



FY2020 Financial Results Summary FY2021 Plan and Future Outlook

May 25, 2021

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- Monetary amounts have been calculated and rounded down to the nearest indicated unit, while ratios are calculated and rounded off to the nearest decimal place.
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Consolidated Statement of Income



[Million Yen]

	FY19 (Actual)	FY20 (Plan)	FY20 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)
Net Sales	91,535	58,400	50,058	(41,477)	(8,341)
Gross Profit	10,444	(2,300)	(4,100)	(14,545)	(1,800)
Selling, General and Administrative Expenses	8,636	7,900	6,801	(1,835)	(1,098)
Operating Income	1,807	(10,200)	(10,902)	(12,709)	(702)
Non-Operating Income and Expenses	(629)	(900)	(853)	(224)	46
Ordinary Income	1,178	(11,100)	(11,756)	(12,934)	(656)
Extraordinary loss	(279)	(1,300)	(4,980)	(4,701)	(3,680)
Income Before Taxes	898	(12,400)	(16,737)	(17,635)	(4,337)
Net Income Attributable to Shareholders of Parent Company	605	(8,800)	(13,585)	(14,191)	(4,785)
Net Income Per Share (Yen)	22.58	(328.05)	(506.46)	—	—
Exchange Rate (Yen/US\$)	109.34	105.00	106.64	—	—

(Note) " Plan" refers to the earnings forecast at the time of business result announcement on November 6,2020.

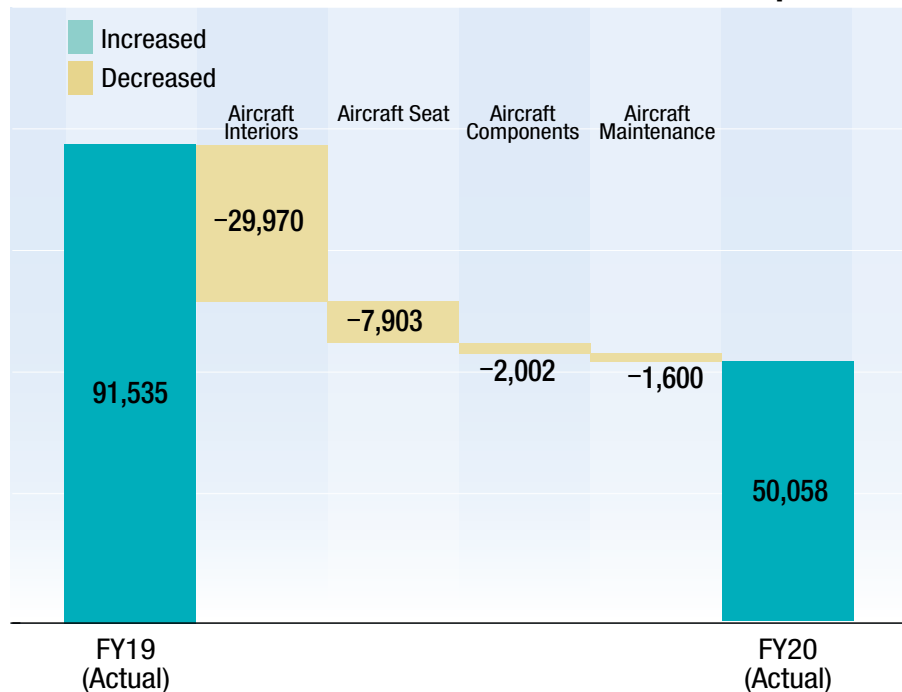
[Million Yen]

	Net Sales					Ordinary Income				
	FY19 (Actual)	FY20 (Plan)	FY20 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)	FY19 (Actual)	FY20 (Plan)	FY20 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)
Aircraft Interiors	61,078	35,700	31,108	(29,970)	(4,591)	3,107	(8,480)	(8,073)	(11,181)	406
Aircraft Seat	15,994	10,100	8,090	(7,903)	(2,009)	(2,499)	(2,700)	(3,593)	(1,093)	(893)
Aircraft Components	6,333	5,000	4,330	(2,002)	(669)	6	(50)	(394)	(400)	(344)
Aircraft Maintenance	8,129	7,600	6,528	(1,600)	(1,071)	567	100	304	(263)	204
Others	0	0	0	0	0	(4)	0	0	5	0
Total	91,535	58,400	50,058	(41,477)	(8,341)	1,178	(11,100)	(11,756)	(12,934)	(656)

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

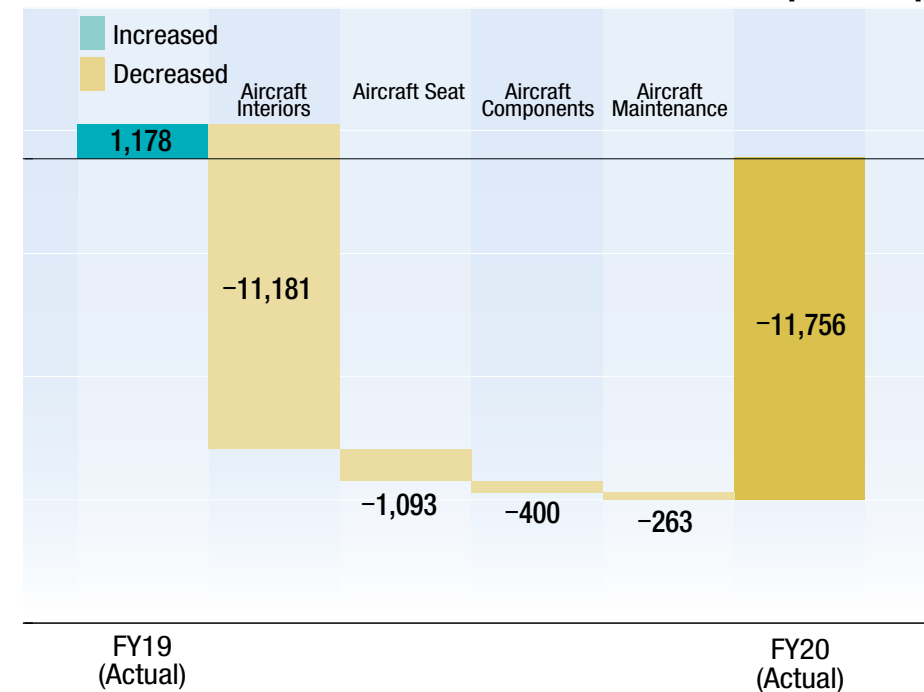
Net sales

[Million Yen]



Ordinary Income

[Million Yen]



Point

- Net sales for the aircraft interiors business fell due to sales of cabin retrofit kits and spare parts for airlines decreased reflecting a decrease in aircraft operations, in addition to a decrease in shipments of galleys and lavatories, as a result of aircraft manufacturers being forced to reduce production and change production schedules due to the impact of the spread of COVID-19.
- Net sales for the aircraft seat business fell due to the postponement of shipments of some programs to the next fiscal year and some cancellations by customers as a result of the impact of the spread of COVID-19.

