

April 1, 2024 through September 30, 2024

# Interim Business Report 2024

November 20, 2024

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1

- In the first half of FY 2024, the Company posted higher sales and income, with net sales of ¥36.4 billion (up ¥9.2 billion compared to the same period of the previous fiscal year), operating income of ¥2.0 billion (up ¥1.2 billion compared to the same period of the previous fiscal year) and ordinary income of ¥1.1 billion (up ¥0.6 billion compared to the same period of the previous fiscal year). Net income was ¥0.9 billion (down ¥0.02 billion compared to the same period of the previous fiscal year).

2

- We temporarily suspended accepting orders involving new development of the aircraft seat business, and our profitability improved by ¥2.5 billion compared to the previous fiscal year.

3

- Net cash provided by operating activities was ¥5.4 billion and free cash flow was ¥4.9 billion. The main factors were acceleration in the collection of notes and accounts receivable - trade through the promotion of cash flow improvement measures, an increase in advances received and income before taxes, despite an increase in inventories.

4

- While net sales in the first half trended weakly against the plan, profits and losses progressed as planned.
- Currently, there are concerns about delays in the schedule for new aircraft production due to ongoing uncertainties, including the impact of the strike at Boeing. However, the full-year consolidated financial results forecast remains unchanged, as demand for modifications of existing aircrafts for airlines and spare parts sales remains strong, and we plan to ship highly profitable products in the second half of the year.
- We are evaluating the impact of the Boeing strike, and if we determine that a revision to our financial results forecast is necessary, we will promptly disclose the update.
- The exchange rate assumed for the consolidated financial results forecast remains unchanged at ¥140 per US\$1.

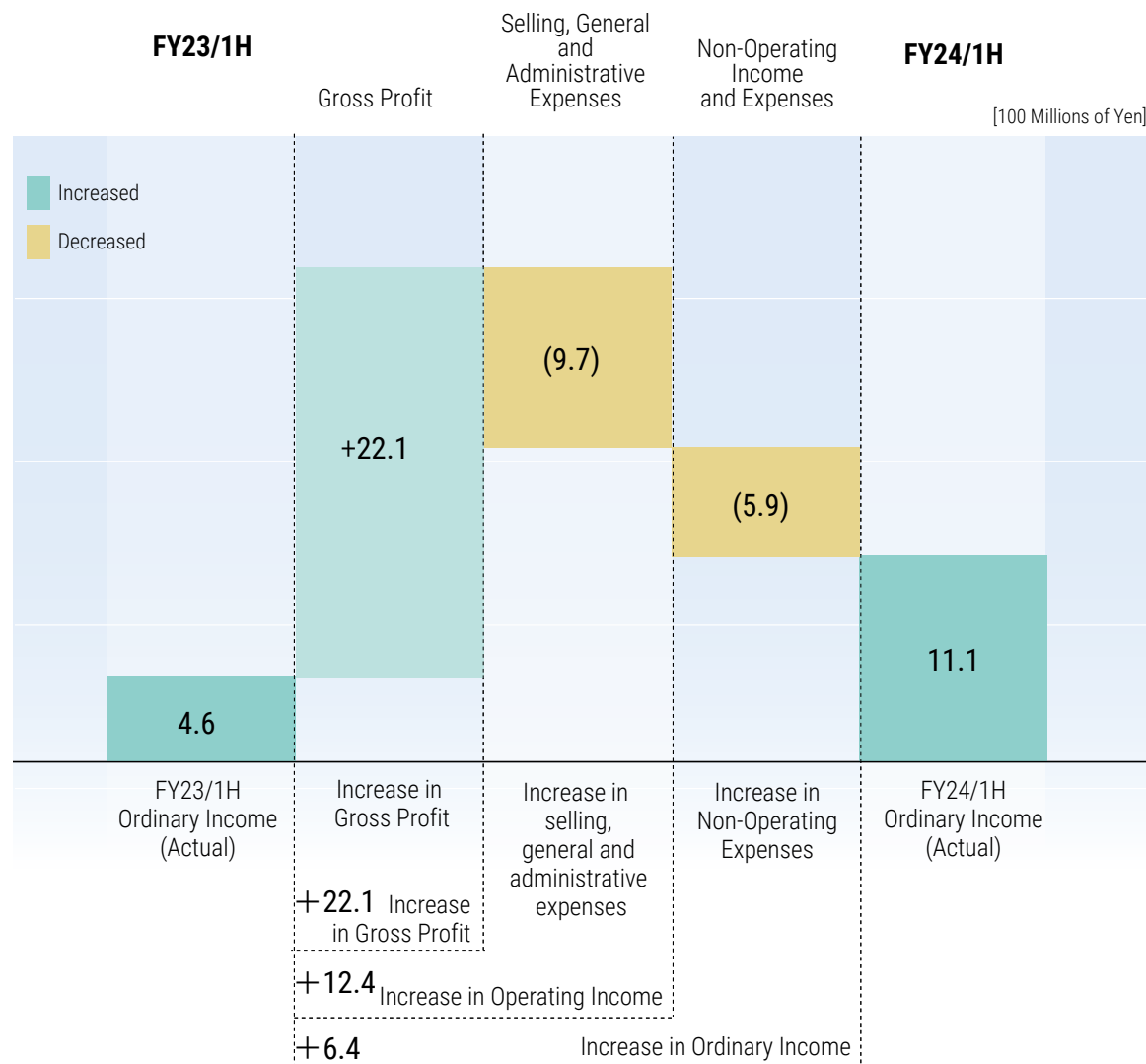
# Consolidated Statements of Income



[ Million Yen ]

