

**Consolidated Financial Results  
for the Third Quarter of the Fiscal Year 2017  
Ending March 31, 2018  
[Japanese GAAP]**



February 6, 2018

Company name: JAMCO Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock Exchange Code: 7408  
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 The date of filing quarterly securities report: February 7, 2018  
 The start date of payout of dividend: —  
 Availability of supplementary briefing material on quarterly financial results: None  
 Schedule of quarterly financial results briefing session: None

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

**1. Consolidated Operating Results for the Third Quarter of the Fiscal Year 2017 (from April 1, 2017 to December 31, 2017)**

(1) Consolidated Operating Results (%: Changes from the previous corresponding period)

|                          | Net sales   |        | Operating income |        | Ordinary income |        | Net income attributable to shareholders of parent company |        |
|--------------------------|-------------|--------|------------------|--------|-----------------|--------|---|--------|
|                          | Million yen | %      | Million yen      | %      | Million yen     | %      | Million yen   | %      |
| For the third quarter of |             |        |                  |        |                 |        |   |        |
| Fiscal year 2017         | 55,896      | (4.5)  | 3,026            | 144.8  | 2,933           | 265.5  | 1,323   | 114.3  |
| Fiscal year 2016         | 58,499      | (11.9) | 1,236            | (82.5) | 802             | (88.9) | 617   | (86.3) |

(Note) Comprehensive income: The third quarter of fiscal year 2017: ¥1,719 million [367.5%]  
 The third quarter of fiscal year 2016: ¥367 million [(92.0)%]

|                          | Net income per share | Diluted net income per share |
|--------------------------|----------------------|------------------------------|
| For the third quarter of | Yen                  | Yen                          |
| Fiscal year 2017         | 49.32                | -                            |
| Fiscal year 2016         | 23.02                | -                            |

(2) Consolidated Financial Position

|                         | Total assets | Net assets  | Equity ratio |
|-------------------------|--------------|-------------|--------------|
|                         | Million yen  | Million yen | %            |
| As of December 31, 2017 | 92,581       | 29,383      | 30.8         |
| As of March 31, 2017    | 92,559       | 28,003      | 29.4         |

(Reference) Equity: As of December 31, 2017: ¥28,559 million  
 As of March 31, 2017: ¥27,189 million

## 2. Dividend distribution

|                               | Dividend distribution per share |                    |                    |              |              |
|-------------------------------|---------------------------------|--------------------|--------------------|--------------|--------------|
|                               | 1st<br>quarter-end              | 2nd<br>quarter-end | 3rd<br>quarter-end | Year-end     | Total        |
| Fiscal year 2016              | Yen<br>-                        | Yen<br>0.00        | Yen<br>-           | Yen<br>10.00 | Yen<br>10.00 |
| Fiscal year 2017              | -                               | 0.00               | -                  |              |              |
| Fiscal year 2017<br>(Planned) |                                 |                    |                    | 20.00        | 20.00        |

(Note) Revision to the plan of dividend distribution announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year 2017 (from April 1, 2017 to March 31, 2018)

(%: indicates changes from the previous corresponding period.)

|           | Net sales   |       | Operating income |      | Ordinary income |       | Net income attributable to shareholders of parent company |       | Net income per share |
|-----------|-------------|-------|------------------|------|-----------------|-------|---|-------|----------------------|
| Full year | Million yen | %     | Million yen      | %    | Million yen     | %     | Million yen   | %     | Yen                  |
|           | 79,400      | (3.0) | 3,800            | 78.2 | 3,470           | 169.8 | 2,280   | 124.7 | 84.99                |

(Note) Revision to the forecast of consolidated financial results announced most recently: None

### \* Notes:

(1) Changes in significant subsidiaries during this quarter of the fiscal year 2017: None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of common shares issued

1) Number of common shares outstanding (including the number of treasury stock):

As of December 31, 2017: 26,863,974 shares

As of March 31, 2017: 26,863,974 shares

2) Number of treasury stock:

As of December 31, 2017: 38,762 shares

As of March 31, 2017: 38,730 shares

3) Average number of common shares outstanding:

3<sup>rd</sup> quarter of FY 2017: 26,825,218 shares

3<sup>rd</sup> quarter of FY 2016: 26,825,273 shares

**\*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 quarterly financial results are outside the scope of quarterly review.