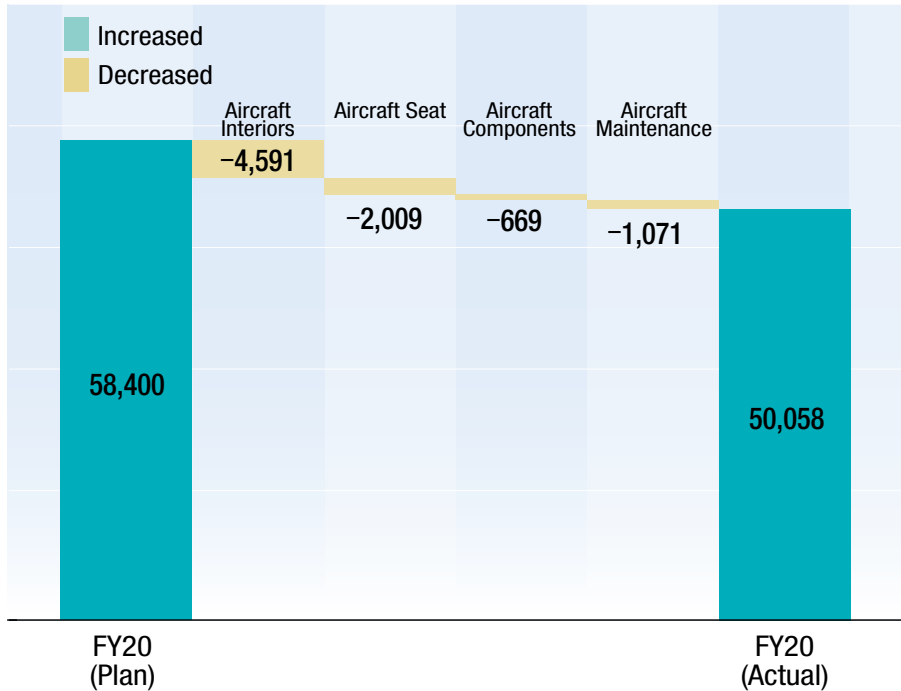
- Net sales for the aircraft components business fell due to a decrease in shipments of CFRP structure parts and aircraft engine parts for commercial aircraft products as a result of the impact of the spread of COVID-19.
- Net sales for the aircraft maintenance business fell due to the postponement of shipments of some programs to the next fiscal year in aircraft maintenance, as well as a decrease in orders received from airlines for wheels, brakes, and other items in equipment maintenance due to the impact of the spread of COVID-19.

Point

- Ordinary loss for the aircraft interiors business and aircraft seat business due mainly to the decrease in net sales.
- Ordinary loss for the aircraft components business due mainly to the decrease in net sales for commercial aircraft products.
- Ordinary loss for the aircraft maintenance due mainly to the decrease of net sales for airlines.

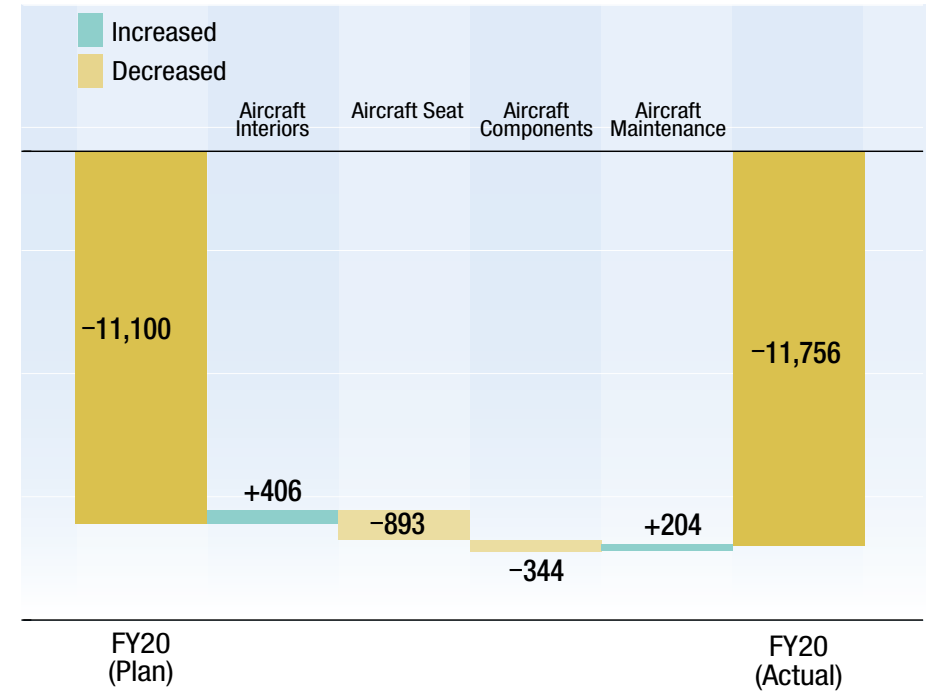
Net sales

[Million Yen]



Ordinary Income

[Million Yen]



Point

- Net sales for the aircraft interiors business fell due to the production cutback schedules of aircraft manufacturers being moved forward even further.
- Net sales for the aircraft seat business, the aircraft components business, and the aircraft maintenance business fell due to the postponement of shipments of some programs to the next fiscal year.

Point

- Ordinary loss for the aircraft interiors business improve due to the cost reduction, although the decrease in net sales.
- Ordinary loss for the aircraft seat business and aircraft component business due mainly to the decrease in net sales.
- Ordinary loss for the aircraft maintenance improve due to the increase in net sales.