	FY23/1H (Actual)	FY24/1H (Actual)	Compared to Previous FY (Change)
<b>Net Sales</b>	27,243	36,486	9,243
<b>Gross Profit</b>	5,247	7,465	2,217
<b>Selling, General and Administrative Expenses</b>	4,467	5,441	974
<b>Operating Income</b>	780	2,023	1,243
<b>Non-Operating Income and Expenses</b>	(317)	(911)	(594)
<b>Ordinary Income</b>	463	1,112	648
<b>Extraordinary loss</b>	(12)	14	26
<b>Income Before Taxes</b>	451	1,126	675
<b>Net Income Attributable to Shareholders of Parent Company</b>	960	931	(28)
<b>Net Income Per Share (Yen)</b>	35.80	34.71	—
<b>Exchange Rate (Yen/US\$)</b>	138.69	152.40	—

### Compared to Previous FY **+6.4** [ 100Million of Yen ]



**Point** [ 100Million of Yen ]

- Gross Profit +¥22.1**
  - In addition to an increase in net sales, profitability improved in the aircraft seat segment due to a reduction of development costs caused by the temporary suspension of accepting orders involving new development, and a decrease in provision of allowance for loss on construction contracts.
- Selling, General and Administrative Expenses (¥9.7)**
  - Increase in warranty repair costs (¥3.7)
  - Increase in labor costs (¥2.7)
  - Increase in sales commission (¥2.0)
  - Increase in Outsourcing Expenses (¥1.5)
  - Others +¥0.2
- Non-Operating Income and Expenses (¥5.9)**
  - Decrease foreign exchange gains (¥2.6)
  - Increase in interest expenses (¥1.4)
  - Increase in Loss on transfer of accounts receivable (¥1.0)
  - Others (¥0.9)

# Net Sales and Ordinary Income by Segment – ①



[ Million Yen ]

	Net Sales			Ordinary Income		
	FY23/1H (Actual)	FY24/1H (Actual)	Change	FY23/1H (Actual)	FY24/1H (Actual)	Change
<b>Aircraft Interiors</b>	17,369	23,131	5,762	3,202	1,171	(2,030)
<b>Aircraft Seat</b>	3,950	4,871	920	(2,690)	(137)	2,553
<b>Aircraft Components</b>	2,205	2,608	403	(151)	(84)	67
<b>Aircraft Maintenance</b>	3,715	5,873	2,157	102	160	57
<b>Others</b>	1	1	0	0	1	1
<b>Total</b>	<b>27,243</b>	<b>36,486</b>	<b>9,243</b>	<b>463</b>	<b>1,112</b>	<b>648</b>

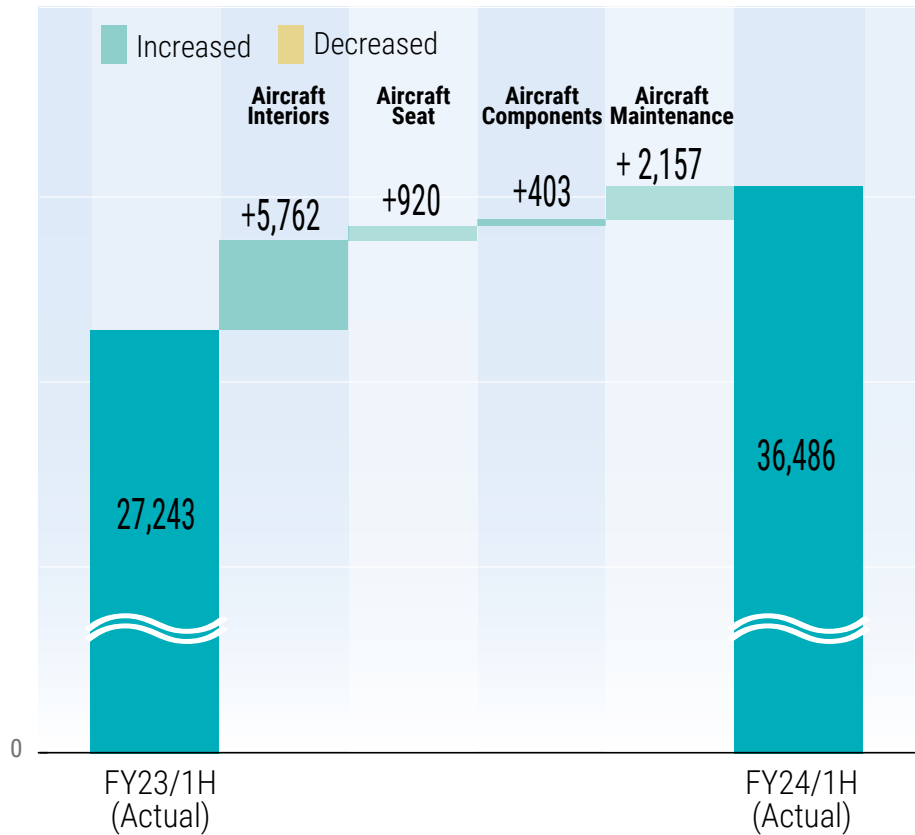
(Note) "Others" include amounts for Orange JAMCO Corporation.

