



**Tireless ambition  
to enter new business fields**

Going beyond conventional ideas of aircraft interiors, JAMCO is offering innovative concepts and functions to create all-new types of passenger cabins.



**A global market share of aircraft interior products**

JAMCO's business is based on technology. JAMCO has secured leading market shares in the aircraft aviation industry by applying the advanced technical capabilities it has built up over many years.



**On-time delivery of high-quality products guaranteed**

JAMCO, maker of many award-winning, high-quality products over the years, reaches a new level of excellence for quality and dependable, on-time delivery.

**ALWAYS FLY TOGETHER**



**2018 CSR Report**

# JAMCO 2018 CSR Report

## Table of Contents

1.	<b>JAMCO 2018 CSR Report</b> Table of Contents	30.	<b>With our Business Partners</b> Building Sound Business Relationships Promoting CSR together with our Business Partners Responding to Conflict Minerals Promotion of Green Procurement CSR Procurement Policy
2.	<b>Editorial Policy</b> Scope of this Report Others	31.	
3.	<b>Management's Commitment to CSR</b>	32.	<b>With our Shareholders and Investors</b> Disclosure of IR Information Communication with Shareholders and Investors Policy of Shareholder Return
4.	<b>Approach to CSR</b> CSR Basic Policy	33.	
6.	Summary of CSR Activities for FY 2017	33.	<b>With the Local Community</b> Social Contribution Activities by JAMCO Lecture titled "An Introduction to Atmospheric Observation Devices and Ultra Wide-Body Aircraft Interior Products" presented at the University of Toyama Lecture titled "Introduction to Today's Aviation Industry" presented during a Waseda University course
9.	<b>Corporate Governance</b> Basic Policy	34.	
11.	<b>CSR in Business Activities</b> Compliance	35.	<b>For the Global Environment</b> Environmental Initiatives History of Activity Environmental Basic Philosophy/ Environmental corporate action guidelines
13.	Information Security Initiatives	36.	JAMCO's Business Activities Related to the Environment
14.	Business Continuity Plan (BCP) in Case of a Disaster	37.	Environmental Conservation Activities Promotion System
15.	Risk Management	38.	Major Initiatives
16.	<b>Special Feature: CONTRAIL Project</b>	40.	Results of FY 2017 Activities
17.	Three-Dimensional Observation of Greenhouse Gases in the Atmosphere Supporting the Continuation of the Project as an Aviation Industry Professional		
18.	Observation Results are Valuable Data used in the World		
19.	<b>With our Customers</b> Approach to Product Quality		
22.	Improvement of Customer Satisfaction		
23.	<b>With our Employees</b> Employee Composition of JAMCO Human Resources Development Initiatives		
24.	Respect for Human Rights Promotion of Diversity in the Workplace		
29.	Occupational Safety and Health		

## Editorial Policy

This report introduces the Jamco Group's\* approach and initiatives for Corporate Social Responsibility (CSR) for the purpose of further improvement of our CSR promotion through the communication with stakeholders such as customers, shareholders and investors, suppliers, employees, et al.

\* JAMCO Group: Domestic and foreign subsidiaries and affiliates

### Scope of this Report

#### Organizations

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This report mainly focuses on Jamco Corporation as well as the JAMCO Group.

#### Period Reported

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In principle April 1, 2017 ~ March 31, 2018, but some information for other periods is included as well.

#### Issue Date

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September, 2018.

### Other

#### Referenced Guidelines

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ISO26000 Guidance on social responsibility  
ISO14000 environmental management systems

#### Contact

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## Management's Commitment to CSR

**Treasuring the precious bonds with stakeholders, while setting our sights on further excelling as a sustainable and successful business**



### **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.**

These commitments, championed by JAMCO as the core of our management philosophy, can also be said to manifest the spirit of CSR.