Consolidated Balance Sheets



[Million Yen]

Items of an Account	End of FY19 (As of March 31, 2020)	End of FY20 (As of March 31, 2021)	Change
ASSETS			
Current Assets			
Cash and Deposits	8,690	5,275	(3,415)
Notes and Accounts Receivable - Trade	31,898	21,092	(10,806)
Inventories	52,251	47,408	(4,843)
Other Current Assets	4,890	3,156	(1,734)
Total Current Assets	97,732	76,932	(20,799)
Non-Current Assets			
Property, Plant and Equipment	13,766	12,782	(983)
Intangible Assets	1,999	1,692	(306)
Investments and Other Assets	6,686	9,829	3,142
Total Non-Current Assets	22,451	24,303	1,851
Total Assets	120,184	101,236	(18,947)

Point

- Notes and accounts receivable-trade, decrease due to a sharp decline of net sales and the collection of accounts receivable-trade.
- Inventories decreased due to revision of order plans

Items of an Account	End of FY19 (As of March 31, 2020)	End of FY20 (As of March 31, 2021)	Change
LIABILITIES			
Current Liabilities			
Notes and Accounts Payable - Trade	11,394	3,726	(7,667)
Electronically Recorded Obligations - Operating	9,551	3,482	(6,068)
Short-Term Loans Payable	36,386	48,118	11,731
Current Portion of Long-Term Loans Payable	1,200	1,000	(200)
Advances Received	8,644	5,516	(3,127)
Provision for Loss on Construction Contracts	3,607	4,102	494
Other Current Liabilities	6,164	5,426	(738)
Total Current Liabilities	76,949	71,373	(5,576)
Non-Current Liabilities			
Long-Term Loans Payable	3,500	3,000	(500)
Other Non-Current Liabilities	9,361	10,346	985
Total Non-Current Liabilities	12,861	13,346	485
Total Liabilities	89,811	84,719	(5,091)
NET ASSETS			
Total Net Assets	30,373	16,517	(13,856)
Total Liabilities and Net Assets	120,184	101,236	(18,947)

Point

- Equity ratio 24.8% → 16.0%

Consolidated Statements of Cash Flows



[Million Yen]

	FY19	FY20	Change
Cash flows from operating activities	(11,285)	(11,615)	(329)
Cash flows from investing activities	(2,570)	(1,104)	1,466
Free cash flows	(13,856)	(12,719)	1,136
Cash flows from financing activities	16,953	9,581	(7,372)
Cash and cash equivalents, end of period	7,167	3,946	(3,220)

Point

- Cash flows from operating activities recorded a cash outflow, as was the case in the previous fiscal year, due to a significant decrease in profits
- Cash flows from investing activities improved from the previous fiscal year by limiting capital investment

[Million Yen]

	JAMCO	Niigata JAMCO	Miyazaki JAMCO	Nakajo JAMCO	JAMCO AMERICA, INC.	JAMCO AERO DESIGN & ENGINEERING PTE LTD.	JAMCO SINGAPORE PTE LTD.	JAMCO PHILIPPINES, INC.	JAMCO AERO MANUFACTURING CO., LTD.	Tokushima JAMCO	JAMCO AEROTECH CO., LTD.	Orange JAMCO
Net sales	46,724	2,586	879	558	8,607	464	807	635	712	746	370	107
Operating income	(9,446)	213	(64)	68	(1,558)	(66)	(337)	61	(25)	39	41	3
Ordinary income	(10,009)	223	(63)	66	(1,660)	(55)	(417)	55	(25)	36	42	3
Net income	(11,582)	(131)	(117)	(35)	(1,894)	19	(457)	30	(53)	23	19	1

(Note 1) At JAMCO America, sales in cabin retrofit business and of spare parts for airlines decreased significantly.

In addition, a part of deferred tax assets was reversed based on the future outlook

(Note 2) JAMCO Singapore was liquidated on January 31, 2021 as the prospects for its future stable production were uncertain.

Downsizing

① Reduction in workforce

An approximately 30% reduction of the workforce in the overall Group (including employees seconded outside the Group) was implemented through temporary layoffs mainly at overseas subsidiaries and voluntary retirement offers.

② Reorganization of production bases

- Abolishment of a production base in Tachikawa for Aircraft Interiors and Components Group
- Liquidation of JAMCO Singapore
- Consolidation of the factories of Miyazaki JAMCO Corporation

③ Cost reductions

As a result of employment adjustments, reorganization of bases, cuts in executive remuneration and personnel expenses, in-house production of outsourced work and other cost reduction measures, costs were reduced by ¥11.9 billion from the previous fiscal year

Financing

Loans payable : ¥52.1 billion as of March 31, 2021 (¥11billion increased compared to End of FY2019)

Increase the limit of loans payable (additional ¥23 billion, the amount of borrowing to use this limit of loans payable is ¥3.5 billion)

Others

① Enhance business efficiency

Reduction of ¥4.8 billion of inventory

② Response to concerns

Compensation for damage(Extraordinary loss: ¥2.6 billion)

Provision for product warranties(Extraordinary loss: ¥1.2 billion)

③ Profit and Loss related to COVID-19

Subsidy income(Extraordinary income: ¥1.0billion)

Loss related to COVID-19 (Extraordinary loss: ¥1.7 billion)