# Net Sales and Ordinary Income by Segment – ②



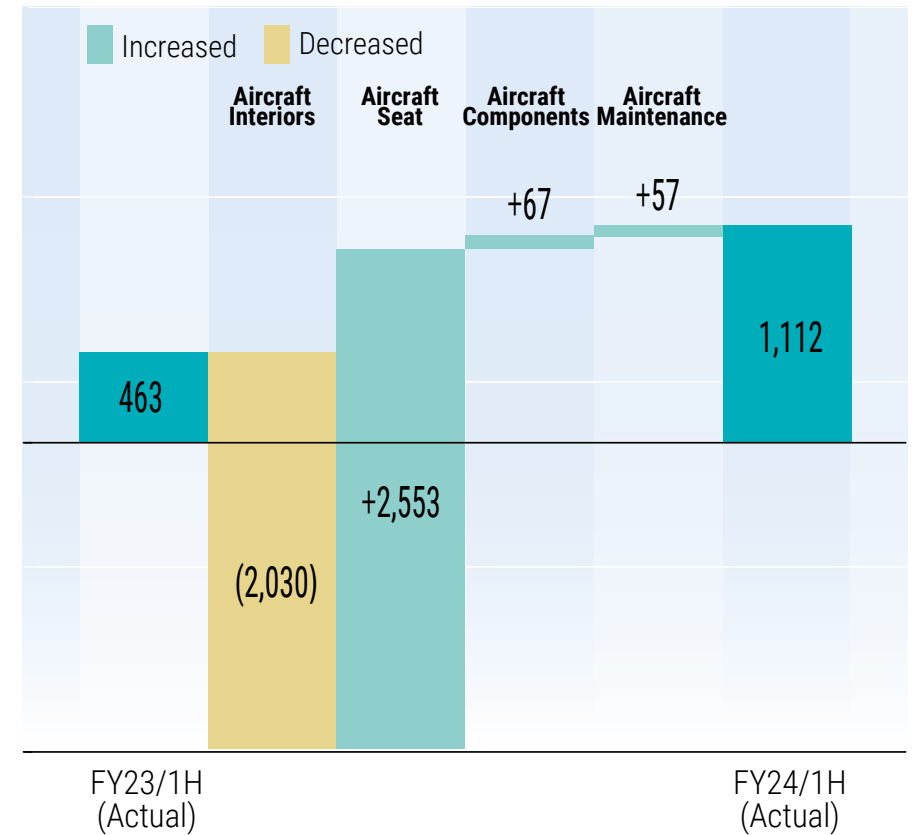
## Net sales

[ Million Yen ]



## Ordinary Income

[ Million Yen ]



### Point

- Net sales for the aircraft interiors business increased from the previous fiscal year mainly due to the increased sales of spare parts to airlines as the number of aircraft in operation grew
- Net sales for the aircraft seat business increased from the previous fiscal year, due mainly to shipments of programs that were carried over from the previous fiscal year
- Net sales for the aircraft components business increased from the previous fiscal year, due mainly to increased shipments of CFRP structure parts for commercial aircraft
- Net sales for the aircraft maintenance business decreased from the previous fiscal year, due mainly to shipments of programs that were carried over from the previous fiscal year in parts maintenance

### Point

- Ordinary Income for the aircraft interiors business decreased from the same period of the previous fiscal year due to an increase in provision for loss on construction contracts caused by the yen's appreciation during the latter half of the period, reaction to additional sales resulting from changes in customer specifications recognized in the same period of the previous fiscal year, as well as an increase in selling, general and administrative expenses mainly reflecting increased personnel expenses. Additionally, there was a decrease in foreign exchange gains and an increase in interest expenses under non-operating income
- Ordinary loss for the aircraft seat business was posted, an improvement was seen mainly as a result of the decrease in provision of allowance for loss on construction contracts caused by the decrease in unprofitable programs and reduction of development costs due to the temporary suspension of accepting orders involving new development
- Ordinary loss for the aircraft components business was posted but results improved due mainly to initiatives taken to improve profitability
- Ordinary income for the aircraft maintenance business increased due mainly to increased net sales

## Consolidated Balance Sheets



[ Million Yen ]

Items of an Account	End of FY23 (As of March 31, 2024)	End of FY24/1H (As of September 30, 2024)	Change
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	6,766	15,145	8,378
Notes and Accounts Receivable - Trade, and Contract Assets	20,317	17,442	(2,874)
Inventories	51,865	54,613	2,747
Other Current Assets	3,934	3,275	(659)
<b>Total Current Assets</b>	<b>82,884</b>	<b>90,477</b>	<b>7,592</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11,437	11,418	(18)
Intangible Assets	2,106	2,550	443
Investments and Other Assets	11,788	11,880	92
<b>Total Non-Current Assets</b>	<b>25,331</b>	<b>25,848</b>	<b>516</b>
<b>Total Assets</b>	<b>108,216</b>	<b>116,325</b>	<b>8,108</b>

