

FY2022 Financial Results Summary

The Medium-Term Management Plan and JAMCO Sustainability

May 24, 2023

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- All statements in this document that are not historical facts are forward-looking and reflect the views and assumptions of management based on the information available at the time of publication. These statements contain various elements of risk and uncertainty regarding economic trends, exchange rates, market demand, tax and other systems. It should be noted that actual performance may differ from these forecasts.
- 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 Statements of Income

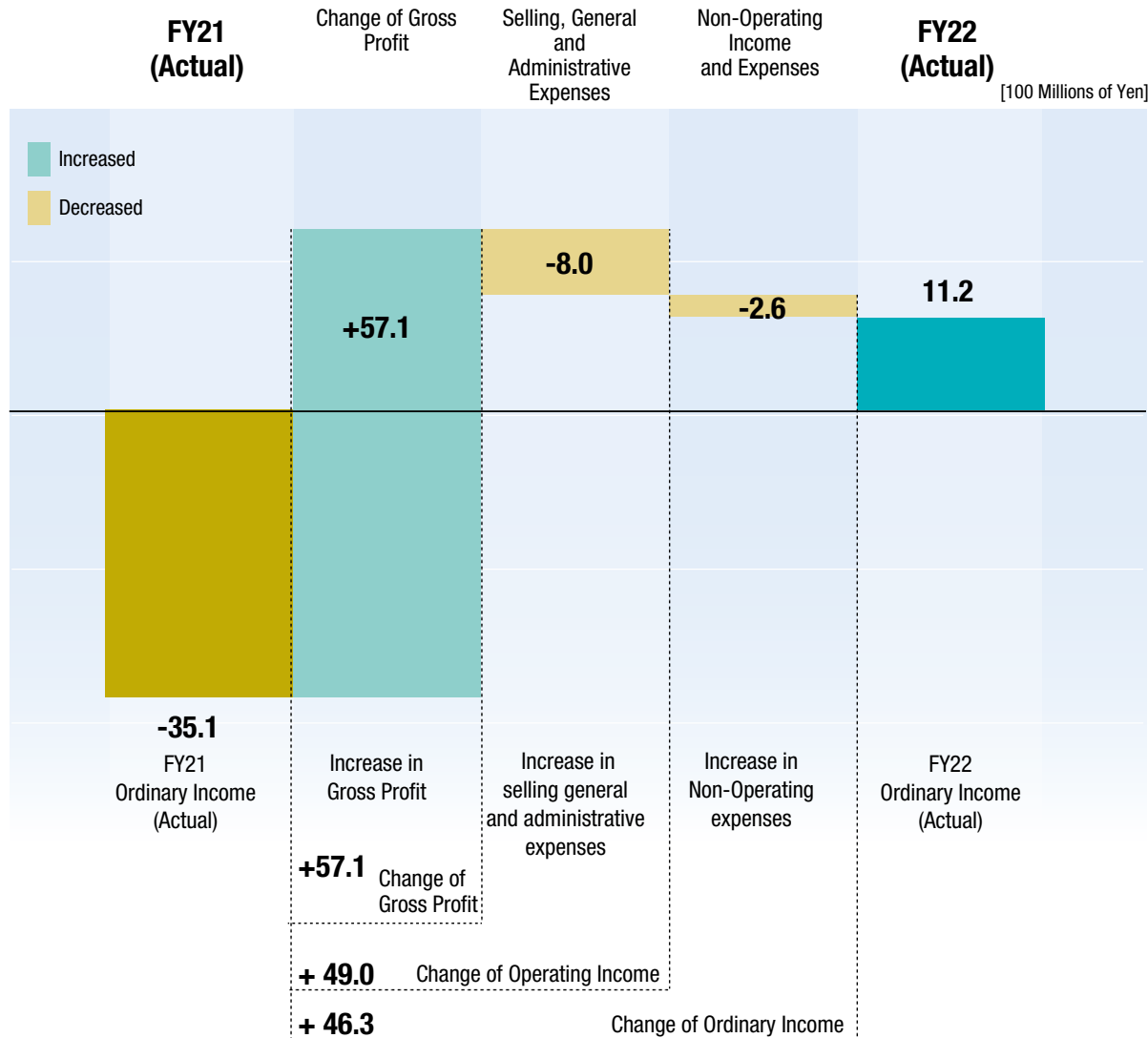


[Million Yen]

	FY21 (Actual)	FY22 (Plan)	FY22 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)
Net Sales	39,078	49,800	47,225	8,146	(2,574)
Gross Profit	4,358	11,712	10,072	5,714	(1,639)
Selling, General and Administrative Expenses	7,533	8,931	8,339	805	(592)
Operating Income	(3,174)	2,780	1,733	4,908	(1,046)
Non-Operating Income and Expenses	(337)	(920)	(606)	(269)	313
Ordinary Income	(3,512)	1,860	1,127	4,639	(732)
Extraordinary loss	530	407	467	(63)	59
Income Before Taxes	(2,981)	2,268	1,594	4,575	(673)
Net Income Attributable to Shareholders of Parent Company	(4,081)	2,160	2,174	6,255	14
Net Income Per Share (Yen)	(152.15)	80.52	81.05	—	—
Exchange Rate (Yen/US\$)	111.14	130.75	135.08	—	—

(Note) "Plan" refers to the earnings forecast at the time of business result announcement on November 8, 2022.

Compared to Previous FY (+¥4,630 million)



Point

Gross Profit

- Net sales increased due to increased sales of spare parts to airlines as the number of aircraft in operation grew and the depreciation of the yen

