



To Our Shareholders



The **84**th term

April 1, 2023 —————→ September 30, 2023

Interim Business Report

Stock Code: 7408





Representative Director,
President & CEO **Toshiyuki Abe**

★ Greetings

Air passenger demand continued on a recovery trend in the first half of FY 2023, as it did in the previous fiscal year.

The Company also experienced a market recovery, with increasing orders, inquiries, and sales of spare parts, mainly in our aircraft interiors business. However, we recognize that the uncertain business environment, including geopolitical risks, does not allow for optimism. We will continue to tighten our focus and carry out business process reforms to enhance the efficiency of our production system, improve safety and quality, and grow profitability.

In light of these circumstances, we will postpone the interim dividend as initially planned. However, there are no changes to the full-year financial results forecast and the projected year-end dividend of 15 yen per share as disclosed in May.

We appreciate our shareholders and their continued support.

The JAMCO Commitment

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.

★ Results for the First Half of FY 2023

During the second cumulative quarter of FY 2023, while the global economy remained on a recovery track thanks to the normalization of economic and social activities, the situation remained uncertain due to concerns about a recession resulting mainly from volatile energy prices and rising raw material prices stemming from the prolonged crisis in Ukraine, and from rising interest rates caused by global inflation. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥131 to ¥149 per US\$1.

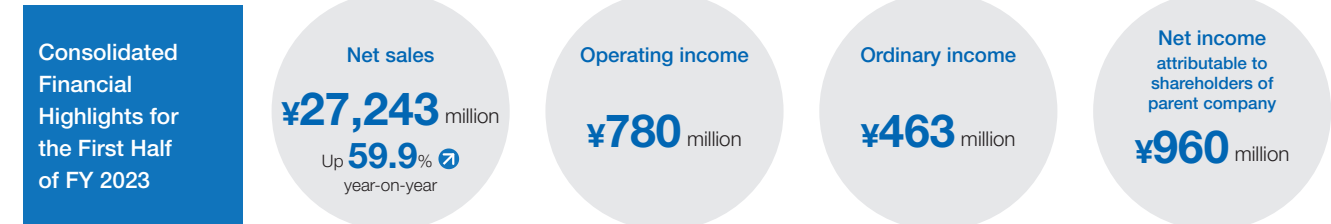
In the air transportation industry, air passenger demand recovered as the COVID-19 pandemic (hereinafter, “COVID-19”) quieted, and some airlines have begun to place large orders for new aircraft. Following this move, aircraft manufacturers are working on increasing aircraft production. Meanwhile, there is a shortage of human resources in the operation of aircraft and airport facilities, as well as the entire supply chain for aircraft manufacturing. As such, there is an urgent need to secure human resources.

Under these circumstances, JAMCO Corporation and its subsidiaries (collectively, the “Group”) established task teams to drive three pillars for realizing JAMCO Vision 2030, which clarifies the ideals

of the JAMCO Group in 2030, namely JX: JAMCO Transformation (business reform), SX: Sustainability Transformation, and HRX: Human Resource Transformation. By doing so, we strengthened the promotion framework to resolve the fundamental challenges that face the Company’s business.

In the aircraft interiors business, the recovery in airline passenger demand has led to increased production by aircraft manufacturers and increased demand for spare parts from airlines. In response to these trends, we worked on strengthening our capacity to increase production. In the production process, to utilize the management resources of the entire Group effectively and to reinforce our business foundation by improving efficiency and streamlining, we decided to integrate domestic subsidiaries and began preparations for the integration. We also worked on plans to expand the production capacity and functions of the JAMCO PHILIPPINES factory and strengthened our supply chain both in Japan and overseas.

In the aircraft seat business, we have been promoting the “Venture” business class seat for aircraft models beyond the Boeing 787. New this year, the “Venture” seat is in operation as the centerpiece of KLM Royal Dutch Airlines’ World Business Class on their Boeing 777 aircraft. In response to



inflation in the U.S., we reduced costs through initiatives such as relocating some of our assembly operations to Mexico.

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

In the aircraft maintenance business, we aimed to strengthen the 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 for airlines and for government and municipal offices. Further, we launched initiatives in new business fields such as supporting the operation of drones.

As a result, on a consolidated basis, during the second cumulative quarter of FY 2023, the Company posted net sales of ¥27,243 million (up ¥10,200 million compared to the same period of the previous fiscal year), operating income of ¥780 million (up ¥499 million compared to the same period of the previous fiscal year), ordinary income of ¥463 million (up ¥108 million compared to the same period of the previous fiscal year), and net income attributable to shareholders of parent company of

¥960 million (up ¥305 million compared to the same period of the previous fiscal year).