Items of an Account	End of FY23 (As of March 31, 2024)	End of FY24/1H (As of September 30, 2024)	Change
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Notes and Accounts Payable - Trade	6,951	6,754	(197)
Electronically Recorded Obligations - Operating	5,036	5,645	608
Short-Term Loans Payable	52,697	52,796	99
Current Portion of Long-Term Loans Payable	660	1,660	1,000
Advances Received	7,735	9,515	1,780
Provision for Loss on Construction Contracts	5,209	5,620	410
Other Current Liabilities	5,833	7,750	1,916
<b>Total Current Liabilities</b>	<b>84,123</b>	<b>89,741</b>	<b>5,618</b>
<b>Non-Current Liabilities</b>			
Long-Term Loans Payable	590	1,260	670
Other Non-Current Liabilities	8,431	9,502	1,070
<b>Total Non-Current Liabilities</b>	<b>9,021</b>	<b>10,762</b>	<b>1,740</b>
<b>Total Liabilities</b>	<b>93,144</b>	<b>100,504</b>	<b>7,359</b>
<b>NET ASSETS</b>			
<b>Total Net Assets</b>	<b>15,071</b>	<b>15,821</b>	<b>749</b>
<b>Total Liabilities and Net Assets</b>	<b>108,216</b>	<b>116,325</b>	<b>8,108</b>

## Point

- Notes and accounts receivable - trade decrease due to collection
- Inventories increased mainly due to the postponement of the delivery schedule

- Equity ratio 13.9% → 13.6%

# Consolidated Statements of Cash Flows



[ Million Yen ]

	FY23/1H	FY24/1H
Cash flows from operating activities	774	5,408
Cash flows from investing activities	(745)	(468)
Free cash flows	29	4,939
Cash flows from financing activities	(816)	3,232
Net increase (decrease) in cash and cash equivalents	(194)	8,378
Cash and cash equivalents, end of period	6,764	15,145

### Point

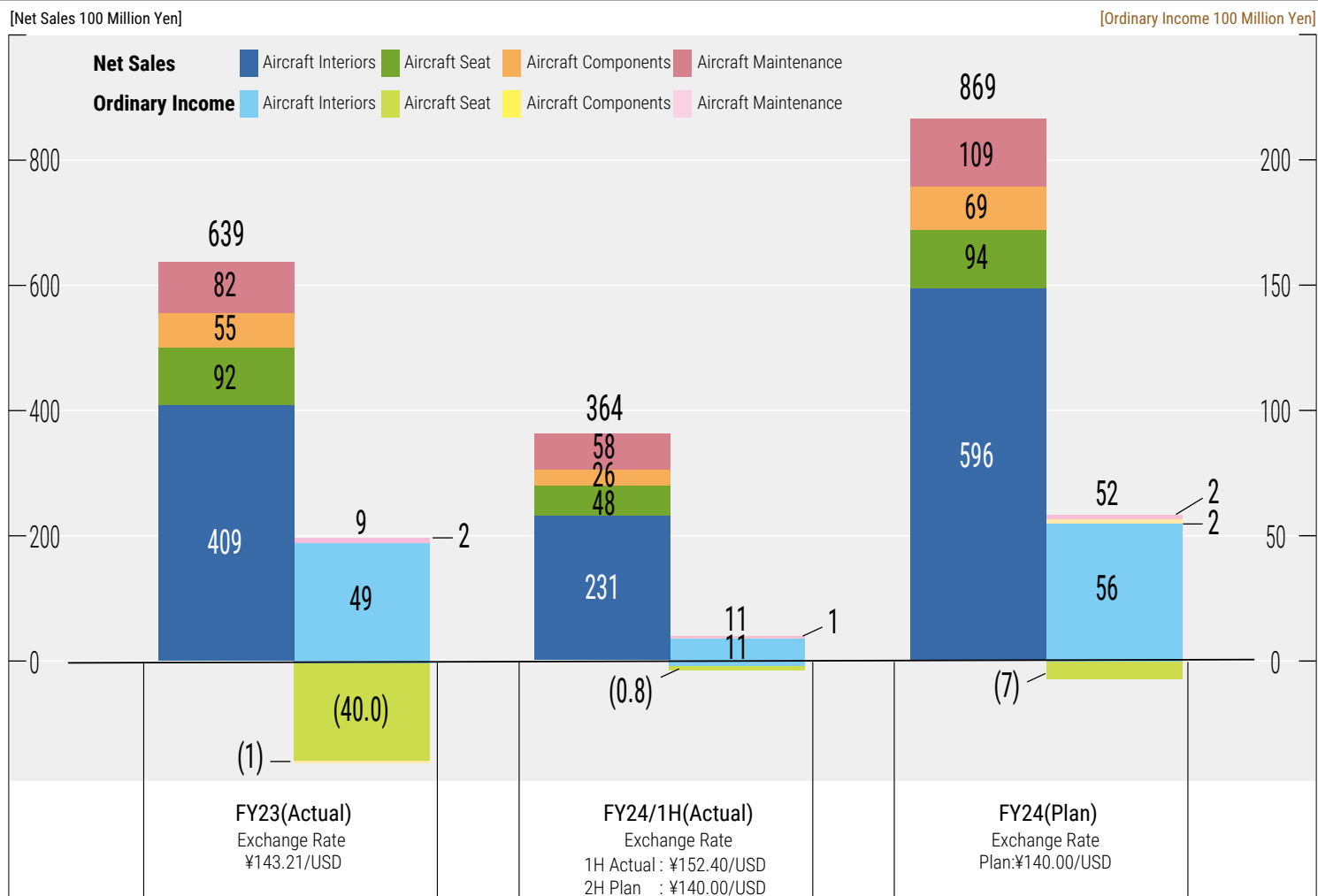
- Net cash provided by operating activities due to the collection of notes and accounts receivable - trade through the promotion of cash flow improvement measures, receipt of advances received and accumulation of profits



