



To Our Shareholders

The **83**rd Term
April 1, 2022 → September 30, 2022
Interim Business Report



Stock Code: 7408





Representative Director,
President & CEO Toshiyuki Abe

★ Results for the First Half of FY 2022

During the first half of FY 2022, while the global economy showed signs of recovery from the effects of the COVID-19 pandemic, the situation remained uncertain due to the prolonged crisis in Ukraine, soaring crude oil prices, and rising raw material prices. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥122 to ¥144 per US\$1 due to rapid exchange rate fluctuations resulting from monetary tightening in the U.S.

In the air transportation industry, in addition to recovery in domestic flight demand, a gradual recovery is seen in demand for international flights as countries ease or do away with entry restrictions, and some airlines have begun to order new aircraft and resume operation of out-of-service equipment in anticipation of a recovery of passenger demand. Aircraft manufacturers, as well, are starting to see increased orders for some models with the recovery of air passenger demand.

As air passenger demand shows signs of recovery in these ways, the Group has transferred back employees

Corporate 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.

The JAMCO Commitment

seconded to companies outside the Group and begun to recruit new graduates. In the production process, we continued activities to improve operational efficiency, and initiated plans to expand the production capacity and functions of JAMCO PHILIPPINES and strengthen our supply chain both in Japan and overseas, in preparation for further demand rebound. Furthermore, we developed systems to promote sustainability in order to promote actions in ESG/SDGs from various angles.

In the aircraft interiors business, the recovery in airline passenger demand has led to an increase in demand for maintenance parts and cabin modification in order to utilize aircraft owned by airlines, and we strengthened efforts toward a stronger production organization to meet the demand. To ease the anxiety of passengers onboard, we carried out product development for ensuring a clean and hygienic cabin and conducted research and proposals with a view to expanding the product development to include galleys, lavatories, and seats.

In the aircraft seat business, we devoted efforts to readying versions of the highly profitable Venture business class seat for additional aircraft types, as well as to the development of the next generation Quest for Elegance business class seat.

In the aircraft components business, we took initiatives to improve productivity, continue with development of lightweight aircraft components using thermoplastic CFRP (carbon-fiber reinforced plastic), and expand application of CFRP components into fields other than the aircraft sector.

In the aircraft maintenance business, we aimed to strengthen a business base capable of generating stable profits by continuing with initiatives to ensure flight safety and enhance quality, while also endeavoring to acquire orders for aircraft maintenance from airlines and from government and municipal offices.

As a result, on a consolidated basis, during the first half of FY 2022, the Company posted net sales of ¥17,042 million (down ¥1,435 million compared to the same period of the previous fiscal year), operating income of ¥281 million (an operating loss of ¥511 million in the same period of the previous fiscal year), ordinary income of ¥354 million (an ordinary loss of ¥687 million in the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥655 million (a net loss attributable to shareholders of parent company of ¥47 million in the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥3,833 million for construction to be completed in or after the third quarter of FY 2022 was recognized as of September 30, 2022. The impact of this provision for loss on construction contracts on operating income (loss) for the second quarter of FY 2022 was an increase of ¥135 million in cost of sales (provision for loss on construction contracts as of June 30, 2022, was ¥3,698 million) and, for the first half of FY 2022, an increase of ¥4 million in cost of sales (provision for loss on construction contracts as of March 31, 2022, was ¥3,828 million).

For the entire Group, selling, general and administrative expenses, non-operating income (expenses), and extraordinary income (loss) are as follows:

Selling, general and administrative expenses were ¥3,793 million (an increase of ¥142 million compared to the same period of the previous fiscal year), due mainly to increases in personnel expenses and sales commissions.

The result for non-operating income (expenses) was a gain of ¥73 million (a loss of ¥175 million in the same period of the previous fiscal year), due to factors such as an increase in foreign exchange gains as the yen value dropped on the foreign exchange market from the end of the previous fiscal year, despite an increase in interest expenses mainly reflecting higher U.S. interest rates.