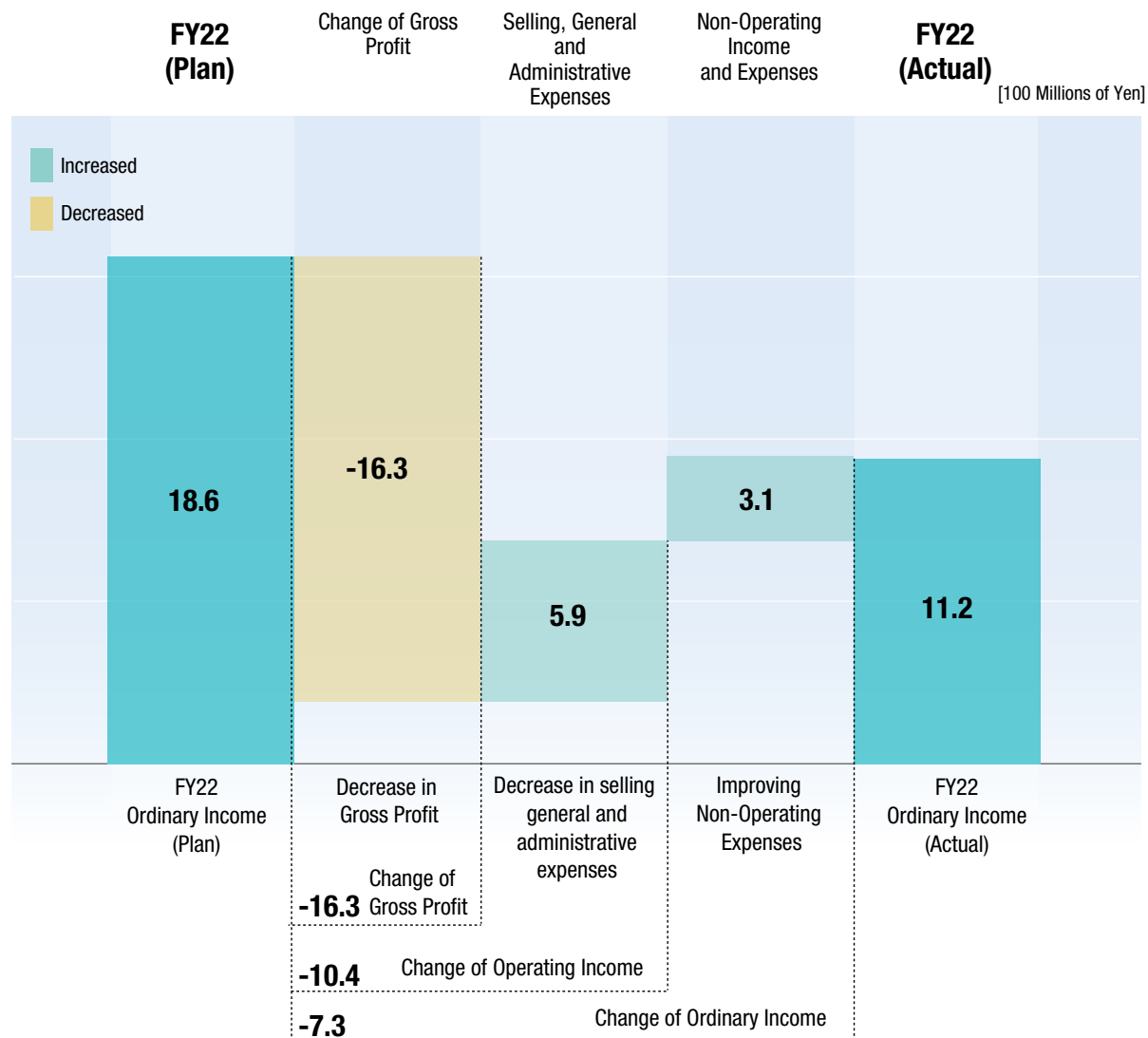
Selling, General and Administrative Expenses

- Increase in sales commission (-¥600 million)
- Increase in labor costs (-¥490 million)
- Decrease in R&D costs (+¥220 million)
- Others (+¥70 million)

Non-Operating Income and Expenses

- Increase in interest expenses (-¥620 million)
- Improving of foreign exchange gains and losses (+¥410 million)
- Others (-¥50million)

Compared to Plan (-¥730 million)



Point

- Gross Profit**
 - Decrease due to lower sales and higher prices for some procurement products
- Selling, General and Administrative Expenses**
 - Decrease in R&D costs (+¥160 million)
 - Decrease in labor costs (+¥160 million)
 - Others (+¥270 million)
- Non-Operating Income and Expenses**
 - Improving of foreign exchange gains and losses (+¥230 million)
 - Others (+¥80 million)

Net Sales and Ordinary Income by Segment ① (Compared to Previous FY / Compared to Plan)

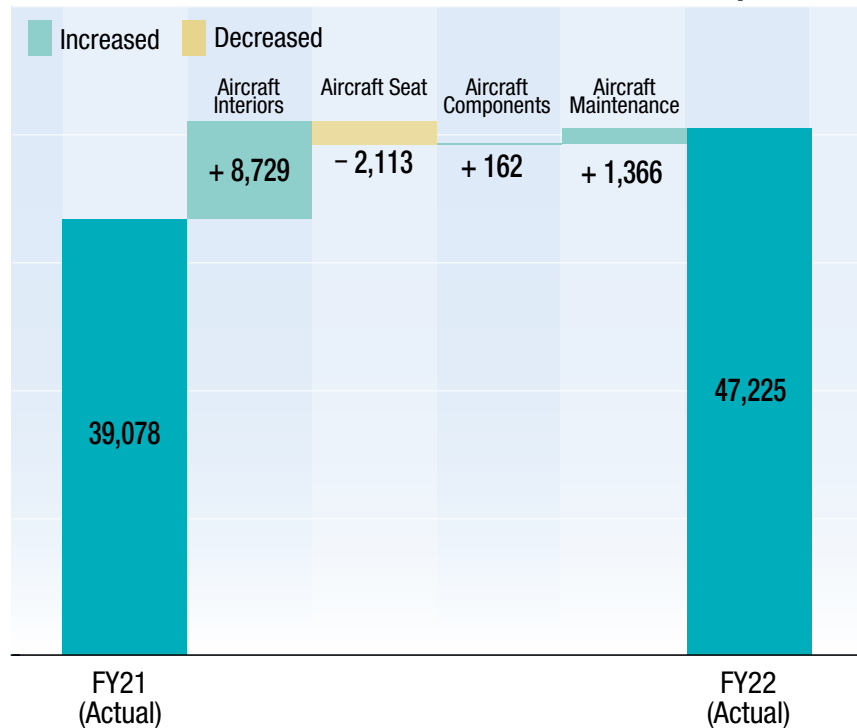
[Million Yen]

	Net Sales					Ordinary Income				
	FY21 (Actual)	FY22 (Plan)	FY22 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)	FY21 (Actual)	FY22 (Plan)	FY22 (Actual)	Compared to Previous FY (Change)	Compared to Plan (Change)
Aircraft Interiors	20,884	30,000	29,614	8,729	(385)	(342)	3,820	3,586	3,929	(233)
Aircraft Seat	5,982	4,900	3,869	(2,113)	(1,030)	(3,109)	(2,100)	(2,708)	401	(608)
Aircraft Components	4,913	5,600	5,075	162	(524)	(204)	50	85	289	35
Aircraft Maintenance	7,297	9,000	8,663	1,366	(336)	180	90	170	(9)	80
Others	0	0	2	1	2	(35)	0	(6)	28	(6)
Total	39,078	49,800	47,225	8,146	(2,574)	(3,512)	1,860	1,127	4,639	(732)