J-Lead: Promoting operational process reform at a company-wide level

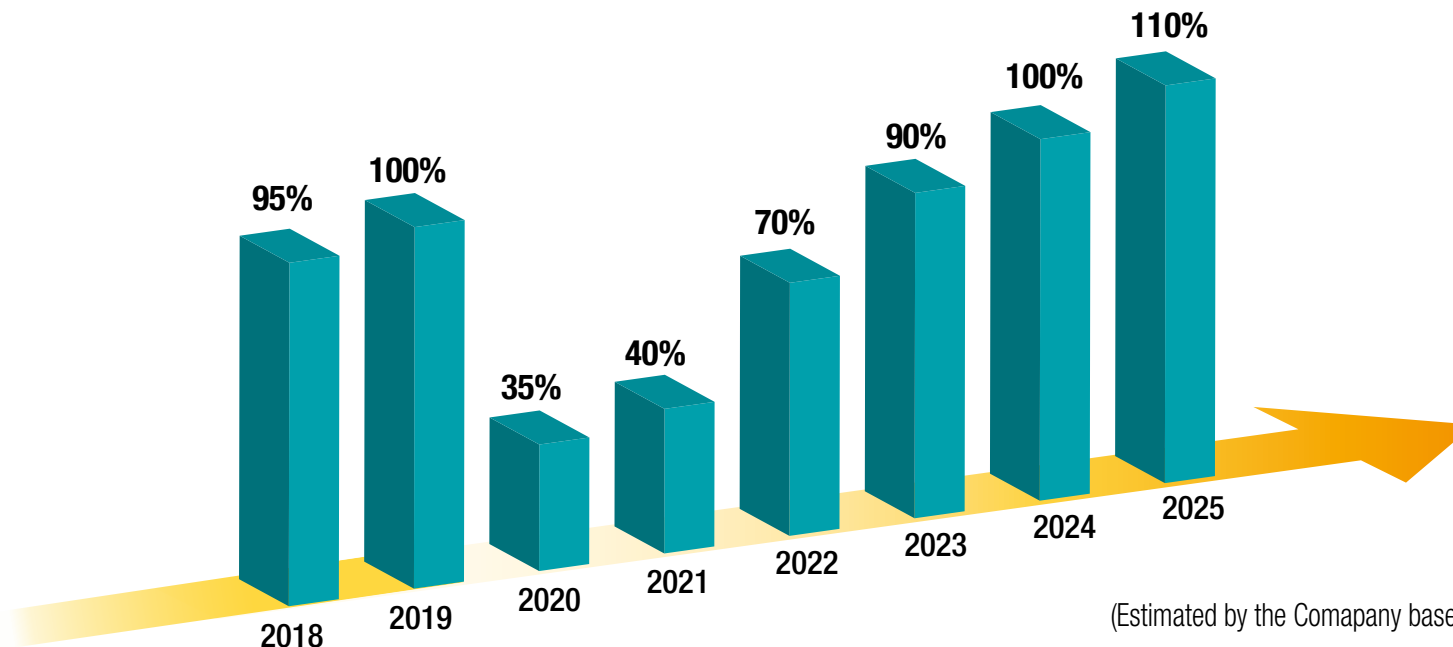
- **Production, Quality, Finance and Accounting, Human Resources and IT (DX) strategy**

New Development and Activities for Acquiring Orders

- **Initiatives of Project Blue Sky in response to COVID-19**
 - ① Joint development with ANA of hands-free door handle and door lock for lavatories of its 787/777 aircraft and delivery in progress
 - ② Acquisition of cargo retrofit orders and completion of retrofit for cabins of Singapore Airlines' 777 aircraft
- **Sales expansion of interiors for narrow-body (single-aisle) aircraft**
- **Acquire orders of business class seat “Venture”**

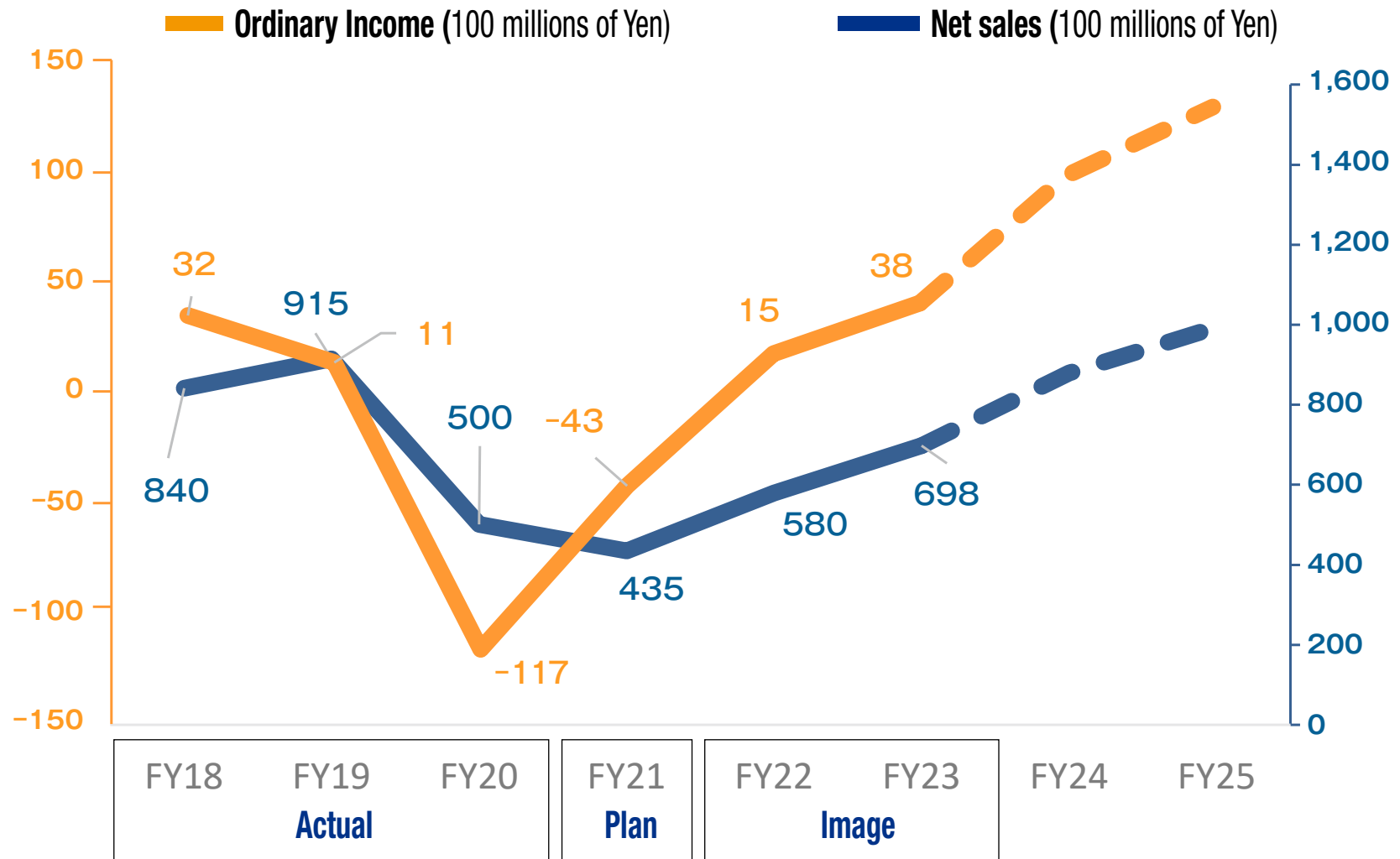
- **Estimation of air passenger demand is made based on IATA (International Air Transport Association) projections**
 - Demand in FY2021 will be around 40% of that of FY2019.
 - Demand will recover to pre-COVID-19 levels in around 2024.
- **Production of new aircraft by aircraft manufacturers will remain flat in FY2021. Production will gradually increase after FY2022.**
- **For airlines, demand for spare parts will gradually recover first. From late FY2021 to FY2022 and beyond, demand for interiors for cabin retrofit and retrofit kits will recover.**

Image of outlook of air passenger demand (The data are expressed as relative values, with FY2019 being 100 percent.)



