to employee welfare. That said, my idea of the relationship between the company and employees is more closely aligned with a more fundamental image. Namely, it comes down to whether the cycle of employees contributing to company growth and being rewarded via wages and so on is functioning properly. In recent discussions, there seems to be little mention of this important aspect, but I think this is an indispensable perspective when thinking about employee job satisfaction.

While our company aims to create an environment wherein employees can focus on their work with peace of mind, as evidenced by our obtaining the Kurumin Certification^{*6} in FY2024, I personally believe that continuing the positive cycle of returning benefits to employees, as mentioned earlier, is an important element of sustainability,



and I want to keep emphasizing this.

The reason our company has established a solid position in the market thus far is because we have good people who have continued to make good products. When I joined the company, I soon realized that our key asset is that we have good people who make good products. I aim to build a corporate culture that increasingly motivates these employees and provides them with a sense of purpose in life.

To Our Stakeholders

Leveraging our strengths to achieve a comfortable, sustainable society

As I mentioned earlier, our strength lies not in focusing on price, but in making good products and obtaining appropriate compensation by getting customers to understand their value, and this applies to our services as well as our products.

Our interior business has many overseas customers, including many EU companies that are leading in the sustainability field. I think the fact that we have already received a certain level of recognition from clients such as these in terms of performance linked to sustainability, such as weight reduction and durability, is a very important point.

In the sustainability-sensitive aviation industry, we will continue to promote the sustainable management that is our strength to achieve further growth as a company and help achieve a comfortable and sustainable society^{*7}.

We ask for your continued support in these endeavors.



^{*5}: Human capital initiatives ▶ P. 28

^{*6}: Acquisition of Kurumin Certification ▶ P. 26

^{*7}: Aiming to contribute to a comfortable and sustainable society ▶ P. 11