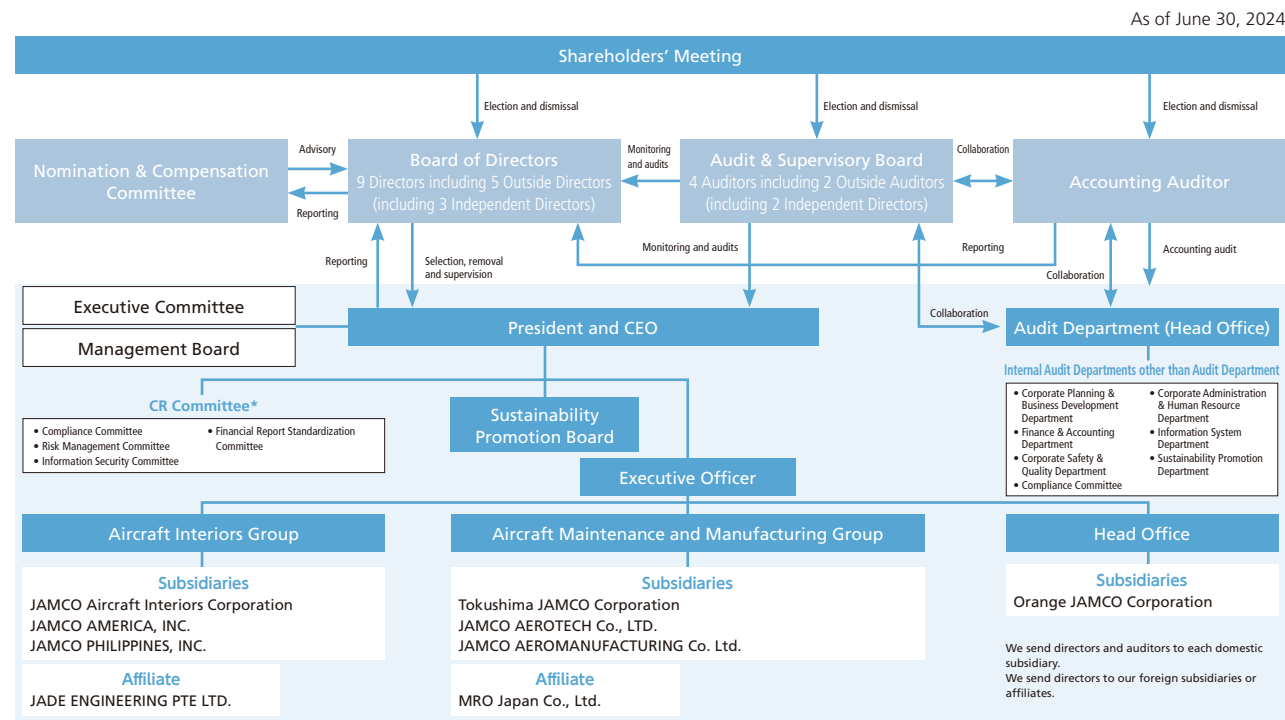


# Governance

JAMCO has positioned contributing to society and continuing to operate as a company by providing products and services to customers as its most important management policy. To put this policy into practice, we recognize that the fundamentals of corporate governance are improving corporate value, at the same time as ensuring the transparency of management and enhancing accountability.

## Corporate Governance Structure

JAMCO's Board of Directors consists of nine Directors, five of whom are part-time Outside Directors (including three independent officers). With its authority delegated by shareholders, the meetings of the Board of Directors are held regularly once a month and on an ad hoc basis as appropriate with the attendance of the full-time and part-time Auditors in order to ensure management responsibility and supervision of business execution. The Board of Directors adequately fulfills its functions, which include setting basic management policies and decision making, making resolutions on important business matters, and receiving reports on such matters.



\* Compliance & Risk Committee: Organization overseeing internal control

## Policy and Procedure for the Election of Officers

Regarding the election of Directors, we believe that it is vital to achieve a balanced composition of the Board to facilitate more appropriate decisions and better supervision of the execution of operations. This entails selecting Directors who are familiar with our internal operations and who can make appropriate decisions and supervise the execution of business, Outside Directors who are familiar with management and the aviation industry, and Independent Outside Directors who possess knowledge of corporate management and corporate law.