[Million Yen]

	FY20 (Actual)	FY21 (Plan)	FY22 (Image)	FY23 (Image)
Net Sales	50,058	43,500	58,000	69,800
Gross Profit	(4,100)	3,470	—	—
Selling, General and Administrative Expenses	6,801	7,450	—	—
Operating Income	(10,902)	(3,980)	1,950	4,230
Non-Operating Income and Expenses	(853)	(380)	—	—
Ordinary Income	(11,756)	(4,360)	1,580	3,840
Extraordinary loss	(4,980)	(140)	—	—
Income Before Taxes	(16,737)	(4,500)	—	—
Net Income Attributable to Shareholders of Parent Company	(13,585)	(3,120)	1,180	2,780
Exchange Rate (Yen/US\$)	106.64	103.00	103.00	103.00
Total Assets	101,236	94,100	93,400	98,200
Cash flows from operating activities	(11,615)	3,600	5,500	4,300



The Midium-Term Management Policies

With optimized business scale and further efficiency improvement, we will secure stable profits and seek business diversification and evolution.

- **Effects of optimized business scale:**

The effects of optimized scale such as consolidation of production bases and reduction of workforce implemented in FY2020 will appear throughout FY2021. (Cost reduction effects of around ¥5.0 billion compared to the previous fiscal year)

- **Profitability improvement in the aircraft seat business:**

Unprofitable construction works for custom-made seats were almost completed in FY2020. With sales expansion of profit improvement of approximately ¥1.5 billion per year is expected.

- **Signs of recovery in demand for air transportation:**

Orders of spare parts and inquiries for interiors for cabin retrofit are increasing. Acquired orders of interiors and seats of over ¥10.0 billion from January onward

- **Maintaining our capabilities for demand response:**

More than 100 skilled employees are being assigned outside the Group. Maintain capabilities in facilities and personnel, including overseas manufacturing subsidiaries, in preparation for demand recovery.

- **Efficient operations through promotion of operational process reforms and DX**

Profitability indicator:

Consolidated ordinary income ratio of 7% or more. → Target : FY2024

Efficiency indicator:

Consolidated ROA of 7% or more. → Target : FY2024

Safety indicator:

Equity ratio of 30% or more. → Target : FY2025

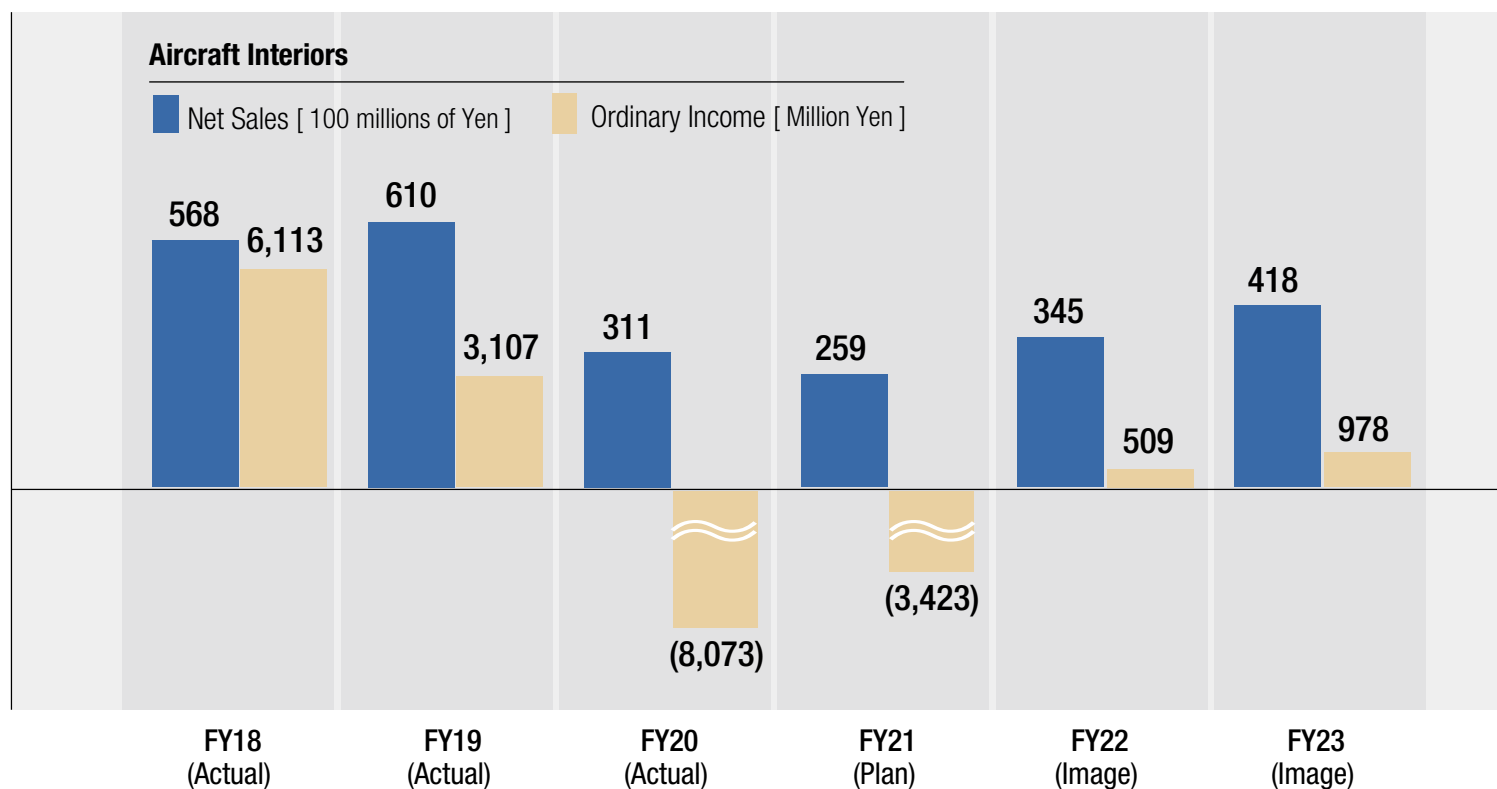
Dividend policy:

Consolidated dividend payout ratio of 20-30% will be set as a guideline.