As of September 30, 2023, the provision for loss on construction contracts to be completed in or after the third quarter of FY 2023 was of ¥4,682 million. The impact of this provision for loss on construction contracts on income (loss) was an increase of ¥39 million in cost of sales for the second quarter of FY 2023 (provision for loss on construction contracts as of June 30, 2023, was ¥4,643 million) and an increase of ¥402 million in cost of sales for the second cumulative quarter of FY 2023 (provision for loss on construction contracts as of March 31, 2023, was ¥4,280 million).

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

Selling, general and administrative expenses were ¥4,467 million, an increase of ¥673 million compared to the same period of the previous fiscal year and due mainly to increases in sales commissions, personnel expenses, and testing and research expenses.

The result for non-operating income (expenses) was a loss of ¥317 million (a gain of ¥73 million in the same period of the previous fiscal year), due to factors such as an increase in interest expenses

mainly reflecting higher U.S. dollar interest rates.

Income taxes - deferred amounted to ¥(666) million (¥(458) million in the same period of the previous fiscal year), after recognition of deferred tax assets as a result of carefully considering their recoverability.

✈ Financial Position

Total assets as of September 30, 2023 amounted to ¥105,407 million, up ¥4,612 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥3,700 million from the end of the previous fiscal year, as work in process increased by ¥3,658 million, and raw materials and supplies increased by ¥985 million, despite the decline in notes and accounts receivable - trade, and contract assets by ¥2,143 million from the end of the previous fiscal year. Total non-current assets increased by ¥912 million from the end of the previous fiscal year, as intangible assets increased by ¥211 million from the end of the previous fiscal year. Total liabilities amounted to ¥90,786 million, up ¥3,375 million from the end of the previous fiscal year. The main factor was a rise in short-term loans payable of ¥2,034 million from the end of the previous fiscal year resulting from the depreciation of the yen.

Total net assets amounted to ¥14,620 million, up

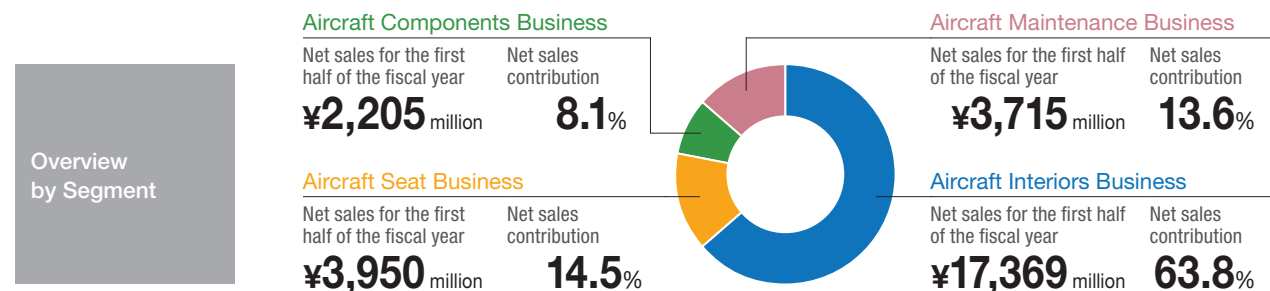
¥1,236 million from the end of the previous fiscal year. The main factor was an increase in retained earnings resulting from net income attributable to shareholders of parent company. As a result, the equity ratio stood at 13.5%.

✈ Outlook for the Fiscal Year

Profits for the second cumulative quarter of FY 2023 exceeded the consolidated financial results forecast announced on May 12, 2023. This was mainly due to the increase in sales of spare parts in the aircraft interiors business in line with the rising number of aircraft in operation as well as the yen trending weaker than expected in the foreign exchange market.

The exchange rate assumed for the consolidated financial results forecast remains unchanged at ¥130 per US\$1 at this time, and the consolidated financial results forecast for FY 2023 remains the same.

On the other hand, the Group's results have been impacted significantly by COVID-19 and strengthening our business fundamentals is the priority issue for now. We comprehensively considered these factors and our current and forecasted financial results in determining to pay dividends of ¥15 per share for FY 2023 (resumption of dividend payments).



The JAMCO Group considers sustainability activities to be an important issue for realizing its Corporate Philosophy and promotes such activities under the following basic 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, and aim for the creation of a sustainable society and improved corporate value through the provision of safer and more reliable products and services

In our Sustainability Transformation Promotion Program, a strategic pillar of our medium to long-term plan, "JAMCO Vision 2030," we are advancing initiatives towards a sustainable society. As part of these efforts, on this occasion we have identified important issues (materiality) regarding sustainability. From various social issues, we have identified the materiality issues based on their importance to stakeholders and their impact on the Group's management, in consideration of our corporate philosophy, various policies, and "JAMCO Vision 2030."