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

The earnings forecasts and other 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.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the third quarter of FY 2017, the overall global economy remained firm, as the U.S. economy steadily improved, and the economies in Japan and the euro-zone also continued to recover moderately, while China and emerging countries also showed signs of economic rebound. In the foreign exchange market, the dollar-yen exchange rate remained unstable due mainly to trends in monetary policies in the U.S. and a heightened sense of caution about the situation concerning North Korea. Meanwhile, since the U.S. Federal Reserve Board (FRB) demonstrated a positive attitude towards raising interest rates for the time being in September, the dollar is expected to further strengthen, and generally has stably hovered around ¥112 per US\$1 toward the end of the third quarter of FY 2017.

In the air transportation industry, growing global demand for air transportation and low crude oil prices have resulted in improved earnings for airlines. However, fierce competition continues due to aggressive efforts of low-cost carriers (LCCs), and major airlines are launching various strategies such as securing flight routes with high demand, introducing new fuel-efficient aircraft, and enhancing attractive passenger cabin services. Backed by rising aircraft demand, aircraft manufacturers have maintained a high level of order backlog. Aircraft demand continues to expand, with the number of aircraft delivered in 2017 reaching record highs for both Boeing and Airbus. In addition, Boeing has announced plans to increase its monthly production of the Boeing 787 to 14 in 2019, as well as the delivery schedule for the first Boeing 777X. Accordingly, order volume for aircraft-related manufacturers, including the Company, is expected to grow.

Under such circumstances, in the aircraft interiors business and the aircraft seat business, the Group endeavored to improve production efficiency, while promoting initiatives to reduce cost.

In the aircraft components business, we promoted efforts to improve productivity for CFRP structure parts and aircraft engine parts.

In the aircraft maintenance business, we continued with initiatives to ensure flight safety and enhance quality, while also taking initiatives to expand the range of services and improve earnings, in addition to promoting order receipt of new products.

As a result, on a consolidated basis, during the third quarter of FY 2017, the Company posted net sales of ¥55,896 million (down ¥2,603 million compared to the same period of the previous fiscal year), operating income of ¥3,026 million (up ¥1,789 million compared to the same period of the previous fiscal year), ordinary income of ¥2,933 million (up ¥2,131 million compared to the same period of the previous fiscal year) and net income attributable to shareholders of parent company of ¥1,323 million (up ¥705 million compared to the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥2,705 million for construction to be completed in or after the next fiscal year was recognized as of December 31, 2017. The impact of this provision for loss on construction contracts on income (loss) for the quarterly third quarter of FY 2017 was an increase of ¥355 million in cost of sales (provision for loss on construction contracts as of September 30, 2017 was ¥2,350 million) and, for the cumulative third quarter of FY 2017, a decrease of ¥728 million in cost of sales (provision for loss on construction contracts at the end of FY 2016 was ¥3,434 million).

Selling, general and administrative expenses, non-operating income (expenses), extraordinary income (loss) and total income taxes for the Group are as follows:

Selling, general and administrative expenses were ¥6,073 million (a decrease of ¥387 million compared to the same period of the previous fiscal year) due to a decrease in expenses such as personnel expenses, sales commissions, and warranty expenses.

In terms of non-operating income (expenses), an expense of ¥92 million was reported, an improvement of ¥341 million compared to the same period of the previous fiscal year during which foreign exchanges losses of ¥184 million due to yen appreciation and compensation expenses of ¥127 million were recognized (an expense of ¥433 million in the same period of the previous fiscal year).

As for extraordinary income (loss), a loss of ¥30 million was reported due mainly to loss on disposal of non-current assets (a loss of ¥23 million in the same period of the previous fiscal year).

Total income taxes were ¥1,523 million (¥147 million in the same period of the previous fiscal year) primarily due to recording of a partial reversal of a U.S. subsidiary's deferred tax assets of ¥468 million during the third quarter of FY 2017. This is the result of the enactment of the tax reform act, which includes a reduction of the U.S. federal income tax rate from 35% to 21% on December 22, 2017 (local time).