→ we will try to resume dividend payments as soon as practically possible.

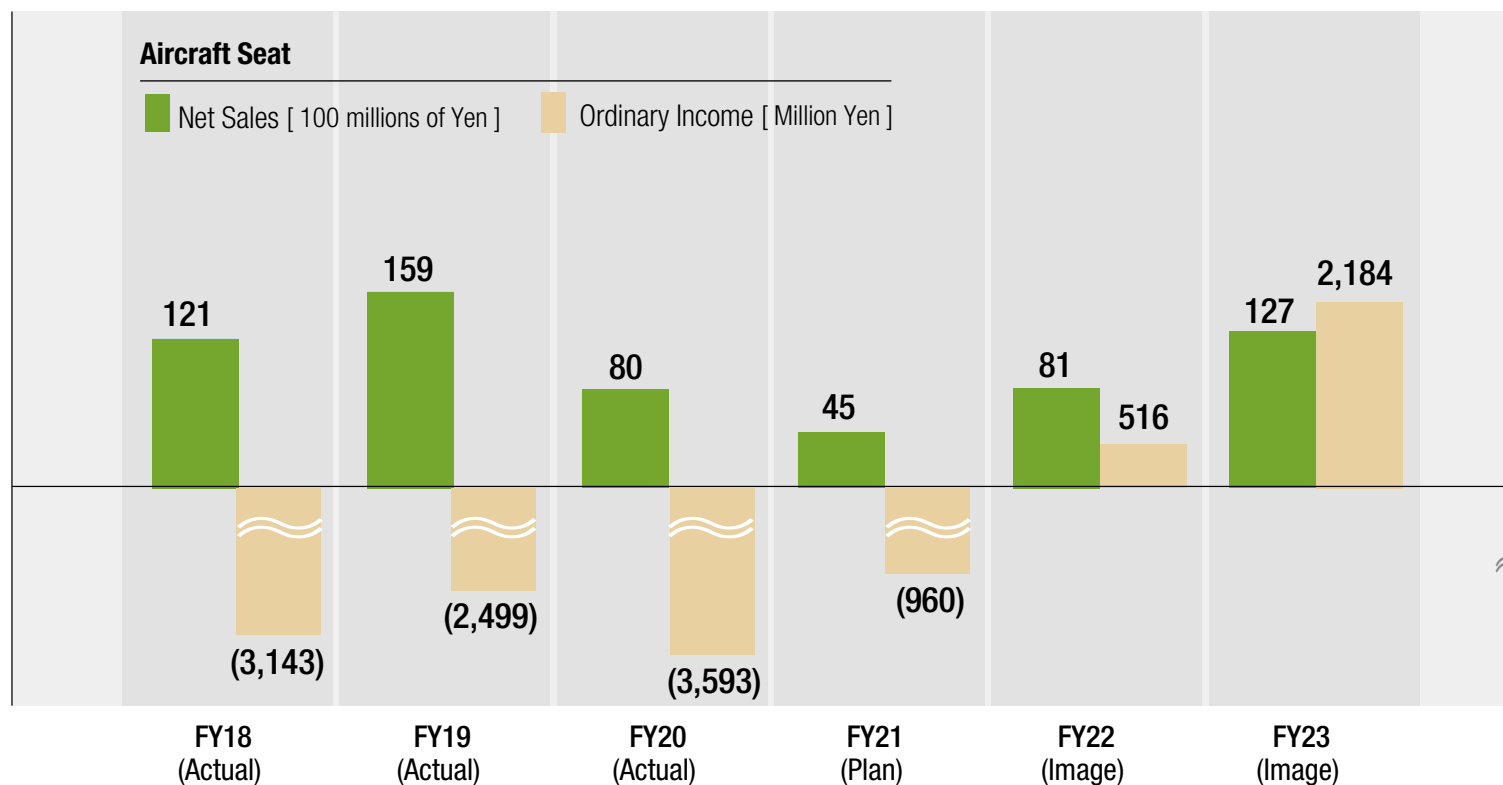
Stable sales recovery along with recovery in air passenger demand

- Production of new aircraft by aircraft manufacturers will remain flat in FY2021. Production will gradually increase after FY2022
- For airlines, demand for spare parts will gradually recover first. From late FY2021 to FY2022 and beyond, demand for interiors for cabin retrofit and retrofit kits will recover.