We value our relationships of trust with stakeholders and will continue to address the material issues to contribute to building a prosperous and sustainable society.

Materiality and the Vision to be realized by 2030

Materiality	Vision to be realized by 2030
<p>1 Action toward carbon neutrality</p> <p>a. Technological development conducive to carbon neutrality</p> <p>b. Productivity improvement, etc. to reduce GHG emissions and active utilization of renewable energy</p> 	<ul style="list-style-type: none"> ● Predicted climate change risks have been averted. Related business opportunities have been successfully seized ● CO₂ emission reduction goal has been achieved <p>The JAMCO Group aims to achieve carbon neutrality by 2050.</p> <p>2030 goal Goal is to reduce the entire JAMCO Group's carbon emissions - Scopes 1 and 2 combined - by at least 50% from the FY2019 baseline.</p>
<p>2 Intensified action to facilitate resource circulation</p> 	<ul style="list-style-type: none"> ● Industrial waste/loss reduction along with resource recycling is facilitated by JAMCO to shift to circular economy, through the continuous improvement of its technological capability and quality, and the integration and evolution of experience and knowledge.
<p>3 Achievement of comfort, ease, and peace of mind in transport spaces</p> 	<ul style="list-style-type: none"> ● JAMCO products and services are widely used in the ever-advancing and continuously evolving aerospace industries as well as in innovative next-generation mobility businesses that will come into existence in the future, thereby bringing about a society where comfort, ease, and peace of mind in transport is made accessible to increasing numbers of people.
<p>4 Enhancement of trusting relationships with our supply chain</p> 	<ul style="list-style-type: none"> ● JAMCO has developed fair, sound, and mutually-trusting business relationships with its supply chain partners while thoroughly informing them of its Procurement Policy and respecting the culture and customs of each of the countries involved.
<p>5 Creation of lively workplaces</p> <p>a. Cultivation of human resources capable of pioneering a new future</p> <p>b. Development of a work environment where employees can perform their jobs in a lively manner</p> 	<ul style="list-style-type: none"> ● JAMCO continues to remain a sincere company that respects employees. JAMCO has created such workplaces that are conducive to the growth of its employees, both domestically and globally throughout the JAMCO Group, and allow each employee to perform its job with a sense of pride and high technical capability and lead a lively professional life.
<p>6 Contribution to society and local communities</p> 	<ul style="list-style-type: none"> ● JAMCO contributes to community development by providing a quality work environment and conducting social outreach activities while developing a trusting relationship with society at large.
<p>7 Enhancement of organizational resilience</p> 	<ul style="list-style-type: none"> ● In line with its management philosophy that it must remain a Technology Oriented Company with Samurai Values, JAMCO is a perpetually sustainable enterprise capable of providing such products and services to customers that contribute to society and conducting proper risk management.

Launch of operational support for unmanned aircraft



The Company has signed a basic agreement with ITOCHU Corporation (hereinafter, "ITOCHU") for maintenance work and related non-maintenance tasks for unmanned aircraft owned by ITOCHU Corporation.

ITOCHU is currently working on social implementation of next-generation mobility businesses, including flying cars and logistics drones. In May, using Wingcopter GmbH's "Wingcopter 198", the company conducted a proof of concept for medical validation towards implementation of the first drone-based transport of blood derivatives in Japan. The Company will support domestic operations of this business in terms of maintenance.

Leveraging our know-how in aircraft and aircraft equipment maintenance cultivated since our founding, we will actively participate in next-generation mobility businesses such as drones and eVTOL, as part of our Medium-Term Management Plan.



Adoption of our carbon fiber composite material recycling research in NEDO Feasibility Study Program



Our research on continuous fiber technology and aircraft application technology for recycled carbon fiber, jointly conducted with parties including Nagoya University of the Tokai National Higher Education and Research System (hereinafter, "Nagoya University"), has been adopted as a theme for FY 2023 under the Feasibility Study Program/Feasibility Study Program on Energy and New Environmental Technology of New Energy and Industrial Technology Development Organization (NEDO).

This research is being advanced with Nagoya University as the leading proposer and is being jointly conducted with the Company, the Japan Fine Ceramics Center (JFCC), and Subaru Corporation.

Carbon fiber composite materials are widely used in industrial products because of their light weight and superior strength. Especially in the aircraft industry, carbon fiber composite materials are utilized in cabin walls and structural materials supporting the fuselage and wings, and it has become an indispensable material as its light weight contributes to the reduction of fuselage weight, thereby curbing fuel consumption and CO₂ emissions.