The result for extraordinary income (loss) was a gain of ¥37 million (a gain of ¥300 million in the same period of the previous fiscal year). The main extraordinary loss was a COVID-19-related loss of ¥75 million consisting of running costs including fixed costs resulting from the temporary leave of employees, and extraordinary income consisted mainly of subsidy income of ¥117 million including subsidies for the purpose of maintaining employment in the U.S.

Financial Position

Total assets as of September 30, 2022, amounted to ¥100,450 million, up ¥6,799 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥5,887 million from the end of the previous fiscal year as, despite the decline in notes and accounts receivable - trade and contract assets by ¥4,309 million, work in process increased by ¥5,978 million and raw materials and supplies increased by ¥2,951 million from the end of the previous fiscal year. Total non-current assets also increased by ¥911 million from the end of the previous fiscal year as property, plant and equipment increased by ¥264 million and intangible assets increased by ¥181 million from the end of the previous fiscal year. Total liabilities amounted to ¥88,421 million, up ¥5,865 million from the end of the previous fiscal year. The main factor was a rise in short-term loans payable by ¥5,817 million from the end of the previous fiscal year.

Total net assets amounted to ¥12,028 million, up ¥933 million from the end of the previous fiscal year. The main factor was an increase in retained earnings resulting from

Consolidated
Financial
Highlights for
the First Half
of FY 2022

Net sales
¥17,042 million
Down **7.8%**
year-on-year

Operating income
¥281 million

Ordinary income
¥354 million

Net income
attributable to
shareholders of
parent company
¥655 million

net income attributable to shareholders of parent company. As a result, the equity ratio stood at 11.6%.

✈️ Outlook for the Fiscal Year

A decrease in net sales is expected for the aircraft interiors business and the aircraft seat business due to the resumption of shipments for Boeing 787 aircraft and some cabin modification programs being delayed more than originally planned.

On the other hand, in terms of profits, the consolidated financial results forecast for the full year has been revised upward due to increased sales of spare parts to airlines as the number of aircraft in operation grew, the effect of cost reduction measures by the improvement in operational efficiency, and the yen depreciating more than expected.

In light of the foregoing, the outlook calls for net sales of ¥49,800 million, operating income of ¥2,780 million, ordinary income of ¥1,860 million, and net income attributable to shareholders of parent company of ¥2,160 million.

As described in the “Notice Concerning the Recording of Extraordinary Income Associated with the Transfer

of a Non-Current Asset of a Consolidated Subsidiary” (in Japanese only) published on September 30, 2022, approximately ¥446 million of gain on transfer of non-current assets is included in extraordinary income in the third quarter of FY 2022.

Meanwhile, the exchange rate assumed for the consolidated financial results forecast for the second half of FY 2022 has been changed from ¥115 per US\$1 to ¥130 per US\$1.

We regret to inform shareholders that we will not pay dividends for this fiscal year, including interim dividends, as initially planned. We would like to ask our shareholders for their continued support as we strive to resume dividend payments as soon as possible.

FY 2022
Consolidated
Financial Results
Forecasts



We continue to take on challenges in line with the times ba

Realized high strength bonding of CFRP and titanium alloy without adhesive

A joint research group, joined by Associate Professors Keiichi Shirasu and Masayoshi Mizutani of the Tohoku University School of Engineering, Professor Shigeru Obayashi of the Tohoku University Institute of Fluid Science, and JAMCO, succeeded in displaying shear bond strength comparable to or higher than that of existing adhesive junctions by hot pressing carbon-fiber reinforced plastics (CFRPs) on to a surface structure with a cylindrical protrusion produced on a metal three-dimensional printer. By optimizing the metal surface structure to efficiently transfer the shear load and taking into account various conditions such as the characteristics of CFRPs to be combined, the technique could lead to the commercialization of direct bonding in the future.