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

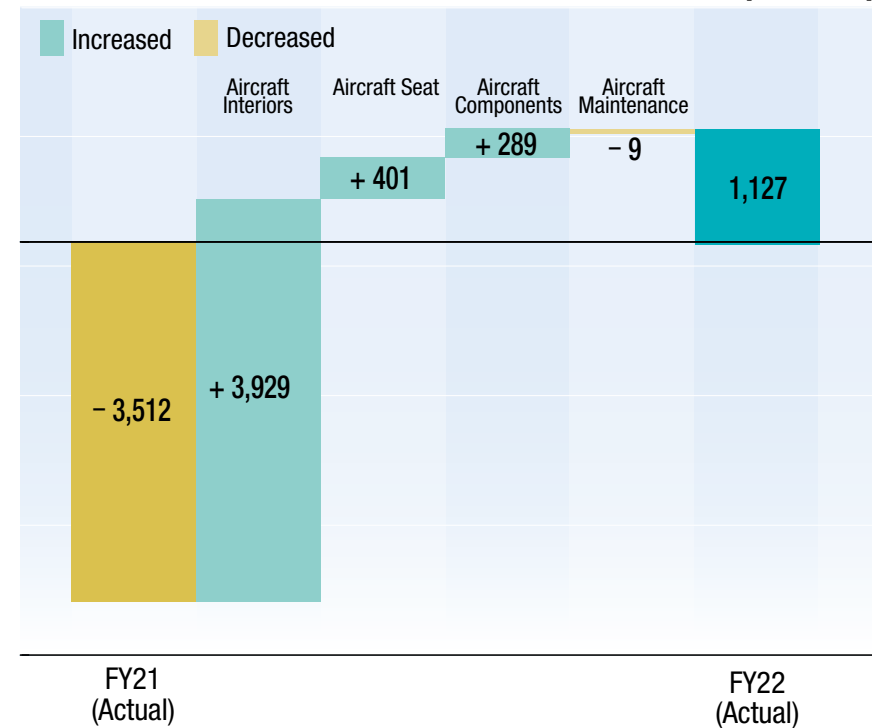
Net sales

[Million Yen]



Ordinary Income

[Million Yen]



Point

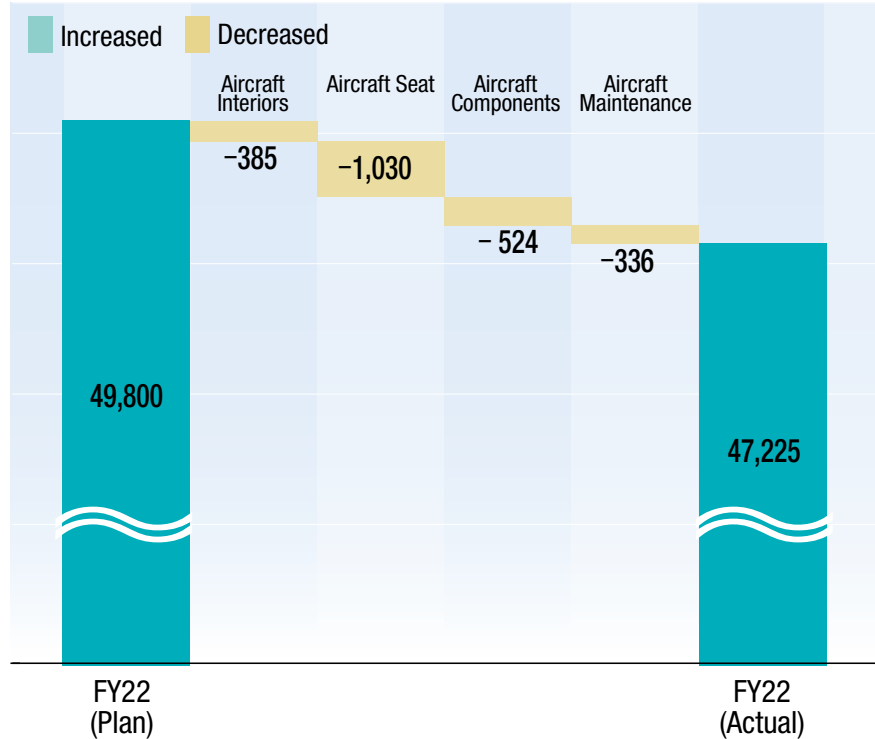
- Net sales for the aircraft interiors business increased mainly due to increased sales of spare parts to airlines as the number of aircraft in operation grew and resumption of shipments for the Boeing 787 aircraft
- Net sales for the aircraft seat business decreased due mainly to delivery schedule changes by customers, although shipments of the Venture business class seat were started
- Net sales for the aircraft components business increased due mainly to increased shipments of CFRP structure parts
- Net sales for the aircraft maintenance business increased due to an increase of construction to be completed for some programs in parts maintenance

Point

- Ordinary Income for the aircraft interiors business increased thanks to improvement in operational efficiency, and foreign exchange gains resulting from the depreciation of the yen, as well as the increase in net sales
- Ordinary loss for the aircraft seat business was posted due mainly to the increase in dollar-denominated costs caused by the depreciation of the yen, in addition to the decrease in net sales
- Ordinary income for the aircraft components business was posted due to the increase in net sales and initiatives taken to improve profitability
- Ordinary income for the aircraft maintenance business decreased due mainly to an increase in selling, general and administrative expenses, despite an increase in net sales

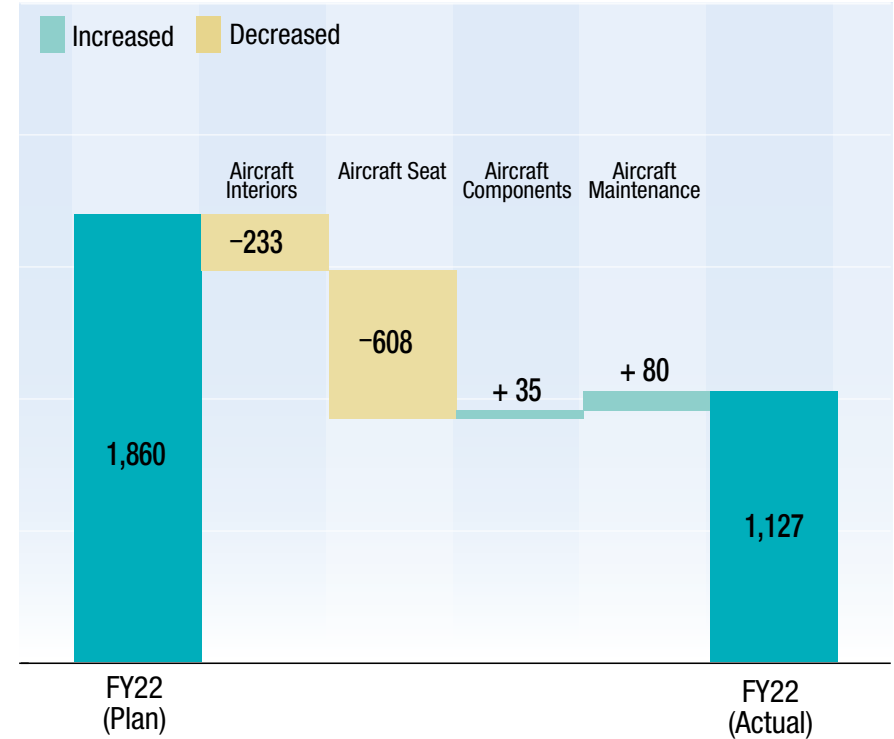
Net sales

[Million Yen]