The President and CEO formulates proposals for the election of candidates for Directors, giving comprehensive consideration to the criteria set out by the Company. The proposals for election are explained to major shareholders prior to the meeting of the Board of Directors and deliberated by the Nomination & Compensation Committee, a majority of which is comprised of independent officers, before being decided upon by the Board of Directors. Proposals for the election of candidates for Auditors are also formulated by the President and CEO, giving comprehensive consideration to the election criteria set out by the Company, and after obtaining the agreement of the Audit & Supervisory Board with proposals being decided upon by the Board of Directors.

JAMCO has established criteria for determining the independence of independent officers that satisfy the criteria for independence prescribed by the Tokyo Stock Exchange in Guidelines Concerning Listed Company Compliance, etc., and verifies that there is no risk of conflict of interest with ordinary shareholders in light of these criteria when appointing independent officers. In terms of the qualifications of candidates, JAMCO appoints candidates who are familiar with corporate management and have specialized knowledge aligned with the management of the Company.

## Directors and Executive Officers / Skill Matrix

													
Name	Toshiyuki Abe	Koichi Tsunematsu	Takashi Yonekura	Toshikazu Kimura	Yu Takahashi	Shigeru Harada	Shinichi Suzuki	Juichi Watanabe	Yuki Tsuru	Noboru Kaburaki	Toshihisa Kasuya	Hitoshi Takahashi	Takayuki Ikenoue
Position	Director	Director	Director	Director	Outside Director	Outside Director	Outside Director (independent)	Outside Director (independent)	Outside Director (independent)	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Outside Audit & Supervisory Board (independent)	Outside Audit & Supervisory Board (independent)
Corporate management	●	●	●		●		●				●		
Industry knowledge			●		●	●	●			●			
Overseas experience	●	●			●	●		●				●	●
Manufacturing/ maintenance/ technology/ quality			●	●		●	●			●	●		
Finance/ accounting								●		●			●
Human resources/ labor relations/ human resources development				●									
Legal affairs/ compliance				●					●			●	
Risk Management	●	●						●	●		●	●	

\* Shows up to three areas in which the Company has particularly high expectations of each officer. The above table does not show the full range of knowledge and experience of each officer.

## Corporate Governance Enhancement Over the Years

<b><u>FY2009</u></b>	<ul style="list-style-type: none"> <li>• Internal control regulations enacted</li> <li>• CR Committee established, five subordinate committees established (Compliance, Risk Management, Information Security, Regulations, Financial Reporting Standardization)</li> <li>• CCO, CRO, CIO appointed</li> <li>• Risk management regulations enacted</li> <li>• Internal control regulations related to financial reporting enacted</li> <li>• Compliance regulations enacted</li> <li>• Compliance Code established</li> </ul>
<b><u>FY2013</u></b>	<ul style="list-style-type: none"> <li>• Executive officer regulations enacted</li> <li>• Disaster response and business continuity management regulations enacted</li> <li>• Basic policy on business continuity established</li> </ul>
<b><u>FY2014</u></b>	<ul style="list-style-type: none"> <li>• Management board regulations enacted</li> </ul>
<b><u>FY2021</u></b>	<ul style="list-style-type: none"> <li>• Nomination &amp; Compensation Committee regulations enacted</li> </ul>
<b><u>FY2022</u></b>	<ul style="list-style-type: none"> <li>• First female outside director appointed</li> </ul>
<b><u>FY2023</u></b>	<ul style="list-style-type: none"> <li>• Restricted stock compensation system introduced</li> </ul>

### Audit & Supervisory Board

The Audit & Supervisory Board consists of four Auditors, two of whom are Outside Auditors (including two independent officers). The Audit & Supervisory Board formulates the policy and plan for audits by the Auditors each fiscal year, and carries out overall and priority audits in collaboration with the Accounting Auditor and the internal audit departments, providing suggestions, advice, and recommendations as necessary. In terms of the criteria for the appointment of Outside Auditors, JAMCO has established certain requirements in regulations related to the Audit & Supervisory Board and also applies the criteria for independence of Tokyo Stock Exchange, Inc.

### Nomination & Compensation Committee

The Nomination & Compensation Committee has seven members, consisting of three full-time Directors, three Independent Outside Directors, and one Independent Outside Auditor. As an advisory body to the Board of Directors, the Nomination & Compensation Committee deliberates on proposals related to the nomination and compensation of Directors and Executive Officers and reports to the Board of Directors.

### Compliance & Risk Committee

We have established the Compliance & Risk Committee (chaired by the Representative Director and President) as an organization for overseeing internal control as a whole, and we have formulated basic policies on internal control. In addition, we have appointed a Chief Compliance Officer (CCO) as the person in charge of compliance, a Chief Information Officer (CIO) for information systems and information security, a Chief Risk Management Officer (CRO) for risk management, and a Chief Financial Officer (CFO) for the standardization of financial reporting from among Directors or Executive Officers. Each oversees, manages, and supervises initiatives related to internal control in their respective areas.