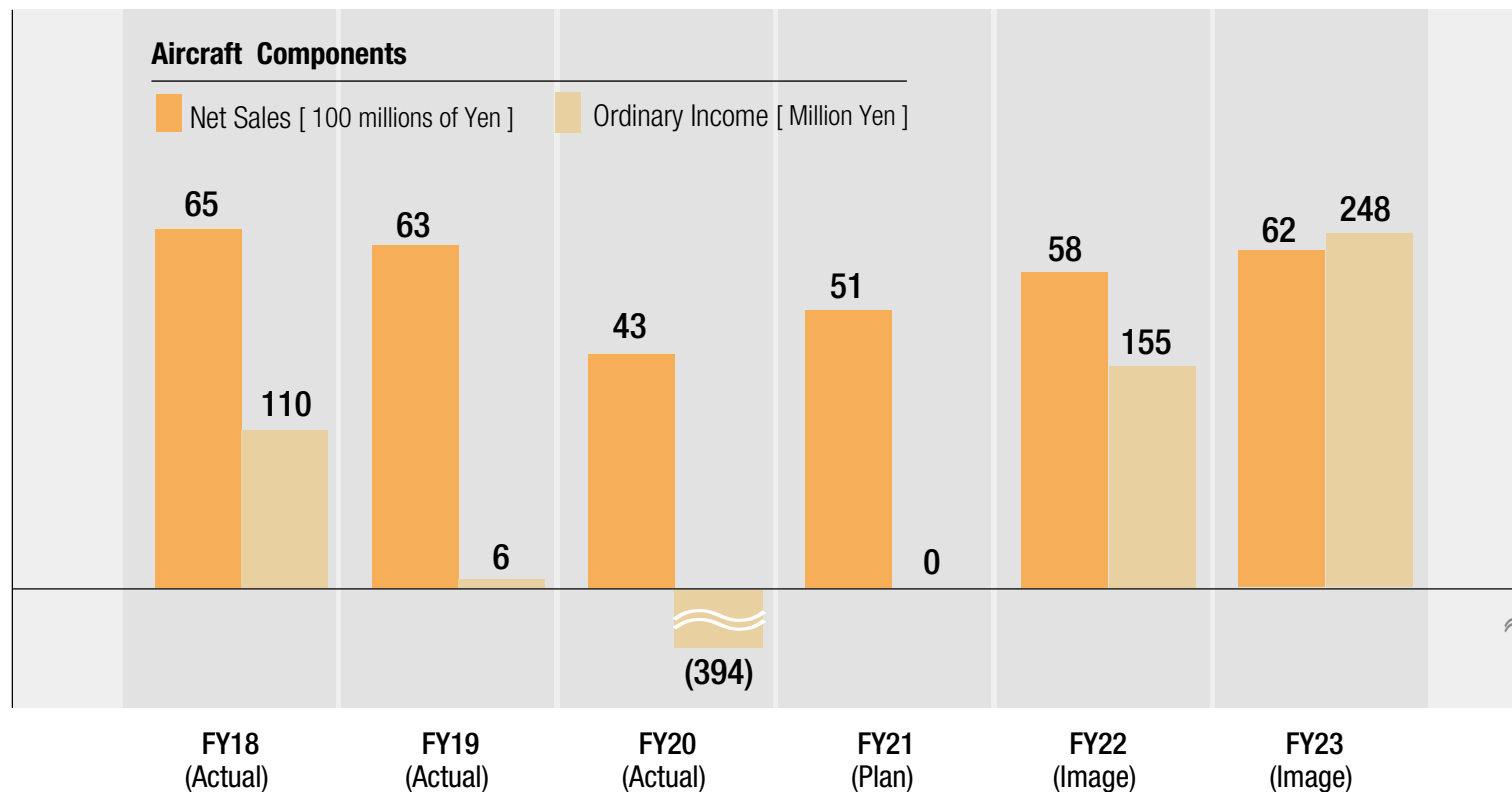
Positive ordinary income with sales expansion of “Venture”

- Custom-made seats were almost completed in FY2020.
- After FY2021, the “Venture” business class seats with projected stable profits will become our main products. Ordinary income will turn positive in FY2022.
- As medium-term potential, we will aim to acquire more orders by deploying “Venture” in other aircraft models and by introducing the next generation of business class seats to the market.



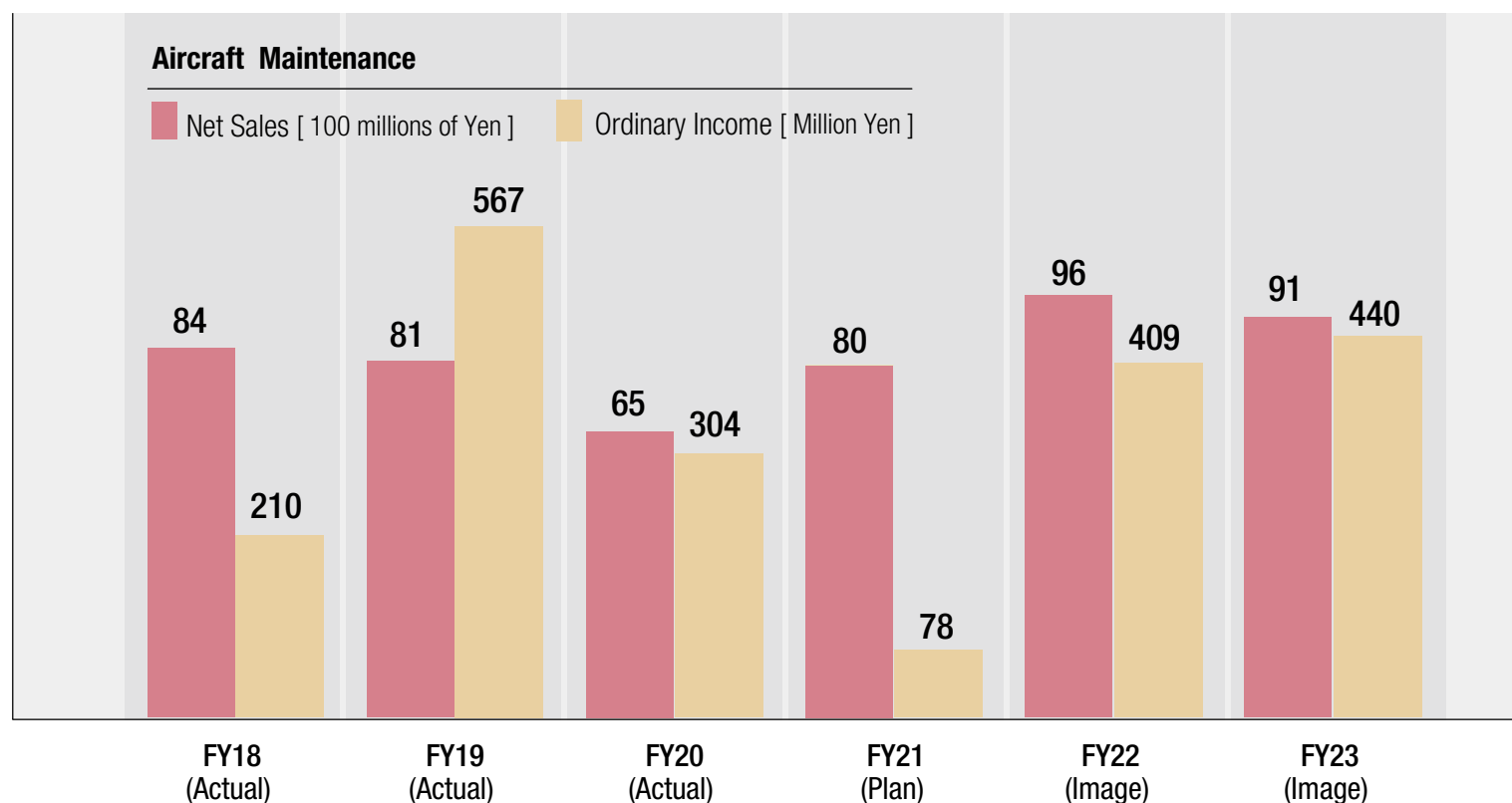
Establishment of a stable profit structure through selection and focus

- Ordinary loss due mainly to the decrease in net sales in FY2020.
- After FY2022, a sales increase in structure parts and engine parts is expected due to a gradual increase in the production rate of the Airbus aircraft.