[ Million Yen ]

	JAMCO	JAMCO AIRCRAFT INTERIORS	JAMCO AMERICA, INC.	JAMCO PHILIPPINES, INC.	JAMCO AERO MANUFACTURING CO., LTD.	Tokushima JAMCO	JAMCO AEROTECH CO., LTD.	Orange JAMCO
<b>Net sales</b>	33,562	1,791	11,761	489	632	421	257	63
<b>Operating income</b>	1,860	(339)	381	71	67	13	19	1
<b>Ordinary income</b>	1,296	(338)	124	63	67	14	20	1
<b>Net income</b>	1,184	(351)	128	52	43	8	13	1

- According to the forecast for air passenger demand announced by IATA in June, FY 2023 result reached 93% of FY 2019 levels, and FY 2024 result is expected to recover fully to 100%, returning to pre-COVID-19 levels. The market is then expected to continue on a growth trend.
- The spare parts sales in the first half of FY 2024 reached ¥10.2 billion (¥15.3 billion in FY 2023). We have established the Aftermarket Service Department on October 1 to further enhance our sales.
- Net sales were sluggish due to the impact of changes in aircraft production schedules caused by quality issues at Boeing, as well as the ongoing recovery of the supply chain.
- Production Engineering Department was established on October 1 to strengthen production technology and to pursue cost reduction by consolidating trouble shooting and improvement operations.
- While the exchange rate has moved from ¥150 level at the beginning of the term to a rapid yen appreciation of around ¥142 at the end of September, it has since moved to over ¥150, and the global economy is expected to continue to face uncertainty.



### Point

#### [ 1st Half Result ]

Sales of spare parts to airlines in the aircraft interiors business were strong. However, due to the impact of changes in aircraft production schedules caused by quality issues at Boeing, as well as the ongoing recovery of the supply chain, net sales remained sluggish.

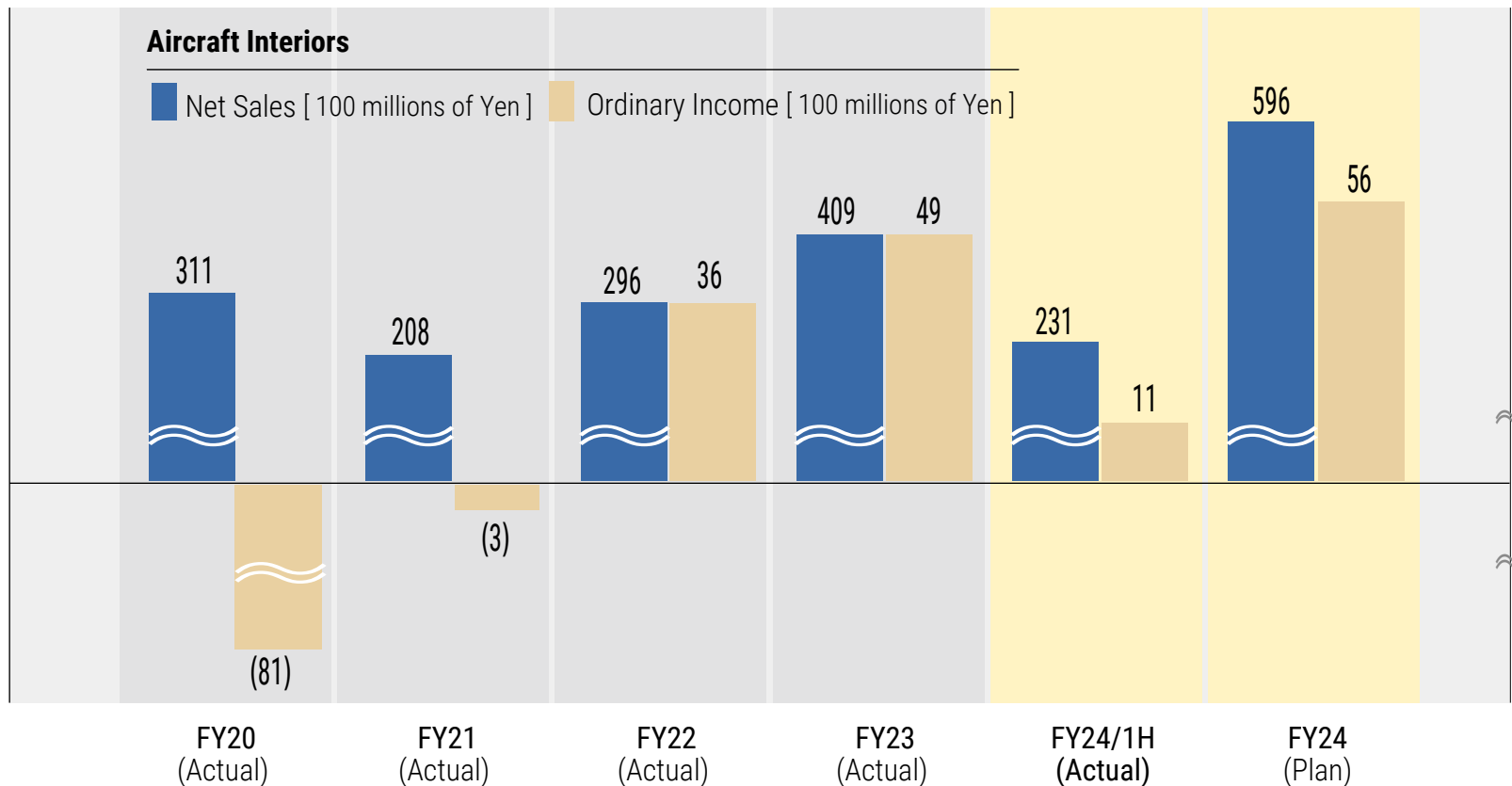
#### [ Forecast ]