### **Rising to the Eternal Challenge of Realizing our Aspirations**

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Since our establishment, JAMCO has nurtured our business focusing on the aviation industry. This stance is firmly rooted in the conviction that our own aspirations can only be realized hand-in-hand with the ongoing evolution of aviation technology. In keeping with this, JAMCO has steadily expanded the borders of our business along the road to realizing our dreams, with the stage for such activities now showing signs of broadening to an even greater extent. There has been no change or pause, however, in the rock-solid commitment to realizing all aspects of our vision as it pertains to the aviation field.

### **Bringing Joy and Satisfaction to our Customers and Employees**

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At JAMCO, the goal is always to supply products and services of genuine and enduring satisfaction to our customers. Through this avenue, we look forward to our employees likewise sensing joy and fulfillment in their work, continuing to develop and grow both as participating members of the business community and as individual human beings.

To this end, we arrange for necessary education, training and work opportunities, while conveying the "unwritten rules" of what may be referred to as "JAMCO-ism." On the strength of this platform, we believe that JAMCO will continue to grow alongside our employees, while fostering an environment empowering employees to move forward with teamwork and a rich sense of achievement. In this way, JAMCO remains boldly fixed on perennially evolving and shining as a "sincere corporate entity where people come first."

## Striving for Coexistence with Nature, Contributing to a Prosperous and Progressive Society

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JAMCO is proactively engaged in dealing with global environmental issues. This stance encompasses energy-saving measures, “green procurement” programs, extensive waste reduction and recycling, analysis of the chemical substances in the materials and other items we use, active promotion of conversion to alternatives for components containing hazardous substances. Going forward, JAMCO pledges to further intensify the push to lower our environmental footprint, in a no-nonsense response to the increasing need to take meaningful countermeasures in the face of environmental challenges.

President and CEO



## Approach to CSR

### Basic CSR Policy

#### Basic CSR Policy

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JAMCO’s CSR policies are rooted in its management philosophy and are defined in the following terms:

- Our commitment to compliance is marked by our “samurai values” in which pride and faithfulness are the cornerstone of our actions as a responsible corporate citizen.
- We pursue growth and happiness for employees as well as provide services and products to meet customer expectations.
- We work to ensure harmony between society and the environment, thereby contributing to a better society.

#### Human Rights Policy

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The JAMCO Group, to achieve its management philosophy and maintain sustainable growth, will fulfill its responsibility to respect fundamental human rights.

1. We will promote initiatives that respect fundamental human rights based on international standards\*, and contribute to the creation of a sustainable society.
2. We will comply with the laws of the countries and regions that we do business in based on international standards.
3. We will not act in ways that have a negative effect on human rights.
4. We will take immediate steps to begin the remediation process in cases where our actions have a negative effect on human rights, or where we have had a hand in such an effect.

5. We will operate internal and external hotlines for reporting the discovery of negative effects on human rights.
6. We will work to reduce and avoid risks that could result in negative effects on human rights.
7. We will promote human rights awareness activities that target all JAMCO Group officers and employees.
8. We will require our business partners to respect human rights and to work to avoid doing anything that may have a negative effect on those rights.
9. We will disclose information about human rights issues related to our business activities and discuss them with stakeholders as appropriate.

\*"International standards" refers to 'international standards regarding business and human rights' that are represented by the following:

- Universal Declaration of Human Rights & International Covenants on Human Rights (United Nations)
- ILO Declaration on Fundamental Principles & Rights at Work (International Labour Organization/ILO)
- Guiding Principles on Business and Human Rights (United Nations)

## CSR Promotion System

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To meet higher social demands and expectations with respect to promoting CSR, JAMCO established a system to systematically promote CSR activities by forming a CSR Committee in April, 2017.

The CSR Committee manages across the organization and plays a role leading company-wide CSR activities. The CSR Committee is comprised of a Chairperson (Executive Officer in charge of Human Resources General Affairs Department) and members from each Department. CSR Committee meetings are regularly held to plan, review CSR promotion activities and disseminate CSR information.



## Summary of CSR Activities for FY2017

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In FY2017, Jamco worked on the following activities as part of our efforts to create a CSR promotion system.