Meanwhile, there is an accelerated movement towards decarbonization in the manufacture of aircraft, which has a high environmental impact, and there is a need to develop sustainable carbon fiber technologies as replacement materials.

In this joint research, we will leverage our expertise in supplying carbon fiber composites to the aircraft industry and aim for the implementation of the research results.

We will continue to contribute to society through our technological capabilities towards realizing a sustainable society through CO₂ reductions and efficient resource utilization.

JAMCO AEROMANUFACTURING recognized as a "Community-Rooted Company"



In April 2023, JAMCO AEROMANUFACTURING Co., Ltd., a Group company that celebrated its 10th anniversary, was recognized by Natori City, Miyagi Prefecture, where it is located, as a "Community-Rooted Company".

10th anniversary website  <https://jamco-aero-manufacturing.jp/10th/> (in Japanese only)



Development of global human resources

At the Company, we are actively engaged in human resources development so that each and every employee can work every day with pride and high technical skills to provide customers with higher quality products and services. Our human resources development system provides various learning opportunities according to the career and job categories of employees, including new employee training, band-specific training, selective training, and specialized skill training for acquiring the specialized knowledge, technological capabilities, and skills necessary for their duties. We also offer a self-development support system, including overseas and domestic language training programs and a qualification acquisition incentive payment system, to provide multifaceted support for the growth of our employees.



Aircraft Interiors EXPO 2023

We exhibited business class seats such as "Quest" and "Venture" at the Aircraft Interiors EXPO 2023 (hereinafter, "AIX"), held in Hamburg, Germany, from June 6 to 8, 2023. AIX is one of the world's largest trade fairs for aircraft interiors, mainly targeting aviation industry professionals, and is a showcase for the creation of future cabin concepts.

This was our first solo exhibition in four years. We broadcasted concept videos proposing future cabin concepts envisioned by the Company, and displayed next-generation galleys and lavatories using VR at the exhibition.



Quest



Venture

Corporate Data

✈ Corporate Data (As of September 30, 2023)

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: 2,674 Non-consolidated: 1,086

✈ Directors and Executive Officers (As of September 30, 2023)

Representative Director, President & CEO	Toshiyuki Abe	Executive Vice President	Koichi Tsunematsu
Representative Director, Executive Vice President	Takashi Yonekura	Managing Executive Officer	Tsutomu Tadokoro
Director, Executive Vice President	Toshikazu Kimura	Managing Executive Officer	Kentaro Goto
Outside Director	Yu Takahashi	Managing Executive Officer	Hiroshi Uchijo
Outside Director	Shigeru Harada	Managing Executive Officer	Yukio Kamiyama
Outside Director*	Shinichi Suzuki	Executive Officer	Akihiro Waki
Outside Director*	Juichi Watanabe	Executive Officer	Yukihiro Kimoto
Audit & Supervisory Board Member	Noboru Kaburaki	Executive Officer	Fumihiko Kamata
Audit & Supervisory Board Member	Toshinisa Kasuya	Executive Officer	Shinichi Nonome
Outside Audit & Supervisory Board Member*	Hitoshi Takahashi	Executive Officer	Yoshihiro Hano
Outside Audit & Supervisory Board Member*	Takayuki Ikenoue	Executive Officer	Natsuki Segawa

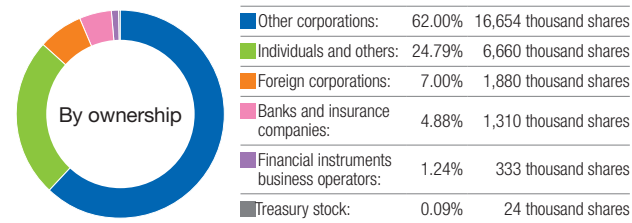
An asterisk (*) indicates independent officers stipulated by the Tokyo Stock Exchange.

Share Data (As of September 30, 2023)

✈ Number of Shares, Number of Shareholders and Listed Stock Exchange

Authorized	80,000,000 shares
Issued	26,863,974 shares
Shareholders	6,949
Listed Stock Exchange	Tokyo Stock Exchange, Prime Market (Code: 7408)