This research is the result of a research program led by the New Energy and Industrial Technology Development Organization (NEDO) entitled “Development of multimaterial 3D bonding/optimal molding technology that achieves greater reliability than current bonding in the aviation field” and was published in the *International Journal of Adhesion and Adhesives* on May 10, 2022.



東北大学
TOHOKU UNIVERSITY



Jamco
ALWAYS FLY TOGETHER

JAMCO's CFRP adopted in TAISEI CORPORATION's vibration/sound-proofing structure frame “T-Silent® CFRP Frame”

JAMCO's CFRP (carbon-fiber reinforced plastic) made with ADP process was adopted by TAISEI CORPORATION's vibration/sound-proofing structure frame “T-Silent® CFRP Frame,” demonstrating excellent workability.

ADP (Advanced Pultrusion) is a process developed by JAMCO for manufacturing CFRP parts without any limit to their length in theory and with extremely high precision with respect to straightness and perpendicularity, among other things. CFRPs using this process from the primary structure parts of the vertical tail fin for Airbus aircraft excluding Airbus A220 and A350 and the second floor structure parts for the Airbus A380. Since CFRPs are extremely light weight, approximately one-eleventh of the weight of steel frame parts generally used as the frame of vibration/sound-proofing structures, there is no need to use lifting equipment. Compared to using steel frame parts, construction time can be reduced to about one-third, or five hours.



Vibration/sound-proofing frame using JAMCO's CFRP
Photo credit: TAISEI CORPORATION

sed on high-technical capabilities that we have cultivated.

“Quest” receives iF DESIGN AWARD 2022

JAMCO’s premium class seat “Quest” has received the iF DESIGN AWARD 2022, one of the most famous international design awards. The iF DESIGN AWARD is sponsored by the iF International Forum Design, based in Hannover, Germany, and has been internationally recognized for 68 years as an award for “proof of excellent design.” In 2022, 132 experts rigorously screened 11,000 submitted designs from 57 countries and regions and we received the award in the Professional Concept category.



“Personalized Sound Zone System” selected as finalist in “Crystal Cabin Awards”

At the Crystal Cabin Awards 2022 held in Hamburg Messe, Germany, JAMCO and NTT sonority, Inc., jointly proposed the Personalized Sound Zone System mounted on the premium class seat “Venture” in the Passenger Comfort category, and it was selected as one of the three finalists. Crystal Cabin Awards are the only awards that recognize innovation in aircraft interiors and the prestigious prizes are given in eight categories including new cabin concepts for aircraft interiors, innovative sustainable technology, and next-generation passenger comfort design.

The Personalized Sound Zone System will allow passengers to enjoy music and movies without having to wear headphones or earphones, while eliminating concerns about the sound leaking out to the surroundings.



* Personalized Sound Zone System

This technology uses dedicated speakers equipped with special hardware and acoustic signal processing technologies to play sound in a specific, limited area that can be heard with open ears, without the need for wearable devices such as earphones or headphones.

The JAMCO Group considers sustainability activities to be an important issue for realizing its Corporate Philosophy and partakes in such activities under the following policy.

Basic Policy on Sustainability

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, aim for the creation of a sustainable society, and improve corporate value through the provision of safer and more reliable products and services

The JAMCO Group started its initiatives for sustainability (ESG, SDGs) in the sustainability transformation (SX) promotion program, which constitutes one of the strategic pillars of the medium- to long-term plan "JAMCO Vision 2030."

To contribute to the creation of a prosperous and sustainable society, placing value on relationships of trust with our stakeholders, the JAMCO Group has started the following new initiatives during the current fiscal year.