Ordinary Income

[Million Yen]



Point

- Net sales for the aircraft interiors business and aircraft seat business decreased due mainly to changes in delivery schedule by customers
- Net sales for the aircraft components business and the aircraft maintenance business decreased due mainly to the postponement of shipments of some programs to the next fiscal year

Point

- Ordinary income for the aircraft interiors business and aircraft seat business decreased due to higher prices for some procurement products as well as the decrease in net sales
- Ordinary income for the aircraft components business and the aircraft maintenance business increased due to initiatives taken to improve profitability

Consolidated Balance Sheets



[Million Yen]

Items of an Account	End of FY21 (As of March 31, 2022)	End of FY22 (As of March 31, 2023)	Change
ASSETS			
Current Assets			
Cash and Deposits	9,276	8,334	(941)
Trade receivables and contract asset	19,199	17,615	(1,584)
Inventories	40,746	48,732	7,986
Other Current Assets	2,049	2,639	589
Total Current Assets	71,271	77,321	6,050
Non-Current Assets			
Property, Plant and Equipment	12,425	11,590	(835)
Intangible Assets	1,282	1,807	525
Investments and Other Assets	8,671	10,074	1,403
Total Non-Current Assets	22,379	23,472	1,092
Total Assets	93,651	100,794	7,143

Point

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

Items of an Account	End of FY21 (As of March 31, 2022)	End of FY22 (As of March 31, 2023)	Change
LIABILITIES			
Current Liabilities			
Notes and Accounts Payable - Trade	4,248	4,719	470
Electronically Recorded Obligations - Operating	2,665	2,997	332
Short-Term Loans Payable	48,156	50,022	1,866
Current Portion of Long-Term Loans Payable	960	1,060	100
Advances Received	6,241	8,374	2,133
Provision for Loss on Construction Contracts	3,828	4,280	451
Other Current Liabilities	4,807	5,577	769
Total Current Liabilities	70,908	77,032	6,123
Non-Current Liabilities			
Long-Term Loans Payable	2,310	1,250	(1,060)
Other Non-Current Liabilities	9,337	9,128	(208)
Total Non-Current Liabilities	11,647	10,378	(1,268)
Total Liabilities	82,556	87,411	4,855
NET ASSETS			
Total Net Assets	11,095	13,383	2,288
Total Liabilities and Net Assets	93,651	100,794	7,143

Point

- Equity ratio 11.5%→12.9%

Consolidated Statements of Cash Flows

[Million Yen]

	FY21	FY22
Cash flows from operating activities	6,801	87
Cash flows from investing activities	(646)	(1,025)
Free cash flows	6,155	(938)
Cash flows from financing activities	(2,570)	(705)
Cash and cash equivalents, end of period	8,174	6,958

Point

■ Net Cash provided by operating activities due mainly to increases in depreciation and income before taxes, despite an increase in inventories

[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	42,354	2,121	774	628	10,580	490	64	485	869	764	440	120
Operating income	2,340	37	57	49	(732)	(16)	(6)	9	8	39	7	5
Ordinary income	2,739	33	58	48	(1,203)	24	(11)	1	7	40	8	5
Net income	2,849	10	51	18	(1,403)	21	467	(7)	4	25	3	3

(Note1)JAMCO Singapore is in liquidation proceedings

The Medium - Term Management Plan and JAMCO Sustainability

SECTION2 The Medium - Term Management Plan and JAMCO Sustainability

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Appendix

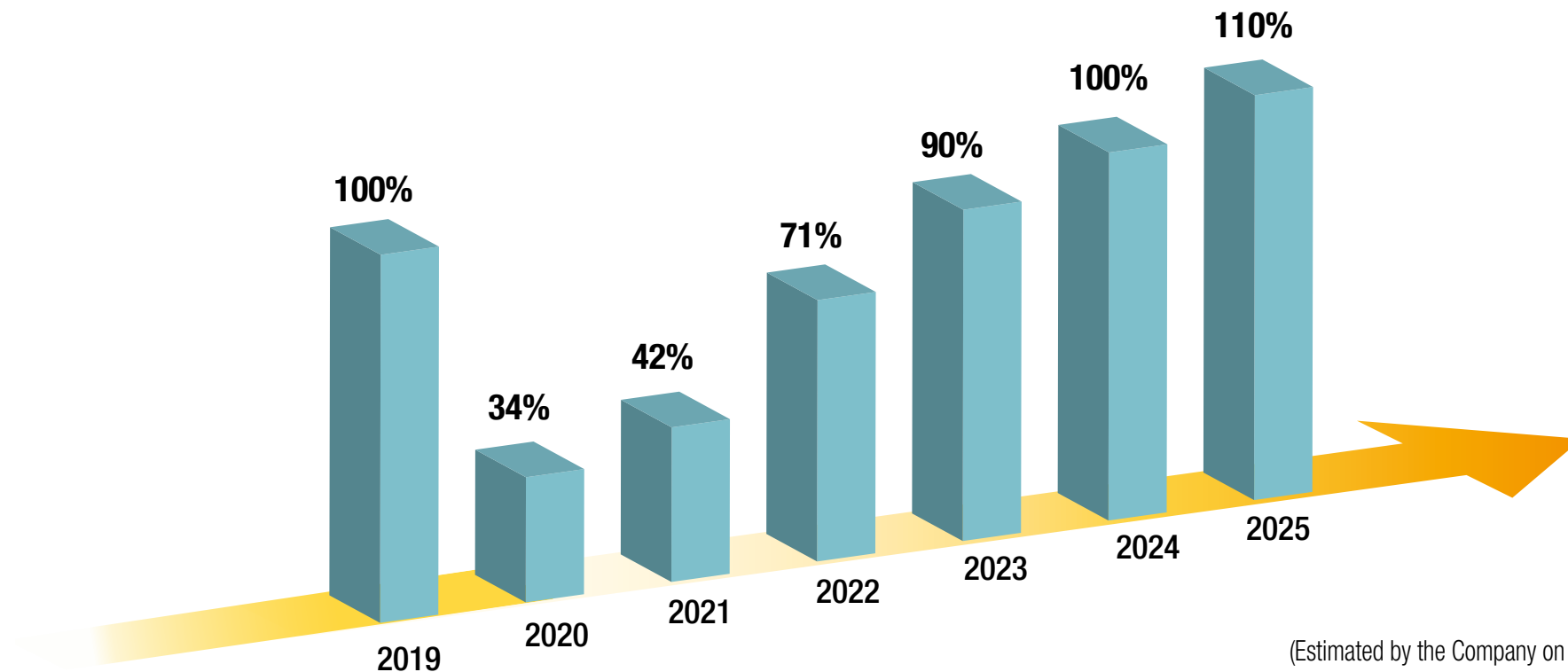
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SECTION