✈ Distribution of Shareholders



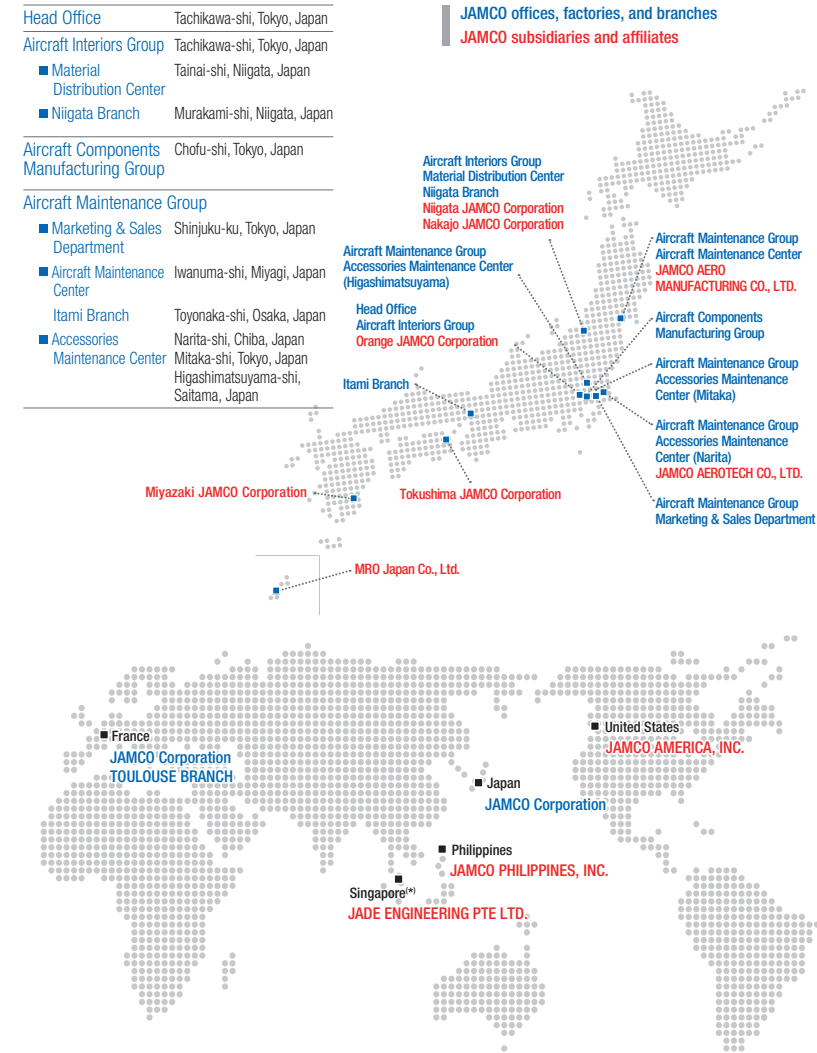
✈ List of Major Shareholders (Top 10)

Name of Shareholder	Shares Held (Thousands)	Ratio of Shareholding (%)
ITOCHU Corporation	8,956	33.37
ANA HOLDINGS INC.	5,373	20.02
Showa Aircraft Industry Co., Ltd.	2,003	7.46
The Master Trust Bank of Japan, Ltd. (Trust Account)	980	3.65
JAMCO Employees' Stock Holding Association	413	1.53
INTERACTIVE BROKERS LLC	343	1.28
JP JPMSE LUX RE J.P. MORGAN SEC PLC EQ CO	227	0.84
Custody Bank of Japan, Ltd. (Trust Account)	196	0.73
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	171	0.63
JP MORGAN CHASE BANK 385781	135	0.50

Note: The percentage of shares is calculated after deducting treasury stock (24,852 shares).

Business Locations (As of September 30, 2023)

✈ List of Offices, Facilities, Subsidiaries and Affiliates



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

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, 137-8081 Japan

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>

Method of public notices: (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/>).

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.

“Venture” Business Class Seats Adopted for a Boeing 777 Aircraft for the First Time

The Company’s “Venture” business class seat has been selected by KLM Royal Dutch Airlines (“KLM”) as a world business class seat on its Boeing 777 fleet (“777”) and has been in use from June 2023. Although developed and supplied specifically for the Boeing 787 aircraft (“787”), the Venture seat has been designed to also be compatible with the 777. This occasion marks the first time the Venture seats have been used on a 777.

There are a large number of 777 aircraft in operation worldwide, and with this roll out to other aircraft types, Venture will become a new option for airlines around the world for retrofitting refurbishment of aircraft cabins. We expect this to significantly boost the future development of our aircraft seat business.

Under our slogan of “Always Fly Together,” the Group will continue to further pursue comfort and sustainability in aircraft interiors, including seats.



Features of Venture

- Functional and sophisticated design
- Comfort with direct access from all aisles
- Shock-absorbing backshell (patented)
- Improved serviceability through significant reduction in the number of parts
- Industry’s lightest business class seat *According to internal research
- Achievement of sustainability through weight and parts reduction



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*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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