Business performance by segment is as follows.

#### [Aircraft Interiors Business]

In the aircraft interiors business, although U.S. dollar-denominated net sales were higher than expected due to the weaker yen in the foreign exchange market compared to the same period of the previous fiscal year, net sales decreased from the same period of the previous fiscal year. This decline was attributable to factors including a decrease in shipments of galleys and lavatories for the current Boeing 777s that are being replaced by the Boeing 777X, which is under development by Boeing. Meanwhile, although ordinary income was somewhat impacted by the decrease in net sales, it increased from the same period of the previous fiscal year, owing to the higher-than-expected net sales denominated in U.S. dollars and an improvement in foreign exchange gains and losses due to the weaker yen, as well as additional sales resulting from changes in customer specifications, lower costs achieved through cost reduction measures and a decline in provision for loss on construction contracts.

As a result, the aircraft interiors business posted net sales of ¥37,788 million (down ¥2,673 million compared to the same period of the previous fiscal year) and ordinary income of ¥5,051 million (up ¥2,046 million compared to the same period of the previous fiscal year).

#### [Aircraft Seat Business]

In the aircraft seat business, net sales increased from the same period of the previous fiscal year. This increase was attributable to product shipments from new programs and increased sales of spare parts for seats. However, with regard to ordinary income (loss), although the Company sought to improve profitability through measures that included the improvement of production efficiency, an increase in the initial costs of development and manufacturing of new programs and other factors resulted in an ordinary loss.

As a result, the aircraft seat business posted net sales of ¥8,426 million (up ¥372 million compared to the same period of the previous fiscal year) and ordinary loss of ¥2,196 million (ordinary loss of ¥2,138 million in the same period of the previous fiscal year).

#### [Aircraft Components Business]

In the aircraft components business, net sales decreased from the same period of the previous fiscal year. This was primarily because, although the production of aircraft engine parts rose, there was a decline in the production of CFRP structure parts (ADP) owing to the impact of the decrease in monthly production of the Airbus A380, and also because of the decline in shipments of heat exchangers and other defense-related components. With regard to ordinary income (loss), despite an improvement in production efficiency for aircraft engine parts, an ordinary loss was reported, largely affected by the decrease in production of the Airbus A380 and the decrease in net sales of heat exchangers and other defense-related components.

As a result, the aircraft components business posted net sales of ¥4,151 million (down ¥570 million compared to the same period of the previous fiscal year) and ordinary loss of ¥53 million (ordinary loss of ¥8 million in the same period of the previous fiscal year).

#### [Aircraft Maintenance Business]

In the aircraft maintenance business, although net sales of aircraft maintenance were weak as a result of a decrease in completed construction due to factors such as the termination of our contract for regular inspection and maintenance of Civil Aviation Bureau flight inspection aircraft and changes in the delivery dates for a portion of defense-related aircraft maintenance, net sales increased from the same period of the previous fiscal year and ordinary income (loss) improved due to increased profitability thanks to continued strong production for equipment maintenance.

As a result, the aircraft maintenance business posted net sales of ¥5,529 million (up ¥266 million compared to the same period of the previous fiscal year) and ordinary income of ¥131 million (ordinary loss of ¥53 million in the same period of the previous fiscal year).

#### [Others]

The Others segment includes the businesses of the consolidated subsidiary Orange JAMCO Corporation, and we were able to make steady progress mainly in inter-segment transactions, including assistance work in the aircraft interiors business.

As a result, the Others segment posted net sales of ¥0 million (down ¥0 million from the same period of the previous fiscal year) and ordinary loss of ¥0 million (ordinary loss of ¥0 million in the same period of the previous fiscal year).

### (2) Explanation of Financial Position

#### [Assets, liabilities and net assets]

Total assets as of December 31, 2017 amounted to ¥92,581 million, up ¥22 million from the end of the previous fiscal year. Of such, total current assets increased by ¥489 million from the end of the previous fiscal year, due mainly to an increase in cash and deposits (up ¥2,508 million compared to the end of the previous fiscal year) and an increase in work in process (up ¥4,732 million compared to the end of the previous fiscal year), despite a decrease in notes and accounts receivable - trade (down ¥ 4,462 million compared to the end of the previous fiscal year) and a decrease in raw materials and supplies (down ¥ 1,584 million compared to the end of the previous fiscal year). Total non-current assets decreased by ¥467 million from the end of the previous fiscal year as a result of relatively limited investment for the third quarter of FY 2017.