- Formulated a human rights policy and a procurement policy.
- Performed education related to CSR fundamentals, basic concepts, and approaches using seminars and e-learning to inform and raise awareness among officers and employees at our Group companies. We also made materials covering basic CSR concepts, and made presentation movies of that content available through our intranet.
- Reflecting our aim to implement CSR activities Group-wide, we held a review involving main Group companies to understand the state of CSR within the Group and to identify related issues.

## CSR Activities for FY2017

ISO 26000 Core Subjects	Target	Results
<b>Organizational governance/ Recognition of social responsibility and integration into the whole organization</b>	Understanding the status of CSR at our Group companies	We reviewed the current state of CSR through a survey of our main Group companies. (Refer to "Summary of Results of the Review Into the Status of CSR at Group Companies" for an overview.)
	Formulation of Group's CSR action plan	We formulated FY2018 activity targets based on the review results.
	Informing & raising awareness of CSR	We performed CSR education for officers using seminars as well as for managers and CSR Promotion Committee members using e-learning. We also worked to inform and raise awareness internally about CSR by making materials and presentation movies about JAMCO's CSR activities available through our intranet.
<b>Human rights</b>	Formulation of human rights policies	We formulated a human rights policy. (Refer to "CSR/Approach to CSR/Promoting CSR/Human Rights Policies")
	Education on human rights	We performed "Business and Human Rights" education as a part of our compliance education.* *Targeting all officers and employees at Group companies in Japan (using e-learning and paper-based methods)
	Understanding the status of the relationship between business and human rights at our Group companies	We gained an understanding of the status of efforts related to human rights being performed at our main Group companies through a review of the state of CSR Group-wide. (Refer to "Summary of Results of the Review Into the Status of CSR at Group Companies" for an overview.)
<b>Labor practices</b>	Further promotion of healthy work-life balance	As part of creating a worker-friendly environment that responds to issues related to raising children, including waiting lists to enter preschools and returning to work after maternity leave, we implemented improvements to JAMCO's working environment by signing a contract with a privately-run day-care center opened by Tachihi Holdings, which also manages the land that our Head Office and Aircraft Interiors and Components group are located on.
	Understanding the status of labor practices at our Group companies	We gained an understanding of the status of initiatives related to labor practices being performed at our main Group companies through a company-wide review of the current state of CSR. (Refer to "Summary of Results of the Review Into the Status of CSR at Group Companies" for an overview.)
<b>Environment</b>	Understanding and reducing greenhouse gas (GHG) emissions in business activities	We reduced our CO2 emissions in FY2017 (4,914t) by 1.38% compared with FY2016 (4,983t).
<b>Fair business practices</b>	Compliance Code Comprehension	We performed education entitled "Business and Human Rights" as a part of our compliance education*. *For all officers and employees at Group companies in Japan (using e-learning and paper-based methods) We also informed employees involved with procurement about the Act against Delay in Payment of Subcontract Proceeds, Etc to Subcontractors.

	Formulation of procurement policy	We formulated a CSR procurement policy. (Refer to "CSR/ CSR Activities/With Our Business Partners/"CSR Procurement Policy")
<b>Consumer challenge</b>	Provide even safer products and services	To ensure the safety of our products and of flight in general, we implemented Group-wide sharing of quality data with our worldwide subsidiaries for the purpose of mutually confirming safety and quality-related information and detecting risks at an early stage. In addition, we worked to improve awareness regarding the prevention of human error by carrying out human factors education. Furthermore, we improved our production processes and customer support, so we can offer even safer and higher quality products and services.
<b>Participation in and development of communities</b>	Understanding of the status of social contribution activities at our sites and Group companies	Our offices and Group companies performed a wide range of contributive activities including: holding company and factory tours for educational institutions, local governments and organizations and other groups; holding talks, lectures and other educational support activities aimed at students; donating and collecting money for charities; blood donations and tree planting performed by employees.