There are concerns about delays in the schedule for new aircraft production due to ongoing uncertainties, including the impact of the strike at Boeing. However, the full-year consolidated financial results forecast remains unchanged, as demand for modifications of existing aircrafts for airlines and spare parts sales remains strong, and we plan to ship highly profitable products in the second half of the year.

## Progress by Segment (Aircraft Interiors)



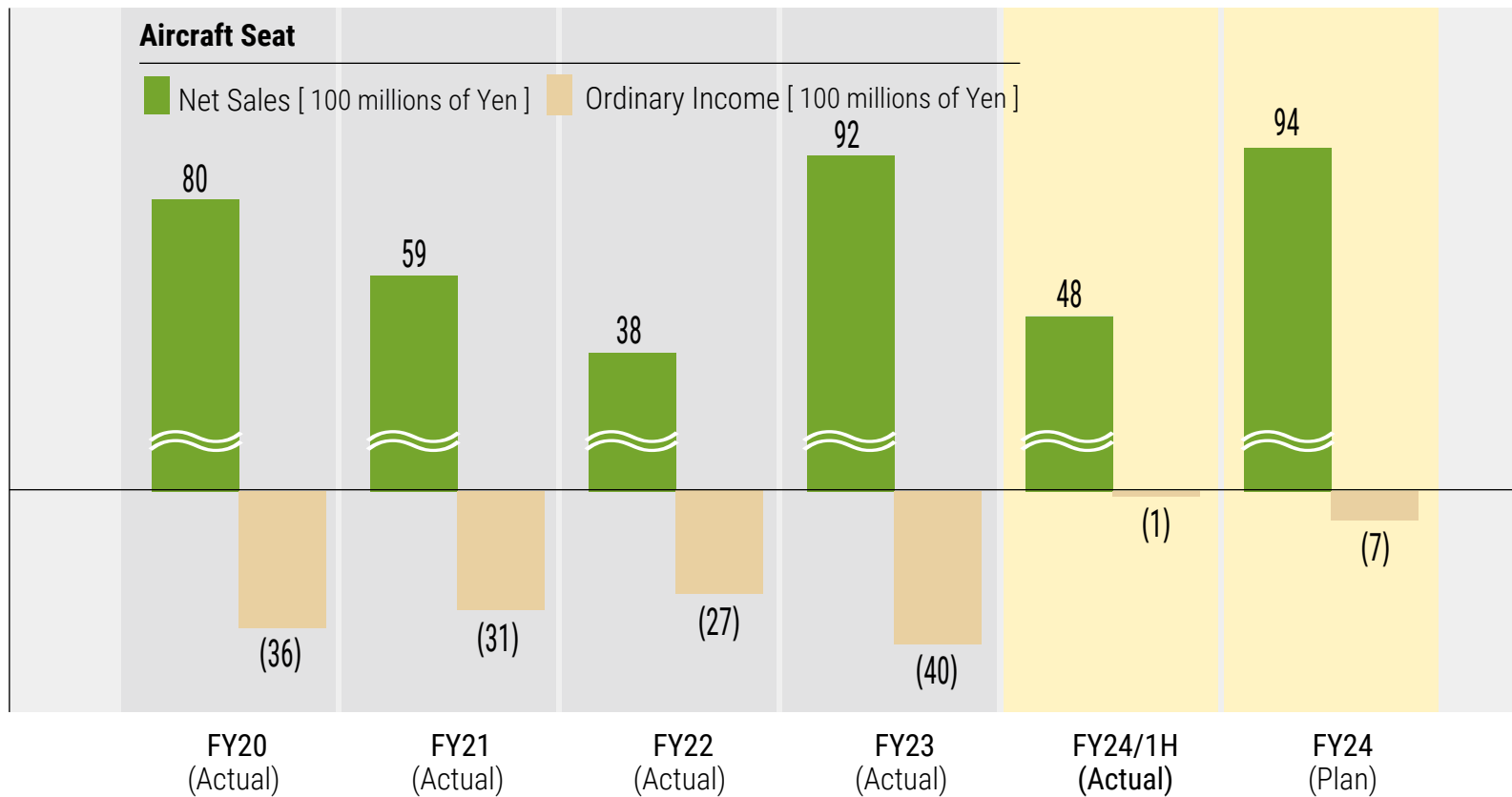
- Sales of aircraft interiors were weak in the first half, due to the impact of changes in aircraft production schedules at Boeing, as well as the ongoing recovery of the supply chain.
- Sales of spare parts were strong due to an increase in the number of aircraft in operation.
- Promote the sales of spare parts mainly through the Aftermarket Service Department and ensure the shipment of highly profitable projects to accumulate profit.