Total liabilities amounted to ¥63,198 million, down ¥1,357 million from the end of the previous fiscal year. This was attributable primarily to a decrease in notes and accounts payable - trade (down ¥1,920 million compared to the end of the previous fiscal year), a decrease in accrued expense-salary (down ¥648 million compared to the end of the previous fiscal year) and a decrease in provision for loss on construction contracts (down ¥728 million compared to the end of the previous fiscal year), which offset the increase in electronically recorded obligations - operating (up ¥447 million compared to the end of the previous fiscal year) and the increase in short-term loans payable (up ¥261 million compared to the end of the previous fiscal year).

Total net assets amounted to ¥29,383 million, up ¥1,379 million from the end of the previous fiscal year. This was due primarily to an increase in retained earnings (up ¥1,054 million compared to the end of the previous fiscal year). As a result, the equity ratio stood at 30.8%.

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

While an ordinary loss was posted in the aircraft seat business and total income taxes increased as a result of a partial reversal of a U.S. subsidiary's deferred tax assets due to a reduction of the U.S. federal tax income rate during the third quarter of FY 2017, with regard to the financial results of the entire Group, the consolidated financial results forecast for the full fiscal year ending March 31, 2018, announced on May 10, 2017, remains unchanged due primarily to higher-than-expected income for the aircraft interiors business. The exchange rate assumed for the outlook is unchanged as well at ¥110 per US\$1.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

|  | As of March 31, 2017 | As of December 31, 2017 |
|--|----------------------|-------------------------|
| <b>Assets</b>  |                      |                         |
| Current assets   |                      |                         |
| Cash and deposits  | 2,277,428            | 4,785,569               |
| Notes and accounts receivable - trade                      | 23,158,092           | 18,695,347              |
| Merchandise and finished goods                             | 602,859              | 275,315                 |
| Work in process  | 23,098,314           | 27,831,150              |
| Raw materials and supplies                                 | 17,659,592           | 16,074,749              |
| Other  | 5,958,534            | 5,578,088               |
| Allowance for doubtful accounts                            | (6,161)              | (2,412)                 |
| Total current assets                                       | 72,748,660           | 73,237,807              |
| Non-current assets   |                      |                         |
| Property, plant and equipment                              | 14,356,198           | 13,819,877              |
| Intangible assets  | 1,562,225            | 1,803,360               |
| Investments and other assets                               | 3,892,687            | 3,720,736               |
| Total non-current assets                                   | 19,811,111           | 19,343,973              |
| Total assets   | 92,559,772           | 92,581,781              |
| <b>Liabilities</b>   |                      |                         |
| Current liabilities  |                      |                         |
| Notes and accounts payable - trade                         | 9,608,011            | 7,687,932               |
| Electronically recorded obligations - operating            | 6,371,831            | 6,819,415               |
| Short-term loans payable                                   | 22,741,823           | 23,003,597              |
| Current portion of long-term loans payable                 | 700,000              | 900,000                 |
| Income taxes payable                                       | 965,269              | 454,447                 |
| Accrued expense-salary                                     | 1,302,943            | 654,732                 |
| Provision for loss on construction contracts               | 3,434,215            | 2,705,419               |
| Other  | 7,121,763            | 8,609,590               |
| Total current liabilities                                  | 52,245,859           | 50,835,135              |
| Non-current liabilities                                    |                      |                         |
| Long-term loans payable                                    | 4,700,000            | 4,500,000               |
| Provision for directors' and auditors' retirement benefits | 175,420              | 170,589                 |
| Provision for executive officers' retirement benefits      | 119,702              | 149,132                 |
| Liability for employee retirement benefits                 | 6,808,585            | 6,899,602               |
| Other  | 506,664              | 643,932                 |
| Total non-current liabilities                              | 12,310,373           | 12,363,256              |
| Total liabilities  | 64,556,232           | 63,198,392              |