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- **Estimation of air passenger demand is made based on IATA (International Air Transport Association) projections.**
 - Demand in FY2023 will be around 90% of that of FY2019.
 - Demand will recover to pre-COVID-19 levels in around 2024.
- **Production of new aircraft by aircraft manufacturers will gradually increase from FY2023.**

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



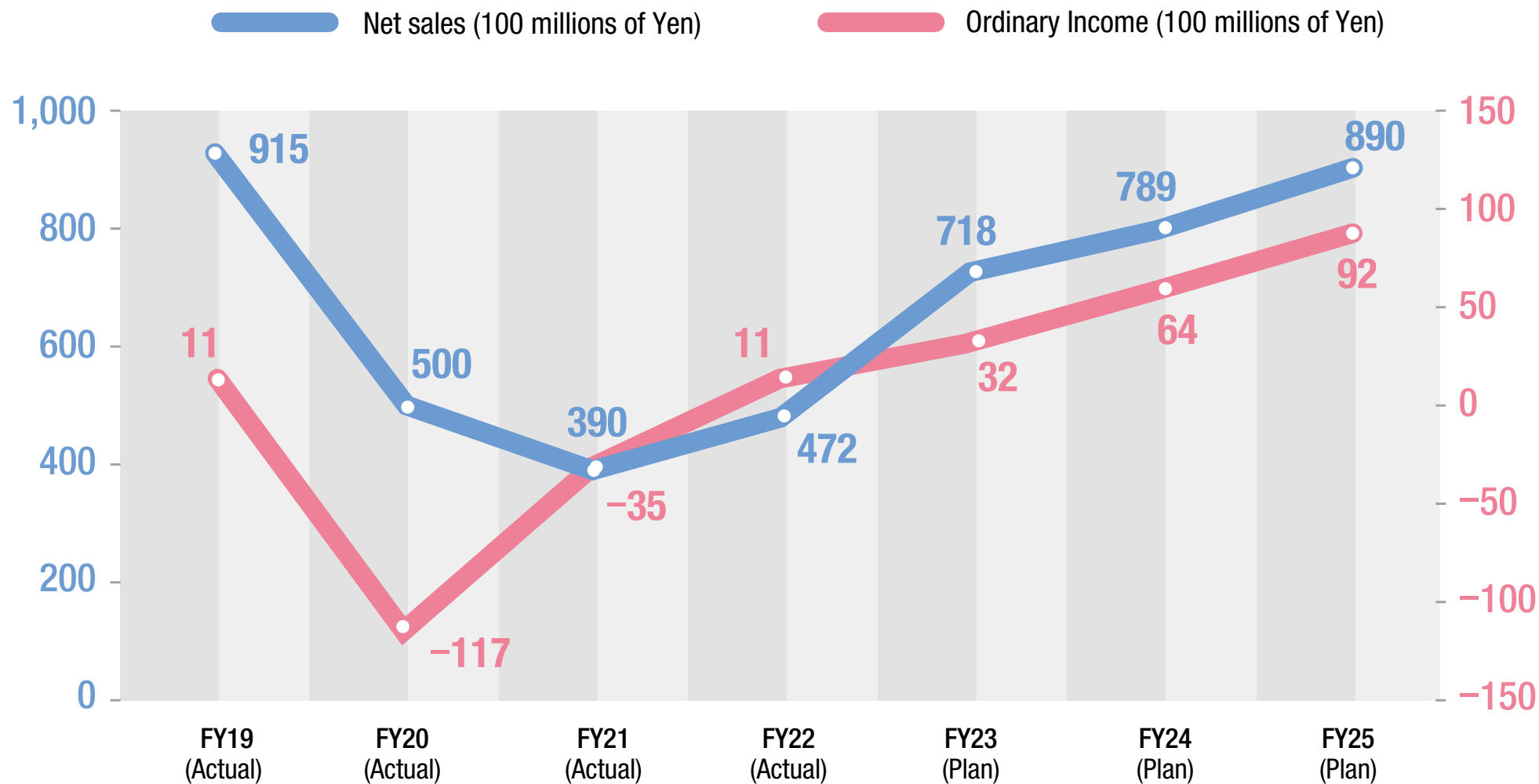
The Medium - Term Management Plan



[Million Yen]

	FY22 (Actual)	FY23 (Plan)	FY24 (Plan)	FY25 (Plan)
Net Sales	47,225	71,800	78,900	89,000
Gross Profit	10,072	14,730	19,150	22,740
Selling, General and Administrative Expenses	8,339	9,730	11,000	11,730
Operating Income	1,733	5,000	8,150	11,010
Non-Operating Income and Expenses	(606)	(1,800)	(1,740)	(1,740)
Ordinary Income	1,127	3,200	6,410	9,270
Extraordinary Loss	467	0	0	0
Income Before Taxes	1,594	3,190	6,410	9,270
Net Income Attributable to Shareholders of Parent Company	2,174	2,280	4,610	6,640
Exchange Rate (Yen/US\$)	135.08	130.00	130.00	130.00
Total Assets	100,794	100,840	102,070	106,860
Cash flows from operating activities	87	3,950	8,770	6,690