Formulated and disclosed the Basic Policy on Sustainability

Newly established the Sustainability Promotion Office in the head office organization for the purpose of reinforcing sustainability-related internal control systems

Streamlined and reviewed promotion organizations related to environmental conservation activities and related rules

Submitted response to CDP^{*1} Climate Change Questionnaire 2022

Started information disclosure in line with the TCFD^{*2} recommendations

Started the calculation of the JAMCO Group's GHG emissions

Started the formulation of important issues (materiality) regarding sustainability

Started considering the introduction of renewable energy

^{*1} CDP is a nonprofit organization that was established in London in 2000 (former name: Carbon Disclosure Project).

CDP provides a global information disclosure system for companies and local governments in the areas of climate change, water security, and deforestation risk/commodity, and the gathered information is utilized by investors, companies and governments around the world.

^{*2} TCFD is an abbreviation for Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB) in December 2015 at the request of the G20 Finance Ministers and Central Bank Governors Meeting to consider disclosure of climate-related information and responses of financial institutions to climate change.

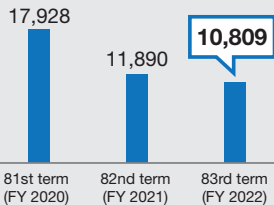




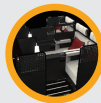
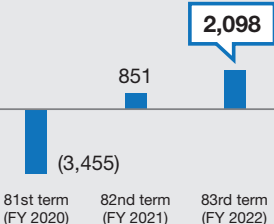
Products and services

Galleys
Lavatories
Galley inserts

Net sales for the second quarter (Millions of Yen)



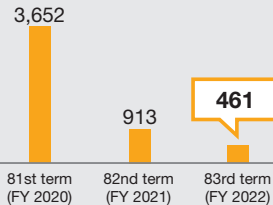
Ordinary income for the second quarter (Millions of Yen)



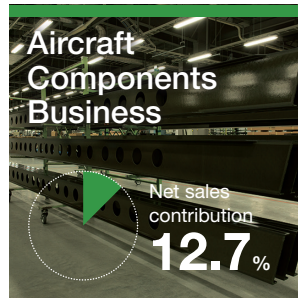
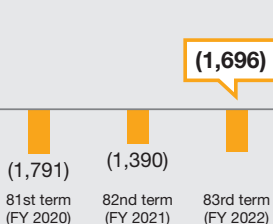
Products and services

Premium class seats
Seat consoles

Net sales for the second quarter (Millions of Yen)



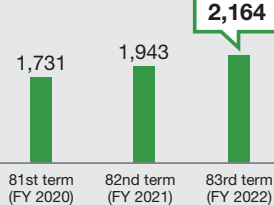
Ordinary income for the second quarter (Millions of Yen)



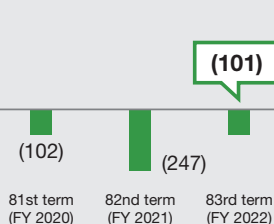
Products and services

Air conditioning components, etc.
Aircraft engine parts
CFRP aircraft structure parts

Net sales for the second quarter (Millions of Yen)



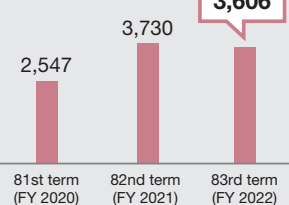
Ordinary income for the second quarter (Millions of Yen)



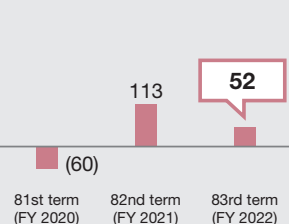
Products and services

Aircraft maintenance and alteration
Accessories maintenance

Net sales for the second quarter (Millions of Yen)



Ordinary income for the second quarter (Millions of Yen)



For details, please access JAMCO's website by scanning the QR code on the right, and select "IR Library."