### Summary Results of the Review into the Status of CSR at Group Companies

We performed a survey of our six main consolidated subsidiaries to understand the status of CSR at our Group companies. Based on the first round of answers, we asked additional questions to gain a deeper understanding of the situation.

The survey covered eight ISO 26000 core subjects. Despite recognizing irregularities in how the core subjects were evaluated due to respondents differing for each subject, the general tendency for the six subsidiaries was that they were handling compliance and other fundamental standards that companies are required to meet in an appropriate manner. However, we determined that until recently they did not possess a sufficient understanding of CSR itself, made apparent by the disorganized way CSR activities were being performed.

For our three consolidated subsidiaries in Japan, we saw a trend in the survey results that was generally similar to the results of the review we performed in FY2016 of JAMCO itself, when we had just started CSR activities. At the remaining three consolidated subsidiaries overseas, we found that one was proactively involved in charitable and donation activities, in addition to efforts to meet those standards pursued in the past by international companies in such areas as human rights, CSR procurement, and communicating with stakeholders. However, these did not reach the breadth of activities in line with ISO standards. At the other we saw that, despite showing special consideration for the environment through tree planting and other activities, its efforts with regard to the other core subjects were in general limited to complying with the legal requirements of where it does business, reflecting the individual circumstances of the country the company is located in.

Based on these results, we will share information across the Group about standards for which efforts are already underway at Group companies. At the same time, we will implement initiatives that are focused on "informing and raising awareness regarding CSR" and "CSR procurement" to deal with Group-wide issues.

## CSR Activity Targets for FY2018

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The main goals of CSR activities in FY2018 are to set activity targets, to include group companies, for the topics "CSR awareness and comprehension", "enhancement of CSR promotion structure" and "grasp of CSR procurement" to further enhance the CSR promotion structure. The following targets were set:

ISO26000 Core Subjects	Activity Targets for FY2018
Organizational governance/ Recognition of social responsibility and integration into the whole organization	Grasping the current situation regarding "CSR awareness and comprehension", "enhancement of CSR structure" and "grasp of CSR procurement in the supply chain", to include group companies
Human rights	Performance of education on human rights, including notification of the human rights policy (including domestic group companies)
Labor practices	Further promotion of a healthy work-life balance
Environment	Reduction of 2017 energy consumption rate by more than 1%
Fair business practices	Comprehension of Compliance Code
Consumer challenge	Provide even safer products and services
Participation in and development of communities	Promotion of local social contribution activities at each company base and group company