## Progress by Segment (Aircraft Seat)



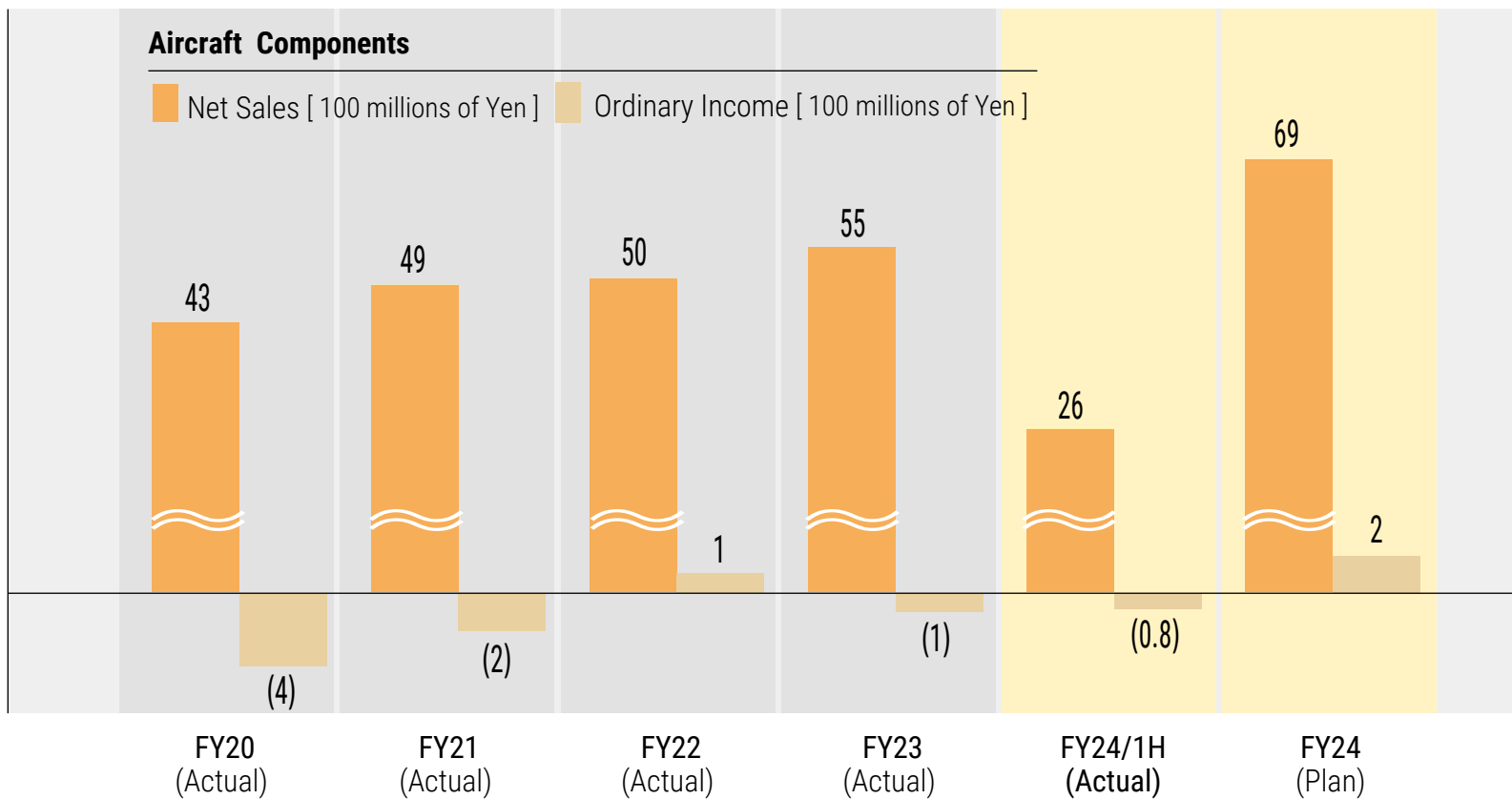
- While there were shipments of large-scale programs in the first half, net sales fell short of the target due to some programs being rescheduled for the second half.
- Profitability improved due to cost reductions such as in selling, general and administrative expenses, as well as the yen's appreciation toward the end of the first half.
- Losses were continually reduced through steady shipments and cost curbing.