* QR Code is a registered trademark of DENSO WAVE INCORPORATED

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



Corporate Data

Corporate Data (As of September 30, 2022)

Corporate Name	JAMCO Corporation
Registered Office	6-11-25, Osawa, Mitaka-shi, Tokyo, Japan
Head Office	1-100, Takamatsu-cho, Tachikawa-shi, Tokyo, Japan
Date Established	March 15, 1949
Date Founded	September 1, 1955
Principal Business Activities	<ul style="list-style-type: none"> ● Aircraft Interiors Business Manufacturing galleys, lavatories and various galley insert products, etc. ● Aircraft Seat Business Manufacturing aircraft seats and seat consoles ● Aircraft Components Business Manufacturing heat exchangers, CFRP aircraft structure parts and commercial aircraft engine parts ● Aircraft Maintenance Business Maintenance and alteration of aircraft, cabins and onboard accessories
Capital stock	¥5,359,893,000
Number of Employees	Consolidated: 2,563 Non-consolidated: 1,124

Directors and Executive Officers (As of September 30, 2022)

Representative Director, President & CEO	Toshiyuki Abe	Managing Executive Officer	Tsutomu Tadokoro
Representative Director, Executive Vice President	Takashi Yonekura	Managing Executive Officer	Kentarō Goto
Director & Senior Managing Executive Officer	Toshikazu Kimura	Managing Executive Officer	Hiroshi Uchijo
Outside Director	Natsuki Segawa	Managing Executive Officer	Yukio Kamiyama
Outside Director	Shigeru Harada	Executive Officer	Akihiro Waki
Outside Director*	Shinichi Suzuki	Executive Officer	Keiji Ozawa
Outside Director*	Juichi Watanabe	Executive Officer	Yukihiro Kimoto
Outside Director*	Yuki Tsuru	Executive Officer	Ushio Itakura
Audit & Supervisory Board Member	Noboru Kaburaki	Executive Officer	Saburo Koide
Audit & Supervisory Board Member	Toshihisa Kasuya	Executive Officer	Fumihiko Kamata
Outside Audit & Supervisory Board Member*	Hitoshi Takahashi	Executive Officer	Shinichi Nonome
Outside Audit & Supervisory Board Member*	Kouichiro Watanabe		

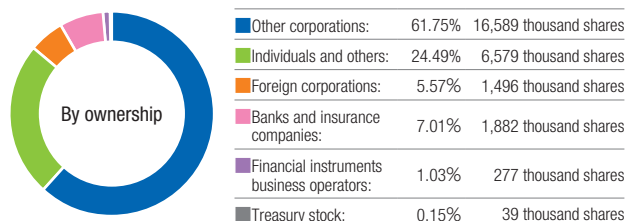
Asterisk (*) indicates independent officers stipulated by the Tokyo Stock Exchange.

Share Data (As of September 30, 2022)

Number of Shares, Number of Shareholders and Listed Stock Exchange

Authorized	80,000,000 shares
Issued	26,863,974 shares
Shareholders	6,455
Listed Stock Exchange	Tokyo Stock Exchange, Prime Market (Code: 7408)

Distribution of Shareholders



List of Major Shareholders (Top 10)

Name of Shareholder	Shares Held (Thousands)	Ratio of Shareholding (%)
ITOCHU Corporation	8,956	33.38
ANA HOLDINGS INC.	5,373	20.03
Showa Aircraft Industry Co., Ltd.	2,003	7.46
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,511	5.63
JAMCO Employees' Stock Holding Association	431	1.60
INTERACTIVE BROKERS LLC	411	1.53
Custody Bank of Japan, Ltd. (Trust Account)	190	0.71
JP MORGAN CHASE BANK 385781	147	0.54
UBS AG LONDON ASIA EQUITIES	136	0.51
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	109	0.40