## System of Business Execution

JAMCO has clearly demarcated between the management decision making function and the business execution function and has adopted an Executive Officer system to enhance prompt decision making and strengthen the management foundation. The Executive Officers execute the duties delegated to them based on the decisions of the Board of Directors and other bodies.

The organizations that execute business consist of the two business groups, which are the Aircraft Interiors Group and the Aircraft Maintenance and Manufacturing Group, and the Head Office. The structure of Head Office maintains independence through the Audit Department which conducts internal audits as an organization under the direct supervision of the President and CEO, and Executive Officers are assigned to be in charge of the functions of each department, thereby granting responsibility and authority to each organization. Increasing the independence of each organization in this way enables prompt execution of business as well as mutual checks and supervision.

## Evaluation of the Effectiveness of the Board of Directors

JAMCO places importance on the maintenance and development of corporate governance in order to enhance corporate value. To further upgrade the level of corporate governance, we conduct a questionnaire every year to evaluate the effectiveness of the Board of Directors. An external organization is used for the design, analysis, and evaluation of the questionnaire to ensure objectivity and transparency. An external organization is used for the design, analysis, and evaluation of the questionnaire to ensure objectivity and transparency.

## Policy on Training for Directors and Executive Officers

When Directors and Executive Officers assume office, they attend external seminars on subjects such as the legal obligations they must comply with and their duties as officers. When Outside Directors assume office, we provide orientation sessions in which the President, CFO, and officers with other responsibilities provide individual briefings on the Company's management strategy, details about business and finance, and other subjects. Briefings are also conducted as necessary from time to time during the term of office of Outside Directors.

## Officer Compensation

Officer compensation at our company is determined within the bounds of the total amount of compensation decided at the General Meeting of Shareholders, taking into account compensation levels based on objective data from listed companies of similar size in the same industry. The regulations that stipulate specific payment methods and amounts of compensation are determined by the Board of Directors based on the report from the Nomination & Compensation Committee, an advisory body to the Board of Directors, where independent officers comprise a majority of the members.

Please see the Corporate Governance Report for more details on corporate governance. (Japanese text only)

Corporate Governance Report



[https://www.jamco.co.jp/a/ir/governance/governance/main/00/teaserItems2/0/linkList/0/link/CG\\_20240626.pdf](https://www.jamco.co.jp/a/ir/governance/governance/main/00/teaserItems2/0/linkList/0/link/CG_20240626.pdf)  
(Japanese)



## Compliance

### Basic Policy

We have published a Compliance Code for the company and its officers and employees.

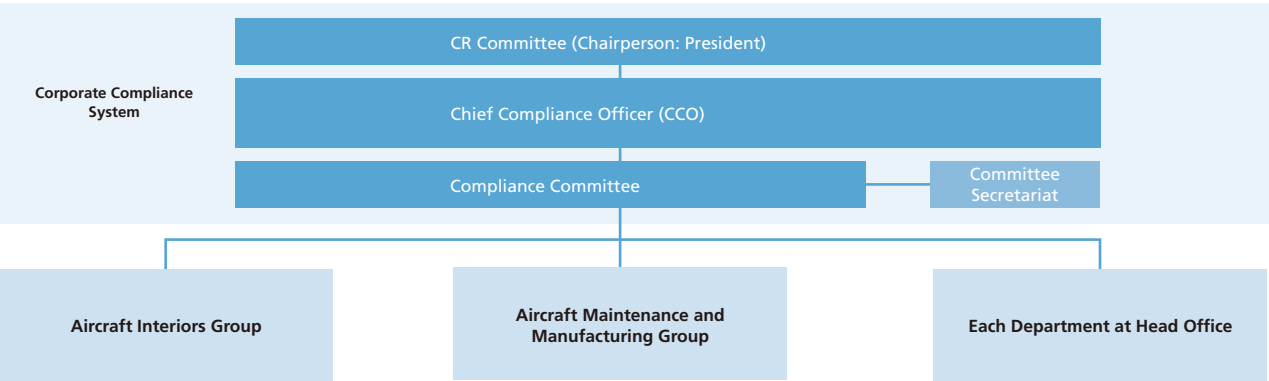
#### Compliance Code

We at JAMCO Corporation aim to form an enterprise that fulfills its corporate social responsibilities and lives up to the trust of society.