Future Outlook

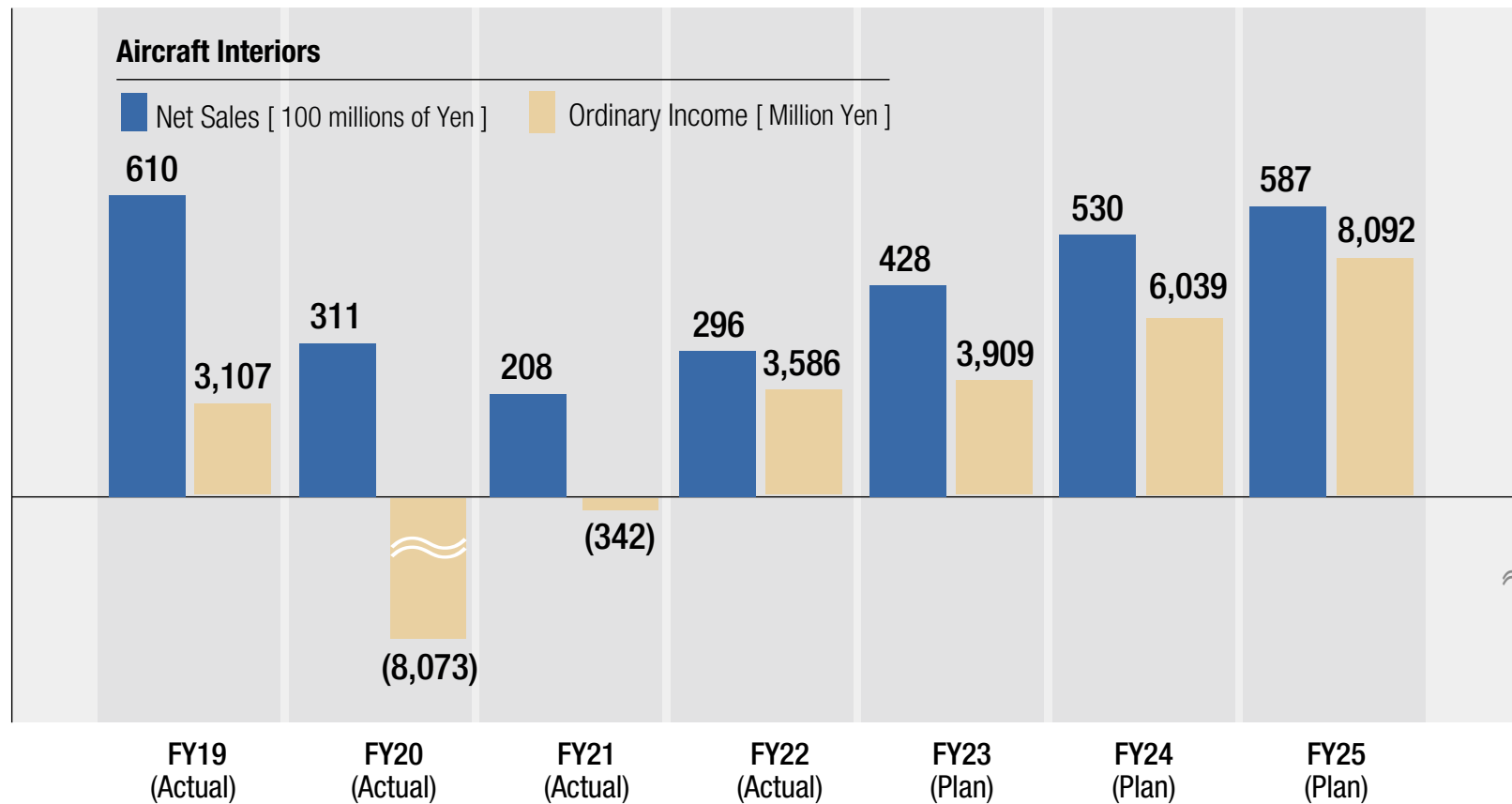


- The air transportation industry expects steady recovery from the impact of COVID-19 to continue in FY 2023 and forecasts recovery to pre-pandemic levels in 2024. However, due to concerns about a recession resulting from the situation in Ukraine, soaring prices and personnel expenses, and rapid monetary tightening, we need to keep a close watch on the situation.
- Air passenger demand is projected to grow at an annual average of 3.8% over the 20 years up to 2041. During the same period, 41,170 new aircrafts will be produced (including 30,880 single-aisle aircrafts and 7,230 wide-body aircrafts) and the number of aircraft in operation is projected to increase by approximately 80% from 25,900 in 2019 to 47,080. Stable growth is therefore anticipated in the future (according to a survey by Boeing).
- The supply chain in the aviation industry was significantly disrupted as a result of a rapid reduction of demand due to COVID-19, which led to a shortage of human resources despite market recovery.
- Important indicators include not only corporate financial information, but also disclosure of ESG information. Accordingly, initiatives for ESG/SDGs need to be further strengthened.
- As for exchange rate trends, the dollar-yen exchange rate once dropped to the ¥150 level to US\$1, but subsequently soared to the mid-¥130 range, showing high volatility in a short period of time.
- The business environment is rapidly changing, so in order to overcome unforeseeable situations, both flexible corporate reform and mindset reform are required.

Future Outlook by Segment (Aircraft Interiors)



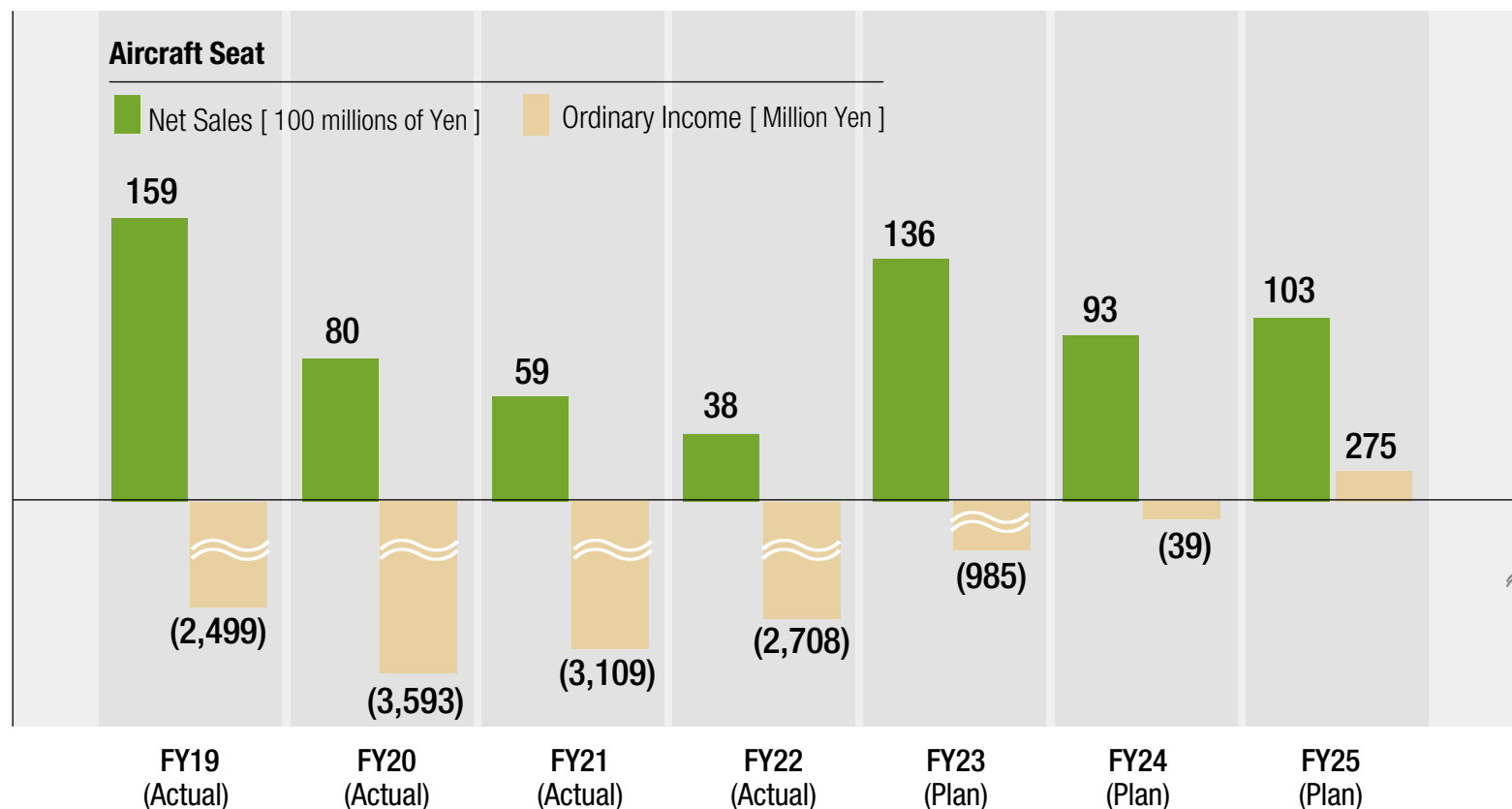
- Increase production with a large order of wide-body aircrafts made by United Airlines and Air India
- Boeing 787 Production rate is 3 per month and plan to increase to 10 per month in 2025
- Increase sales of spare parts to airlines as the number of aircraft in operation grew