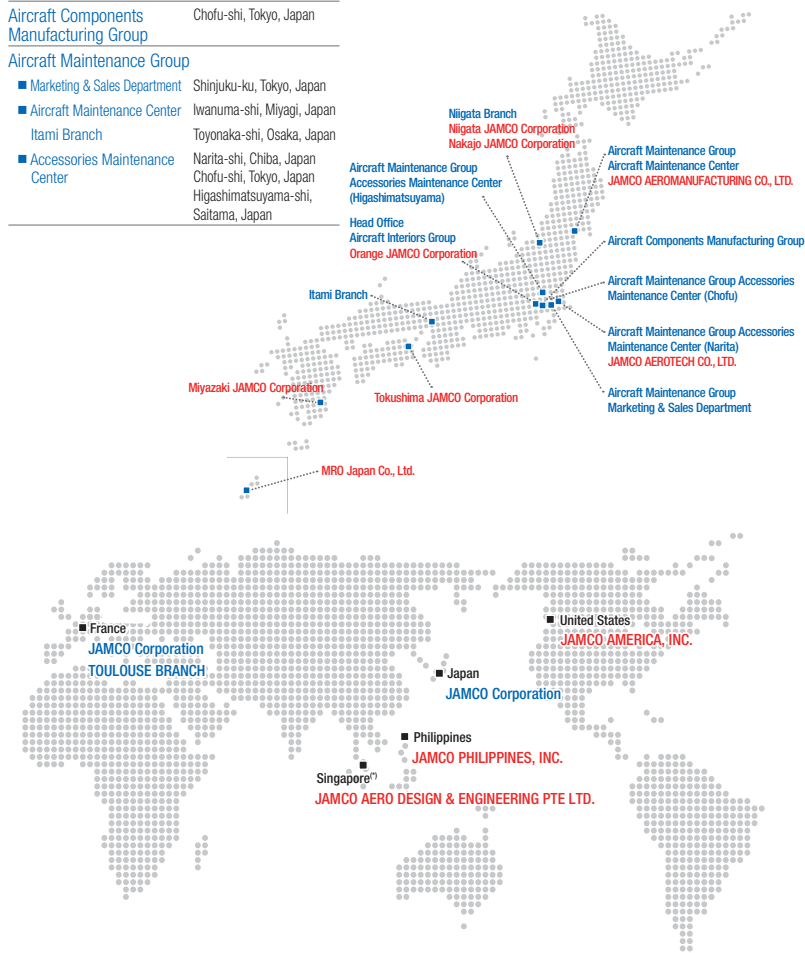
Note: The percentage of shares is calculated after deducting treasury stock (39,007 shares).

Business Locations (As of September 30, 2022)

List of Offices, Facilities, Subsidiaries and Affiliates

Head Office	Tachikawa-shi, Tokyo, Japan
Aircraft Interiors Group	Tachikawa-shi, Tokyo, Japan
■ Niigata Branch	Murakami-shi, Niigata, Japan
Aircraft Components Manufacturing Group	Chofu-shi, Tokyo, Japan
Aircraft Maintenance Group	
■ Marketing & Sales Department	Shinjuku-ku, Tokyo, Japan
■ Aircraft Maintenance Center	Iwanuma-shi, Miyagi, Japan
■ Itami Branch	Toyonaka-shi, Osaka, Japan
■ Accessories Maintenance Center	Narita-shi, Chiba, Japan Chofu-shi, Tokyo, Japan Higashimatsuyama-shi, Saitama, Japan

JAMCO offices, factories, and branches JAMCO subsidiaries and affiliates



Shareholder Memo

Fiscal year	April 1 through March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30

Annual general meeting of shareholders	Every June
Administrator of shareholder registry Account management institution of the special account	Mitsubishi UFJ Trust and Banking Corporation

Contact of the above institution	Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation, 1-1 Nikko-cho, Fuchu-shi, Tokyo, Japan Tel. 0120-232-711 (toll-free in Japan) Mailing address: Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation, P.O. Box 29, Shin-Tokyo Post Office, 137-0801 Japan
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Method of public notices	The public notices of the Company shall be published via electronic media. URL for public notices: https://www.pronexus.co.jp/koukoku/7408/7408.html (However, where publication via electronic media is impossible due to an accident or other unavoidable circumstances, the Company's public notices shall be published in the Nikkei.) Information on the Non-consolidated and Consolidated Financial Statements is available on the Company's corporate site (https://www.jamco.co.jp/).
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Precautions