The officers and employees of JAMCO Corporation follow the principles enumerated below at every level and in every function. Together we observe applicable laws, international rules, office routines, and other regulations, and behave properly in accordance with firm ethical standards and a sincere social conscience.

1. To develop and supply products and services with due consideration to safety and quality, and to build a relationship of higher trust with every customer.
2. To actively address environmental issues on our own initiative in accordance with the goals of an independently established basic environmental policy and corporate action plan.
3. To respect the individuality and personality of every employee and to secure a safe and comfortable work environment free from any discrimination, harassment, or other undesirable behaviors.
4. To never commit insider trading (unfair trading of a corporation's stock or other securities) by taking advantage of our access to inside information that we learn with respect to matters handled in the course of assigned work.
5. To aim at bona fide and fair trading and to maintain a sensible and sound relationship with politicians and governmental agencies.
6. To respond to anti-social forces with a resolute stance and to abstain from forming any connections with such forces.
7. To respect the established practices and cultures of individual nations and to maintain cooperative relations with these nations as members of a global corporation.

Compliance Structure



### Compliance System

As an organization subordinate to the CR Committee, we have established a Compliance Committee chaired by the CCO to promote compliance activities for the Group. We established the Compliance Committee Secretariat in the Corporate Administration & Human Resource Department at the Head Office. It formulates a plan for overall compliance activities each fiscal year and leads the entire Group. In addition, the CCO regularly reports on the activities of the Compliance Committee to the Board of Directors.

### Initiatives Supporting Compliance

In addition to regular initiatives by the Compliance Committee, we have established Compliance Hotlines aimed at early self-correction of compliance issues, and officers and employees are required to report problems as soon as they are discovered. We also stipulate that when each department enters into contracts with external parties, it must undergo review by the legal department.

Regarding our response to anti-social forces, we have established policies and procedures to ensure that relationships are completely severed, including response policies, cooperation with external specialist organizations, and procedures to be implemented by departments in their daily operations.

Regarding our response to the Anti-Monopoly Act, we have stipulated prohibited acts and matters to be observed with the aim of preventing violations.

We also inform about these initiatives through in-house training, company newsletters, and other measures, and we strive for their reliable implementation.

## Risk Management

### Basic Risk Management Policy

It is essential for JAMCO to have the capability to address rapid changes in the business environment quickly and accurately, and we work on risk management with the awareness that the quality of our responses will directly affect the survival of the company and the perception of its corporate value. We also recognize that risk management is not only about preventing or minimizing losses, but is also a strategic tool for management to improve corporate value.

### Risk Management System

The Risk Management Committee chaired by the CRO has been established to promote risk management as an organization subordinate to the CR Committee.

We have identified approximately 160 risks ranging across the areas of disaster, society, politics, economics, strategies, operations, governance, and corporate culture in various departments. Department-specific risks are evaluated and analyzed in those departments, which take measures on an ongoing basis. Meanwhile, for major risks affecting the entire company, each department reports to the Risk Management Committee, and the Risk Management Committee formulates plans for measures to counter risks, and makes the measures known companywide after approval by the CR Committee.

In addition, departments working directly with Group companies recognize that risks may materialize in those companies and maintain systems to work with these companies on daily risk management.

In FY2023, the Risk Management Committee selected high-priority risks with significant impact on business from among the major risks, made recommendations to the CR Committee, and instructed relevant departments to formulate countermeasures and corrective action plans.

Risk Management Structure



### Information Security Initiatives

At the JAMCO Group, our vision for the future is to continue to contribute to a comfortable, sustainable world leveraging the technology and quality we have built up through the aviation industry. Since maintaining information security is vital to achieving this goal, we are working to ensure the reliable operation, monitoring, and continuous improvement of our information security management system in accordance with our Basic Information Security Policy.

Specific measures to strengthen security include preventing unauthorized access from outside the company, protecting against computer viruses, managing devices such as USB flash drives, spam prevention, training for handling targeted attack e-mails, and regular internal information security audits.

Please see our corporate site for more details on information security.

### Privacy Policy (Protection of Personal Information)

Basic Information Security Policy



<https://www.jamco.co.jp/en/ir/governance/sms.html>

#### Establishing a Privacy Policy

The JAMCO Group has established the Privacy Policy in the belief that it is our social responsibility to properly treat every piece of personal information (including specific personal information) about customers, and we work on fully protecting this information as a Group.

Please see our corporate site for more details on our Privacy Policy.

Privacy Policy



<https://www.jamco.co.jp/en/privacy.html>