Future Outlook by Segment (Aircraft Seat)



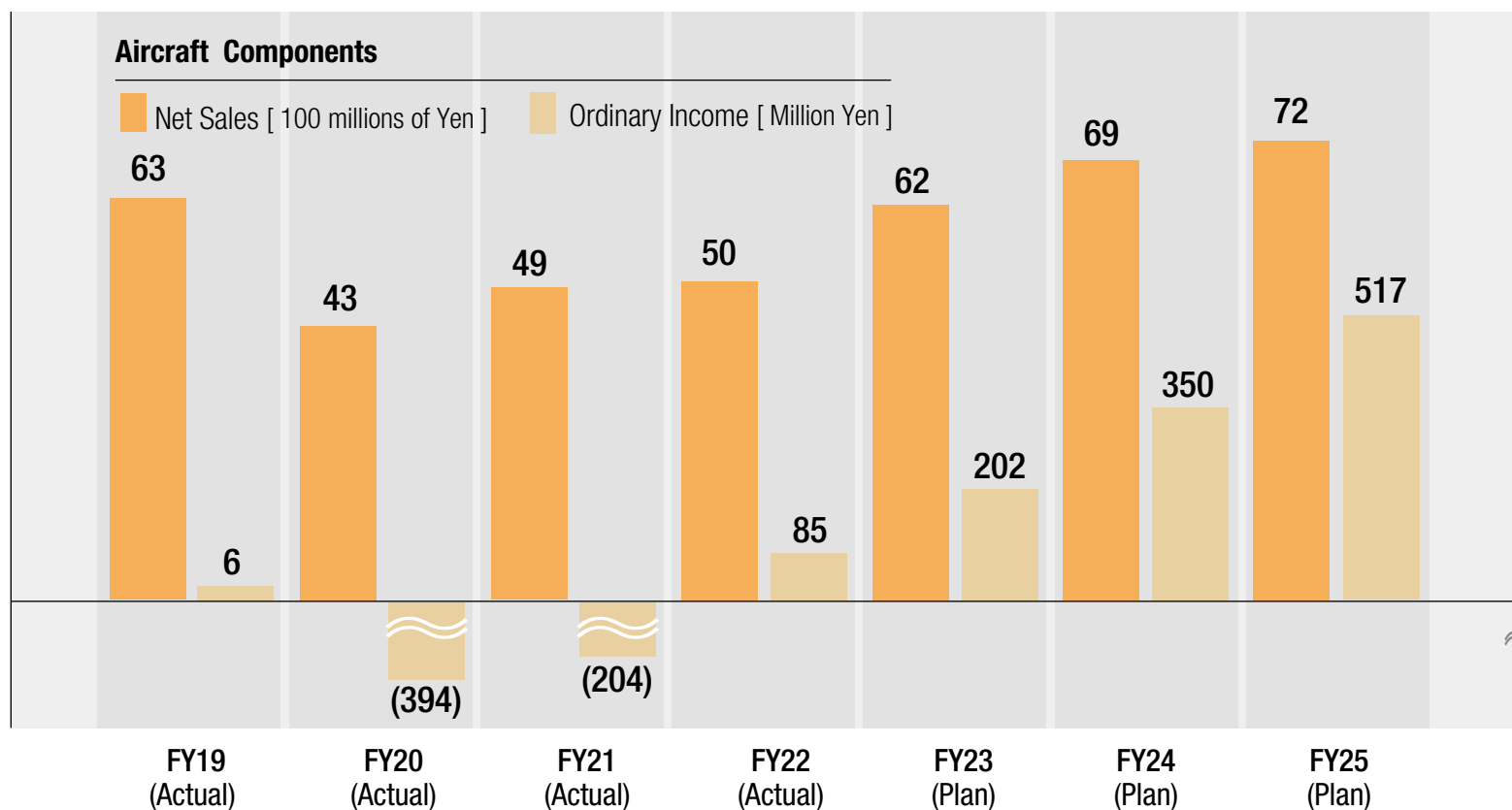
- Securely implement aircraft seat business strategies, including reorganization of development and production bases, and review the business structure
- Deploy “Venture” and “Quest for Elegance” seats mainly in Boeing 777/787 aircraft and Airbus A350 aircraft



Future Outlook by Segment (Aircraft Components)