## Corporate Governance

### Basic Policy

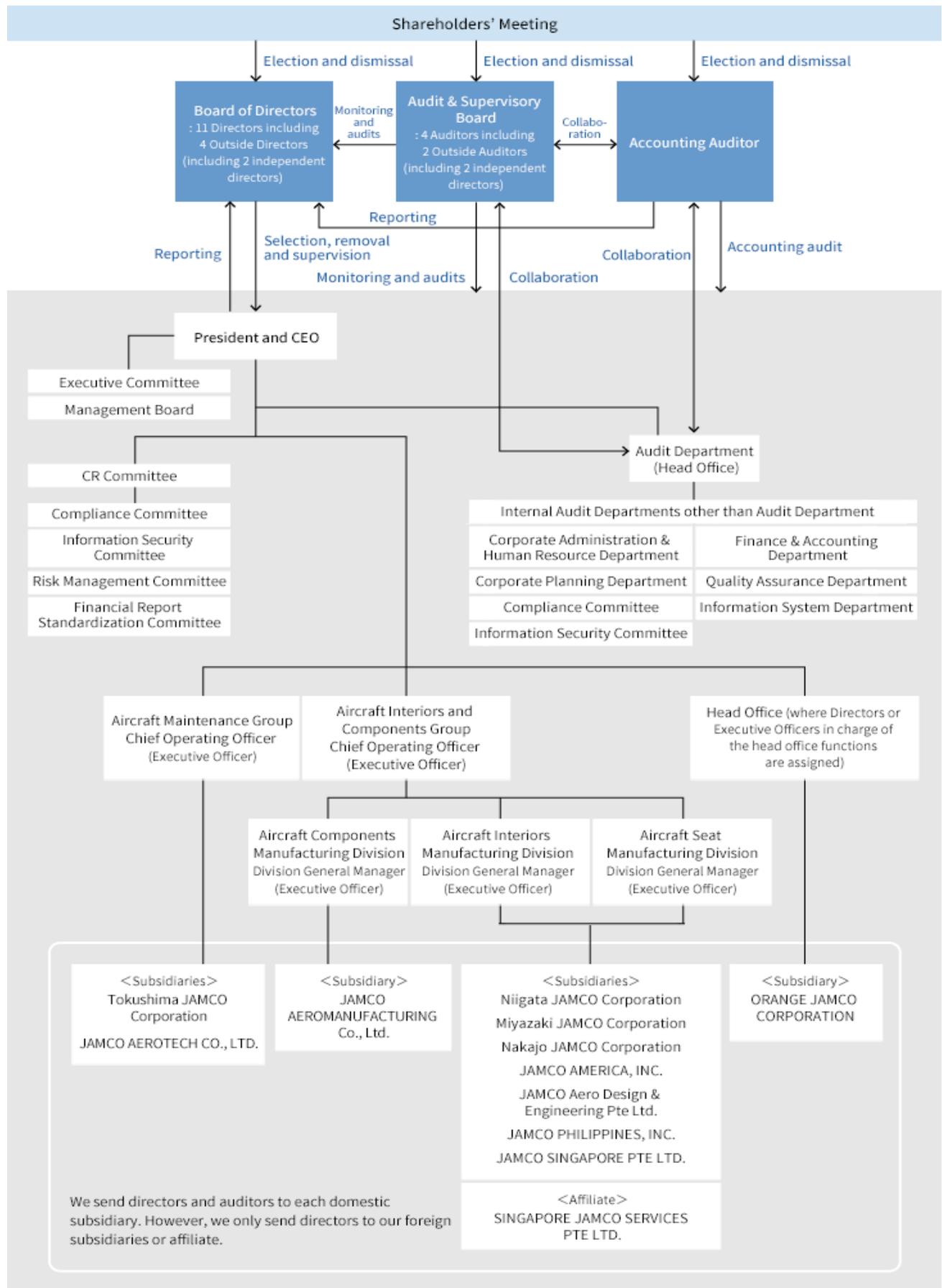
Based on our management philosophy reflected in our commitment “JAMCO, a Technology Oriented Company with Samurai Values,” we place great value on contributing to society and continuing to operate by offering products and services to customers. To put this value into practice, we recognize that our efforts to encourage shareholders, executives and employees to form an efficient coalition, to improve corporate value while compensating stakeholders, and to ensure transparency in management and enhance accountability are fundamental to good corporate governance.

Our Articles of Incorporation provide that there be no more than 15 Directors. They also provide that resolutions to elect or dismiss Directors at a General Meeting of Shareholders shall be passed by a majority of the votes held by shareholders present who hold no less than one-third of the votes of shareholders entitled to exercise their voting rights, and that cumulative voting shall not be used to elect Directors.

Regarding the election of Directors, while believing that those familiar with our operations can make more appropriate decisions and supervise the execution of operations better, we also believe it important to elect Outside Directors familiar with management and the aviation industry to achieve a balanced composition of the Board.

As for compliance, we recognize that it is important not only to comply with applicable laws, regulations, international rules and internal rules and regulations but also to develop a corporate culture that fosters a strong sense of ethics in day-to-day business activities. We have established a “Code of Compliance” and are committed to sharing understanding of the importance of compliance among officers and employees. We have also applied our compliance system to group companies to put compliance management into full practice, thereby fulfilling our corporate social responsibilities.

## Our Corporate Governance Structure



## CSR in Business Activities

### Compliance

The JAMCO Group is committed to responding to stakeholders' expectations and trust through the promotion of compliance management as well as the establishment of sound management control functions and performance of operations. We also have a "Compliance Code" to ensure that each of our officers and employees can comply with laws and regulations, respond to social demands including ethical demands to conduct themselves in a socially acceptable manner.