(Thousand yen)

|   | As of March 31, 2017 | As of December 31, 2017 |
|---|----------------------|-------------------------|
| Net assets  |                      |                         |
| Shareholders' equity                                    |                      |                         |
| Capital stock   | 5,359,893            | 5,359,893               |
| Capital surplus   | 4,367,993            | 4,367,993               |
| Retained earnings                                       | 17,626,220           | 18,681,071              |
| Treasury stock  | (30,689)             | (30,772)                |
| Total shareholders' equity                              | 27,323,417           | 28,378,185              |
| Accumulated other comprehensive income                  |                      |                         |
| Valuation difference on available-for-sale securities   | 106,871              | 182,805                 |
| Deferred gains or losses on hedges                      | (72,280)             | (7,244)                 |
| Foreign currency translation adjustment                 | 135,690              | 239,383                 |
| Accumulated adjustment for employee retirement benefits | (304,154)            | (233,940)               |
| Total accumulated other comprehensive income            | (133,873)            | 181,004                 |
| Non-controlling interests                               | 813,996              | 824,199                 |
| Total net assets  | 28,003,540           | 29,383,388              |
| Total liabilities and net assets                        | 92,559,772           | 92,581,781              |

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

## Quarterly Consolidated Statements of Income

Third Quarter of the Fiscal Year (from April 1 to December 31)

(Thousand yen)

|   | The third quarter of FY 2016 | The third quarter of FY 2017 |
|---|------------------------------|------------------------------|
| Net sales   | 58,499,644                   | 55,896,092                   |
| Cost of sales   | 50,802,532                   | 46,796,196                   |
| Gross profit  | 7,697,112                    | 9,099,895                    |
| Selling, general and administrative expenses                  | 6,460,922                    | 6,073,894                    |
| Operating income  | 1,236,189                    | 3,026,001                    |
| Non-operating income  |                              |                              |
| Interest income   | 4,415                        | 10,248                       |
| Dividend income   | 4,445                        | 4,599                        |
| Foreign exchange gains  | -                            | 12,898                       |
| Share of profit of entities accounted for using equity method | 20,635                       | 15,793                       |
| Subsidy income  | 60,003                       | 54,200                       |
| Other   | 40,216                       | 109,594                      |
| Total non-operating income                                    | 129,716                      | 207,336                      |
| Non-operating expenses  |                              |                              |
| Interest expenses   | 218,642                      | 239,192                      |
| Foreign exchange losses                                       | 184,512                      | -                            |
| Compensation expenses   | 127,324                      | -                            |
| Other   | 32,880                       | 60,598                       |
| Total non-operating expenses                                  | 563,359                      | 299,790                      |
| Ordinary income   | 802,546                      | 2,933,546                    |
| Extraordinary income  |                              |                              |
| Gain on sales of investment securities                        | 4,062                        | -                            |
| Gain on sales of non-current assets                           | 360                          | -                            |
| Total extraordinary income                                    | 4,423                        | -                            |
| Extraordinary loss  |                              |                              |
| Loss on disposal of non-current assets                        | 14,842                       | 30,855                       |
| Head office transfer expenses                                 | 13,320                       | -                            |
| Total extraordinary loss                                      | 28,162                       | 30,855                       |
| Income before taxes   | 778,807                      | 2,902,691                    |
| Income taxes - current  | 9,801                        | 605,485                      |
| Income taxes - deferred                                       | 137,927                      | 917,771                      |
| Total income taxes  | 147,728                      | 1,523,256                    |
| Net income  | 631,078                      | 1,379,434                    |
| Net income attributable to non-controlling shareholders       | 13,575                       | 56,331                       |
| Net income attributable to shareholders of parent company     | 617,503                      | 1,323,103                    |

Quarterly Consolidated Statements of Comprehensive Income  
 Third Quarter of the Fiscal Year (from April 1 to December 31)