- With the introduction of electronic share certificates, various procedures, including changes in addresses of shareholders and purchase requests, are in principle performed by account management institutions (securities companies, etc.) where shareholders have established accounts. Please contact the securities companies, etc. where you have accounts. Such procedures may not be handled by the administrator of the share registry (Mitsubishi UFJ Trust and Banking Corporation).
- With regard to various procedures concerning shares recorded in the special account, please contact Mitsubishi UFJ Trust and Banking Corporation, the account management institution. Such procedures are also handled at each branch office of Mitsubishi UFJ Trust and Banking Corporation in Japan.
- As for dividends receivable, please contact the main and branch offices of Mitsubishi UFJ Trust and Banking Corporation.

(*) JAMCO SINGAPORE PTE LTD. was dissolved in January 2021, and its liquidation is underway.

Dispatching Our Engineers for the Commercialization of Flying Cars



Photo credit: SkyDrive

We are promoting the expansion of business domains through cutting-edge technologies and innovation to become a corporate group that creates value. As an initiative for next-generation mobility, JAMCO began the partnership by seconding its aircraft interiors development specialists to SkyDrive Inc. (hereinafter SkyDrive). SkyDrive was established in July 2018 with a mission of “taking the lead in the once-in-a-century mobility revolution,” working to make flying cars commercially available to a mobile society of the future, where people can use air mobility as a means of daily transportation.

We asked a person in charge at SkyDrive and JAMCO’s engineer about their thoughts on flying cars.



Engineer seconded from JAMCO

SkyDrive Inc.
Air Mobility Division
Structure/Cabin Team,
Aircraft Development Group

Tomohiro Suzuki



At SkyDrive, I am assigned to the Structure/Cabin Team of the Air Mobility Division and mainly engaged in the design and development of frames and interiors of aircraft.

Our aim is to obtain type certification from the Ministry of Land, Infrastructure, Transport and Tourism for the flying car currently under development and have it certified as an aircraft. I have been able to utilize JAMCO’s know-how to solve issues for obtaining type certification. Also, so long as the vehicle is an aircraft, there will always be the issue of making it lighter. Going forward, I feel that I can contribute to SkyDrive with my knowledge of aircraft interiors and the knowledge I accumulated at JAMCO in weight reduction technology as well.



SkyDrive Inc.

Air Mobility Division
Structure/Cabin Team Leader,
Aircraft Development Group

Masatoshi Tomita



Our aim is to have the flying car currently under development be certified as an aircraft by the Ministry of Land, Infrastructure, Transport and Tourism and launch the service in Japan in 2025. JAMCO has a proven track record of having supplied numerous aircraft interiors and some structure parts. As such, the provision of know-how cultivated from experience through loaned specialists would be a very valuable support for SkyDrive in our endeavor to create a flying car from scratch.

Going forward, I look forward to technical support in the design and manufacture of interiors and weight reduction technology, which are JAMCO’s forte, while also looking forward to JAMCO’s know-how for obtaining type certification to be shared with us. In addition, I am looking forward to parts supply.

Also, once the flying car is in service, its maintenance would be essential for safe operation. In this area too, I am hoping for a partnership benefiting from aircraft maintenance experience cultivated at JAMCO.



1-100 Takamatsu-cho, Tachikawa, Tokyo 190-0011

Phone: Administration Section +81-42-503-9900

The forward-looking statements presented in these materials are subject to certain risks and uncertainties and were formed based on information available at the time the materials were produced; actual results may differ materially. The Company does not warrant or guarantee the accuracy of forecasts or future events presented herein.

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