#### Promotion of Compliance

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We have designated a Chief Compliance Officer (CCO) as the person responsible for managing compliance throughout the whole company, and established a Compliance Committee as a compliance management body. Compliance Committee meetings are held regularly, or from time to time as appropriate, and the results of the compliance efforts are reported to the Compliance Risk (CR) Committee and the Board of Directors.

We also seek to instill compliance by regularly providing compliance education to ensure that each of our employees has a better knowledge and understanding of compliance.

In FY2016, we provided not only compliance education to all officers and employees, but also compliance education for newly recruited employees as well as those promoted to the position of chief, assistant manager or manager as appropriate for their roles and responsibilities.

#### Compliance Promotion System



\* CR Committee: (Compliance Risk) body which manages internal controls

#### Compliance Hotline

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The JAMCO Group has established and operates a compliance hotline (contact point for whistleblowing and consultation queries) with the aim of purifying and rectifying compliance issues promptly. We have established contacts for consultation both internally and externally, and strive to deal with whistleblowing and consultation queries as sincerely and promptly as possible in cooperation with relevant internal departments and external consultants and lawyers. In addition, we have formulated rules for the protection of whistleblowers to prevent unfavorable treatment toward them.

## Promotion of Sound Business Transactions

JAMCO Group clearly defines our initiatives to promote sound business transactions in our Compliance Code. In addition, the “Compliance Handbook” distributed to all officers and employees provides specific policies such as compliance with applicable laws and regulations, prohibition of giving illicit benefits to public officials and prohibition of excessive business entertainment and gift-giving to customers. While striving to ensure that transactions are conducted in an honest, open and fair manner by providing regular compliance education, we are fully committed to maintaining a sound and healthy relationship with the politics and government administration.



Compliance Handbook

### Compliance Code

We at JAMCO Corporation aim to form an enterprise that fulfills its corporate social responsibilities and lives up to the trust of society.

The officers and employees of JAMCO Corporation follow the principles enumerated below at every level and in every function. Together we observe applicable laws, international rules, office routines, and other regulations, and behave properly in accordance with firm ethical standards and a sincere social conscience.

1. To develop and supply products and services with due consideration to safety and quality, and to build a relationship of higher trust with every customer.
2. To actively address environmental issues on our own initiative in accordance with the goals of an independently established basic environmental policy and corporate action plan.
3. To respect the individuality and personality of every employee and to secure a safe and comfortable work environment free from any discrimination, harassment, or other undesirable behaviors.
4. To never commit insider trading (unfair trading of a corporation's stock or other securities) by taking advantage of our access to inside information that we learn with respect to matters handled in the course of assigned work.
5. To aim at bona fide and fair trading and to maintain a sensible and sound relationship with politicians and governmental agencies.
6. To respond to anti-social forces with a resolute stance and to abstain from forming any connections with such forces.
7. To respect the established practices and cultures of individual nations and to maintain cooperative relations with these nations as members of a global corporation.

## Information Security Initiatives

JAMCO Group believes that the implementation and continuous improvement of information security management is vital to perform our corporate social responsibilities. We are committed to operating, monitoring, reviewing, maintaining and continuously improving information security based on the ISMS (Information Security Management System) compliant with ISO/IEC27001:2013 (requirements for information security management).

We also ensure that the handling of personal information is managed thoroughly in accordance with our "Privacy Policy."

### Basic Information Security Policy

Based on the JAMCO Group view that ensuring information security is an essential requirement for fulfilling our social responsibilities, we have established, as described below, an information security management system based on ISO27001 to secure the management of information, and we work on initiatives related to operations, monitoring and continuous improvements.