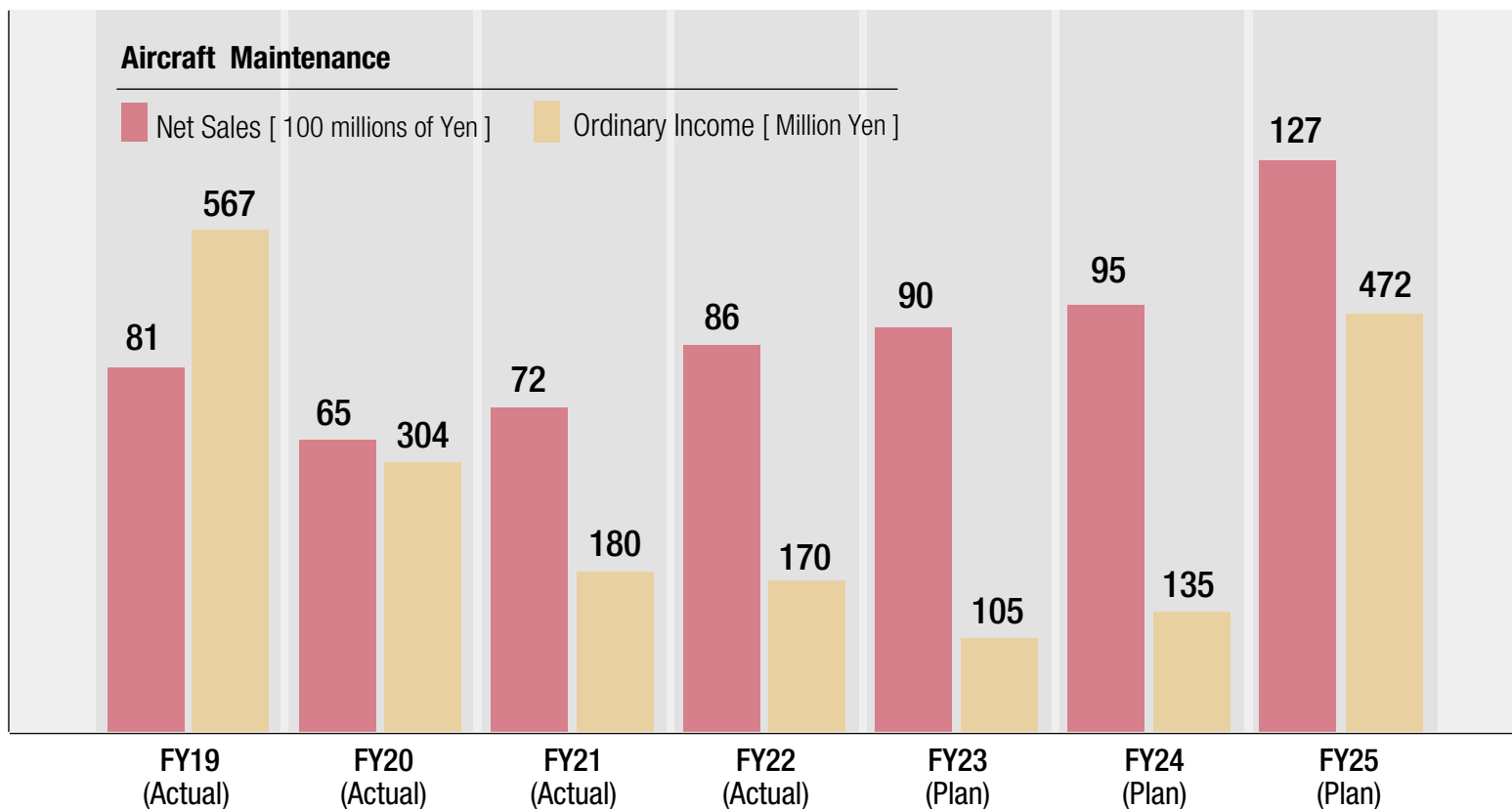
- Optimize production bases and create smart factories through promotion of DX
- Develop CFRP products and expand business into new fields utilizing special process technologies



Future Outlook by Segment (Aircraft Maintenance)



- Expand business with a balance between public and private sector demand
- Participate in the next-generation air mobility business with drones, eVTOLs, etc



Profitability indicator:

Consolidated ordinary income ratio of 7% or more.

Efficiency indicator:

Consolidated ROA of 7% or more.

Safety indicator:

Equity ratio of 30% or more.

Dividend policy:

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

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

The JAMCO Group started and strengthen 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.”

In FY 2022, we have taken initiatives toward achieving carbon neutrality, with top priority on addressing climate change as an urgent issue.

The calculation of the JAMCO Group's GHG emissions

Submitted response to CDP*¹ Climate Change Questionnaire CDP score up



Information disclosure in line with the TCFD*² recommendations

Identification of Materiality concerning Sustainability

- ※ 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.



We recognize that each and every employee is our most valuable strategic asset, and we are committed to their continuous development as it contributes to the sustainable growth of our company. To this end, we have implemented various initiatives to systematically invest in our human capital.

- In terms of talent development, we provide educational and training programs that promote foundational skills development, establish an English language proficiency as a basis of our global talent pool, and support self-improvement and skill enhancement activities.
- We have embraced a comprehensive Career Development Program and a rotational system that exposes employees to diverse careers and experiences, fostering the growth of managerial personnel, future leaders, and subject matter experts who possess a broad perspective, critical thinking skills, and sound judgment, all of which are integral to our organization.
- In conjunction with individual capability development, we have formulated a 'Succession Plan' to facilitate the systematic nurturing of our organizational executives, actively working towards building a future-ready organization.

Production Status and Development Status for Boeing and Airbus

■ 787 Production Status

- As of the end of March 2023, 522 aircraft are on order.
- Production rate is 5 per month in 2023 and plan to increase rate to 10 per month in 2025 and 2026.

■ 777-9 Development Status

- Commercial flights scheduled to begin in 2025.
- As of the end of March 2023, 328 aircraft are on order, including 777. Plan to produce 4 per month in 2025 and 2026.

■ 737MAX Production Status

- As of the end of March 2023, 3,585 aircraft are on order.
- Production rate is 38 per month in 2023 and plan to increase rate to 50 per month in 2025 and 2026.

■ A350XWB Production Status

- As of the end of March 2023, 441 aircraft are on order.
- Plan to increase production rate from 6 to 9 per month by the end of 2025.

■ A330neo Production Status

- As of the end of March 2023, 209 aircraft are on order.
- Plan to increase production rate from 3 to 4 per month by the end of 2024.

■ A320 Family neo Production Status

- As of the end of March 2023, 6,604 aircraft are on order.
- Plan to gradually increase production rate to 65 per month by the end of 2024.

Source: Boeing Home Page and Airbus Home Page

Boeing's Orders and Deliveries

(Jan. 2022~Dec. 2022)

	Orders	Deliveries	Order backlog
Total	808	479	4,579
747	0	5	1
777	26	24	313
787	125	31	505
767	31	33	106
737	626	386	3,654

(Note 1) colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Boeing Home Page

Airbus' Orders and Deliveries

(Jan. 2022~Dec. 2022)

	Orders	Deliveries	Order backlog
Total	820	663	7,237
A380	0	0	0
A350	10	62	404
A330/A340	(65)	32	213
A320 family	770	516	6,093
A220 family	105	53	527

(Note 1) colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Airbus Home Page

技術を翼に世界の空へ

 **Jamco**
ALWAYS FLY TOGETHER



Always Fly Together