## Progress by Segment (Aircraft Components)



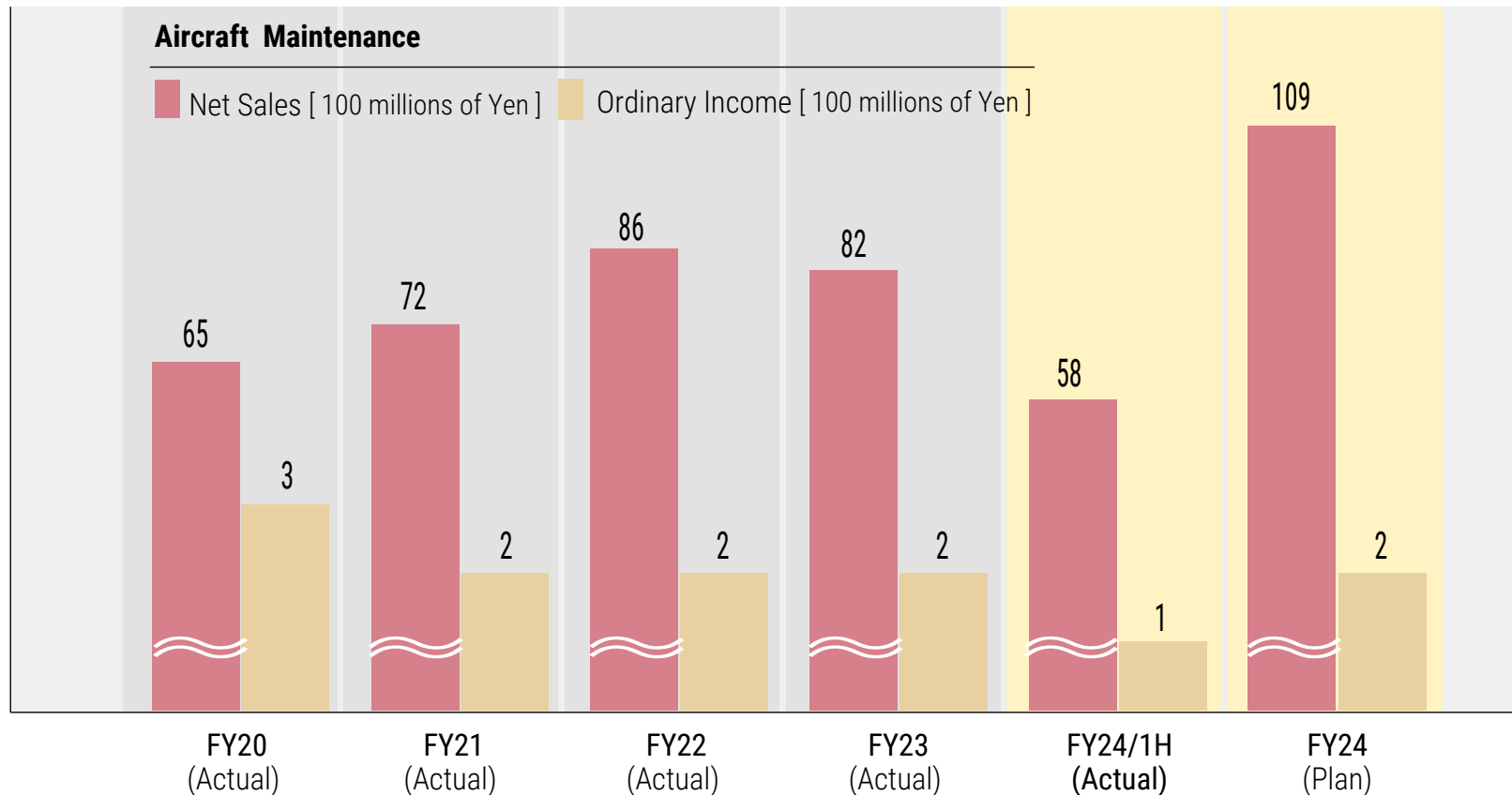
- Shipments of CFRP structure parts for commercial aircraft increased in the first half.
- Growth into high-profitability businesses that leverage our strengths through resource redistribution.



## Progress by Segment (Aircraft Maintenance)



- Higher sales and income were recorded in the first half due to shipments of programs that were carried over from the previous fiscal year and an increase in parts sales.
- Focus on steadily accumulating profits through aircraft maintenance and parts sales.



## Production Status and Development Status for Boeing and Airbus

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### ■ 787 Production Status

- As of the end of September 2024, 711 aircraft are on order.
- Production rate will be gradually increase to 10 per month.

### ■ 777-9 Development Status

- Commercial flights scheduled to begin in 2026.
- As of the end of September 2024, 505 aircraft are on order, including 777.

### ■ 737MAX Production Status

- As of the end of September 2024, 4,151 aircraft are on order.

### ■ A350XWB Production Status

- As of the end of September 2024, 747 aircraft are on order.
- Plan to increase production 12 per month by the end of 2028.

### ■ A330neo Production Status

- As of the end of September 2024, 234 aircraft are on order.

### ■ A320 Family neo Production Status

- As of the end of September 2024, 7,431 aircraft are on order.

Source: Boeing Home Page and Airbus Home Page



# Boeing's Orders and Deliveries

(Jan.2024~Sep.2024)

	Orders	Deliveries	Order backlog
<b>Total</b>	121	291	5,456
<b>747</b>	0	0	0
<b>777</b>	52	11	505
<b>787</b>	21	36	711
<b>767</b>	0	15	89
<b>737</b>	48	229	4,151

(Note 1)   colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Airbus Home Page

# Airbus' Orders and Deliveries

(Jan.2024~Sep.2024)

	Orders	Deliveries	Order backlog
<b>Total</b>	648	497	8,994
<b>A380</b>	0	0	0
<b>A350</b>	134	36	747
<b>A330/A340</b>	64	20	234
<b>A320family</b>	450	396	7,431
<b>A220family</b>	0	45	582

(Note 1)    colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Airbus Home Page