

G Governance

GOVERNANCE

In line with its management philosophy that it must remain a Technology Oriented Company with Samurai Values, 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 consist of shareholders, executives, and employees functioning as an effective coalition to improve corporate value while returning profits to stakeholders, at the same time as ensuring the transparency of management and enhancing accountability.

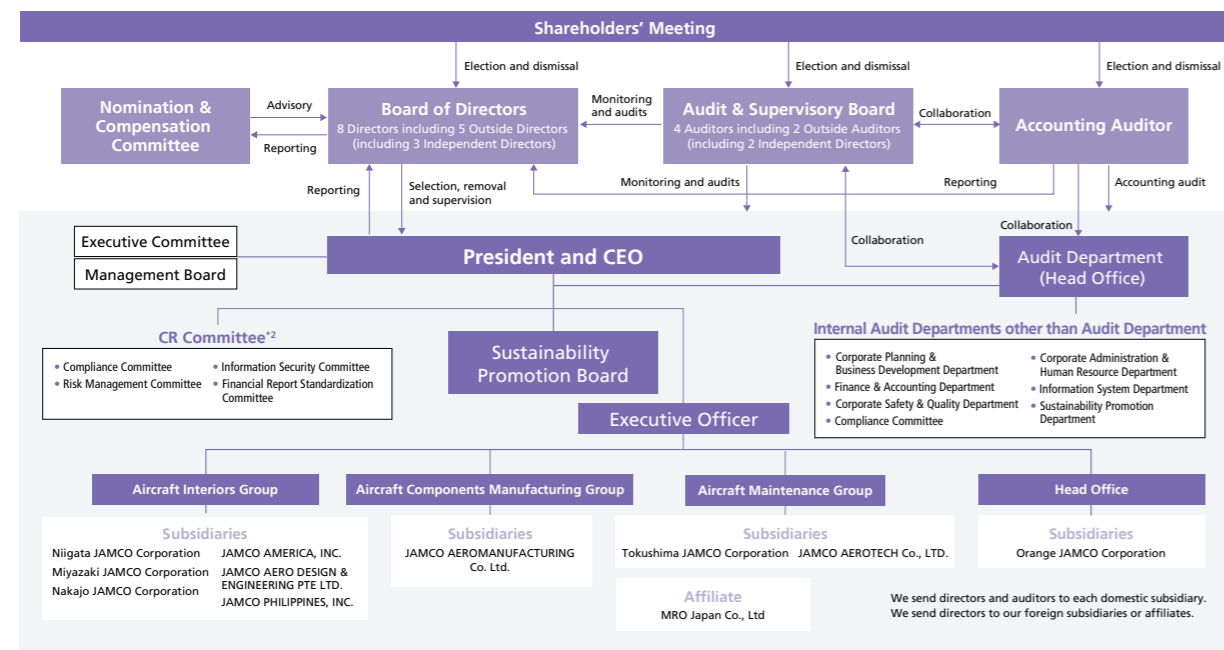


Corporate Governance Structure*1

JAMCO's Board of Directors consists of eight 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.

Corporate Governance Structure



*1 This describes the situation as of June 30, 2023.

*2 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.

Skill Matrix

	Position	Name	Corporate management	Industry knowledge	Overseas experience	Manufacturing/maintenance/technology/quality	Finance/accounting	Human resources/labor relations/human resources development	Legal affairs/compliance	Risk management
1	Representative Director, President and CEO	Toshiyuki Abe	●		●					●
2	Representative Director, Executive Vice President	Takashi Yonekura	●	●		●				
3	Director, Executive Vice President	Toshikazu Kimura				●		●	●	
4	Outside Director	Yu Takahashi	●	●	●					
5	Outside Director	Shigeru Harada		●	●	●				
6	Outside Director (independent)	Shinichi Suzuki	●	●		●				
7	Outside Director (independent)	Juichi Watanabe			●		●			●
8	Outside Director (independent)	Yuki Tsuru							●	●
9	Audit & Supervisory Board Member	Noboru Kaburaki		●		●	●			
10	Audit & Supervisory Board Member	Toshihisa Kasuya	●			●				●
11	Outside Audit & Supervisory Board Member (independent)	Hitoshi Takahashi			●				●	●
12	Outside Audit & Supervisory Board Member (independent)	Takayuki Ikenoue			●		●			

* 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.

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 six members, consisting of two 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.

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 three business groups, which are the Aircraft Interiors Group, the Aircraft Components Manufacturing Group, and the Aircraft Maintenance 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 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.

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

The rules on compensation for the Company's officers are prepared through an objective analysis and comparison of compensation levels at listed companies and in each industry and are determined through resolution of the Board of Directors based on consultation with major shareholders and the report of the Nomination & Compensation Committee, which is composed of a majority of independent officers.

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

<https://www.jamco.co.jp/ja/ir/governance/governance/main/00/teaserItems2/0/linkList/0/link/pdfFile.pdf>

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

In accordance with the Basic Policy for Establishment and Preservation of an Internal Control System, the President and CEO has appointed a Chief Risk Management Officer (CRO) from among the Directors and Executive Officers to be responsible for overall risk management throughout the company. The Risk Management Committee chaired by the CRO has been established to promote risk management as an organization subordinate to the CR Committee, the organization chaired by a President and CEO which is responsible for overseeing the internal control system overall.

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.

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 here for more details on information security. https://www.jamco.co.jp/en/ir/governance/isms.html](https://www.jamco.co.jp/en/ir/governance/isms.html)

Privacy Policy (Protection of Personal Information)

Establishing a Privacy Policy

The JAMCO Group has established the Privacy Policy summarized below 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 the following URL for more details on our Privacy Policy.](https://www.jamco.co.jp/en/privacy.html)

[Privacy Policy \(https://www.jamco.co.jp/en/privacy.html\)](https://www.jamco.co.jp/en/privacy.html)

[Publication of Particulars based on the Act on the Protection of Personal Information \(Japanese text only\) \(https://www.jamco.co.jp/ja/matters.html\)](https://www.jamco.co.jp/ja/matters.html)

Risk Management Promotion Structure