(Thousand yen)

|  | The third quarter of FY 2016 | The third quarter of FY 2017 |
|--|------------------------------|------------------------------|
| Net income   | 631,078                      | 1,379,434                    |
| Other comprehensive income   |                              |                              |
| Valuation difference on available-for-sale securities                                | 13,477                       | 75,934                       |
| Deferred gains or losses on hedges   | (372,876)                    | 65,036                       |
| Foreign currency translation adjustment  | 40,376                       | 119,586                      |
| Adjustment for employee retirement benefits  | 61,303                       | 70,214                       |
| Share of other comprehensive income of entities<br>accounted for using equity method | (5,541)                      | 9,340                        |
| Total other comprehensive income   | (263,260)                    | 340,111                      |
| Comprehensive income   | 367,818                      | 1,719,546                    |
| Comprehensive income attributable to   |                              |                              |
| Comprehensive income attributable to shareholders of<br>parent company               | 355,993                      | 1,637,981                    |
| Comprehensive income attributable to non-controlling<br>shareholders                 | 11,824                       | 81,565                       |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Segment information, etc.)

[Segment information]

I. For the third quarter of FY 2016

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

(Thousand yen)

|   | Reportable segment                |                           |                                    |                                     |            | Others<br>(Note) | Total      |
|---|-----------------------------------|---------------------------|------------------------------------|-------------------------------------|------------|------------------|------------|
|   | Aircraft<br>Interiors<br>Business | Aircraft Seat<br>Business | Aircraft<br>Components<br>Business | Aircraft<br>Maintenance<br>Business | Total      |                  |            |
| Net sales                               |                                   |                           |                                    |                                     |            |                  |            |
| Net sales to outside<br>customers       | 40,461,556                        | 8,053,375                 | 4,721,717                          | 5,262,934                           | 58,499,584 | 60               | 58,499,644 |
| Inter-segment net sales or<br>transfers | 719,068                           | -                         | 3,524                              | 40,012                              | 762,605    | 67,918           | 830,524    |
| Total                                   | 41,180,625                        | 8,053,375                 | 4,725,242                          | 5,302,946                           | 59,262,190 | 67,978           | 59,330,169 |
| Segment income (loss)                   | 3,004,488                         | (2,138,859)               | (8,348)                            | (53,905)                            | 803,374    | (827)            | 802,546    |

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

2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences  
(Matters relating to adjustment of differences)

(Thousand yen)

| Income   | Amount  |
|--|---------|
| Reportable segments total  | 803,374 |
| Loss of Others   | (827)   |
| Ordinary income in the Quarterly Consolidated Statement of<br>Income | 802,546 |

3. Information on impairment loss on non-current assets and goodwill by reportable segment  
There is no relevant information.

II. For the third quarter of FY 2017

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

(Thousand yen)

|   | Reportable segment                |                           |                                    |                                     |            | Others<br>(Note) | Total      |
|---|-----------------------------------|---------------------------|------------------------------------|-------------------------------------|------------|------------------|------------|
|   | Aircraft<br>Interiors<br>Business | Aircraft Seat<br>Business | Aircraft<br>Components<br>Business | Aircraft<br>Maintenance<br>Business | Total      |                  |            |
| Net sales                               |                                   |                           |                                    |                                     |            |                  |            |
| Net sales to outside<br>customers       | 37,788,364                        | 8,426,288                 | 4,151,702                          | 5,529,725                           | 55,896,080 | 11               | 55,896,092 |
| Inter-segment net sales or<br>transfers | 1,465,797                         | -                         | 3,166                              | 134,205                             | 1,603,169  | 77,940           | 1,681,110  |
| Total                                   | 39,254,162                        | 8,426,288                 | 4,154,868                          | 5,663,930                           | 57,499,250 | 77,952           | 57,577,202 |
| Segment income (loss)                   | 5,051,450                         | (2,196,264)               | (53,128)                           | 131,790                             | 2,933,849  | (302)            | 2,933,546  |

(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 assistance work in the Company's factories, which is one of the corporate social responsibilities.

2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences  
(Matters relating to adjustment of differences)

(Thousand yen)

| Income   | Amount    |
|--|-----------|
| Reportable segments total  | 2,933,849 |
| Loss of Others   | (302)     |
| Ordinary income in the Quarterly Consolidated Statement of<br>Income | 2,933,546 |

3. Matters concerning changes to reportable segments, etc.  
There is no relevant information.