Stable business structure with a balance between public and private sector demand

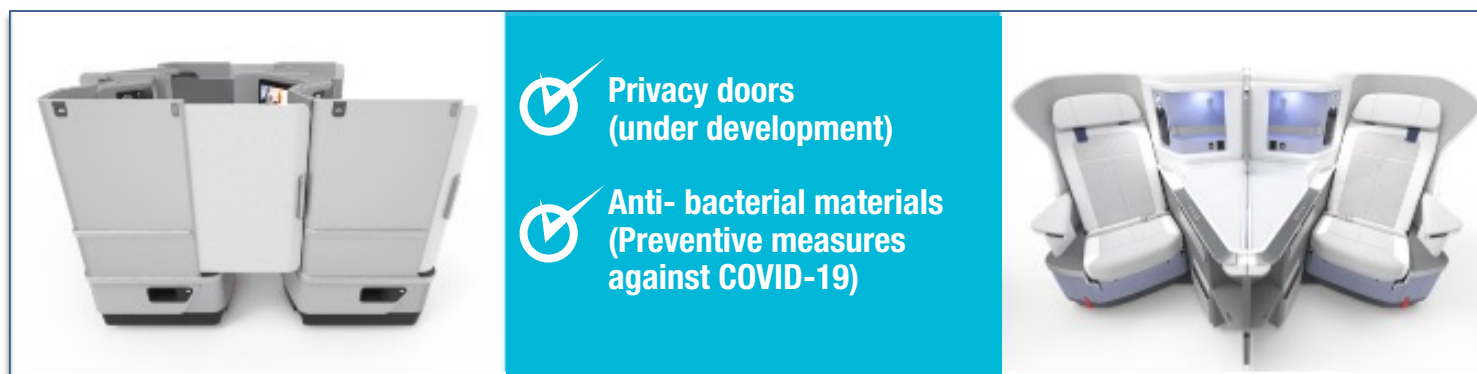
- Amid the lingering COVID-19 impact, profits will decrease in FY2021.
- After FY2022, profits will increase supported by business recovery at airlines.



Development of business class seat

Business class seat “Venture”

- In addition to existing seats for the 787, develop products for other aircraft models such as the 777/A350.
- Improvement in added-value with development of privacy doors and anti-bacterial materials (preventive measures against COVID-19).



Development of next business seats “Quest for Elegance” for wide-body aircrafts.



Project Blue Sky

Develop and propose new products and services in response to COVID-19

- Joint development with ANA of hands-free door handle and door lock for lavatories of its 787/777 aircraft and delivery in progress
- Acquisition of cargo retrofit orders and completion of retrofit for cabins of Singapore Airlines' 777 aircraft
- Proposals of the above project and other proposals related to improvement in the hygienic environment are being offered to aircraft manufacturers and other airlines.



Development of lightweight carbon honeycomb panels

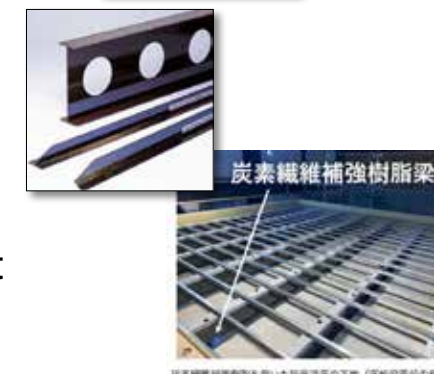
Weight reduction of aircraft interiors→Improvement in aircraft fuel efficiency →Reduction of CO2 emissions (contribution to ESG/SDGs)

- Check for sufficient strength by completing strength tests.
- Further weight and cost reduction for commercialization by FY2025.
- When lightweight carbon honeycomb panels are used for interiors of the 777 aircraft, weight is expected to be reduced by around 360kg per aircraft, which is equivalent to a 55kl fuel reduction per year (around a 135t reduction in CO2 emissions). (Estimated by the Company)



Other technology development projects

- Research on lightweight composite material structures : NEDO Project
- Research on application of technology development of ADP (advanced pultrusion) to CFRP construction materials
- CONTRAIL Industry-academia-government collaboration in an atmospheric observation project



■ 787 Production Status

- As of the end of March 2021, 994 aircraft have been delivered
- As of the end of March 2021, 442 aircraft are on order
- 787 production rate reduced from 6 to 5 per month in 2021 (14 per month before COVID-19)

■ 777-9 Development Status

- Delivery of the first aircraft scheduled in late 2023
- As of the end of March 2021, 202 aircraft are on order
- 777/777-9 combined production rate: 2 per month (5 per month before COVID-19)

■ 737MAX Production Status

- As of the end of March 2021, 10,528 aircraft have been delivered
- As of the end of March 2021, 3,240 aircraft are on order
- Gradual increase to 31 per month in early 2022

■ A380 Production Status

- As of the end of March 2021, 246 aircraft have been delivered
- As of the end of March 2021, 5 aircraft are on order
- Stop production in 2021

■ A350XWB Production Status

- As of the end of March 2021, 416 aircraft have been delivered
- As of the end of March 2021, 497 aircraft are on order
- A350XWB production rate: 5 per month (10 per month before COVID-19)

■ A330neo Production Status

- As of the end of March 2021, 60 aircraft have been delivered
- As of the end of March 2021, 298 aircraft are on order

■ A320 Family neo Production Status

- As of the end of March 2021, 1,727 aircraft have been delivered
- As of the end of March 2021, 5,701 aircraft are on order

Source: Boeing Home Page and Airbus Home Page

Boeing's Orders and Deliveries



(Jan. 2020~Dec. 2020)

	Orders	Deliveries	Order backlog
Total	(1,194)	157	4,055
747	(4)	5	8
777-9	(118)	0	191
777	(1)	26	41
787	(9)	53	458
767	11	30	75
737	(1,073)	43	3,282

(Note 1) Light blue colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Boeing Home Page

(Jan. 2020~Dec. 2020)

	Orders	Deliveries	Order backlog
Total	268	566	7,184
A380	0	4	5
A350	(11)	59	509
A330/A340	(14)	19	298
A320 family	263	446	5,885
A220 family	30	38	487

(Note 1) colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Airbus Home Page

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 **Jamco**
ALWAYS FLY TOGETHER



Always Fly Together