1. By appointing a person with overall responsibility and establishing a group-wide organization, we have put in place an information security management structure.
2. We ensure that we fulfill operational and legal requirements, as well as discharging our contractual security obligations, and the basic handling of information assets and specific procedures are prescribed in internal rules, allowing us to implement rational management of information according to its level of importance.
3. We are establishing standards and methods for evaluating risk. We are drawing up appropriate measures to avoid or mitigate risks that emerge as a result of these evaluations, and to alleviate any serious impact on to our business from major obstacles or natural disasters that are difficult to avoid or mitigate.
4. Education and training is provided out on a regular basis to ensure that officers and employees act with an appropriate awareness of the importance and the requirements of information security, allowing us to achieve well-balanced and high quality security management.
5. We have established a framework for monitoring and evaluation to continuously ensure the effectiveness of the information security structure, seeking to review and improve appropriate mechanisms with the aim of preventing and forestalling the recurrence of malfunctions and incidents.

## Privacy Policy

We at JAMCO Corporation have established the Privacy Policy summarized below in the belief that it is our social responsibility to properly treat every piece of personal information about you, the customer, in order to fully protect your personal information. We achieve this policy by protecting all pieces of private information throughout the organization.

1. To respect the privacy of our individual customers, to comply with applicable laws and regulations, norms, and internal rules relating to your personal information, and to protect any of your personal information we have in our possession.
2. To use your personal information only within a prescribed scope for business, and to act fairly, appropriately, and within the prescribed scope for business when acquiring or using your personal information or when disclosing your personal information to others.
3. To properly handle your personal information in our possession at all times, and to keep it up to date and maintain its accuracy to the extent required for achieving the purpose of use.
4. To handle your personal information appropriately whenever you submit a claim for disclosure, correction, or suspension of use, or make other requests or otherwise express complaints or make inquiries.
5. To take proper precautions and other safeguards against possible unauthorized access, leakage, misuse, loss, or destruction when we handle your personal information, and to respond appropriately and promptly if and when any problem arise.
6. To regularly audit our approaches for the protection of private information and to continually improve these approaches in response to changing social conditions and environments.

## Business Continuity Plan (BCP) in Case of a Disaster

As a company with CSR values, it is our responsibility to build systems that minimize the impact of any large-scale natural disaster or accident on our management resources, and enable us to continue our business.

JAMCO has formulated a Business Continuity Plan (BCP) and made various commitments such as the establishment of a disaster response system, and the implementation of safety inspections, drills and exercises.

### Basic Business Continuity Policy

JAMCO has formulated a Business Continuity Plan (BCP) based on the following basic principles and is committed to establishing Business Continuity Management (BCM) to ensure, in case of a large-scale disaster or accident, that we can provide products and services as promptly as possible while placing top priority on the safety of our customers and employees and their family members.

1. Place priority on the lives and safety of our customers and employees and their family members
2. Establish a system to prioritize the provision of products and services contributing to the manufacture and safe flight of aircraft
3. Coordinate disaster response efforts with local communities
4. Aim to resume our business activities as soon as possible

## Risk Management

In the event of a crisis, we believe it is important to manage relevant information in an appropriate manner and as outlined by corporate organizational structures. The internal rules for crisis management identify potential risks to the company and, in the event that these risks materialize, they prescribe in-house responses such as the setting up of an emergency headquarters and the management of information, including reporting systems. In addition, with regard to the disclosure of related information outside the company, after analyzing the impact on the business of the emergency, the president or the executive officer in charge of PR & IR shall decide a media response, while timely disclosure to investors concerning the event will be dealt with under the timely disclosure procedures for corporate information.

Moreover, crises at subsidiaries shall be handled in the same way as if they had occurred at the Company itself.

## Special Feature: “CONTRAIL Project”

Received the Environment Minister’s Award for Global warming Prevention Activity in the International Contribution Category!

FY2017

### CONTRAIL Project

Received the Environment Minister’s Award for Global Warming Prevention Activity in the International Contribution Category!



The atmospheric observation project CONTRAIL\*, a cooperative effort between industry, government and academia, and which JAMCO participates in, received the Japanese Environment Minister’s Award for Global Warming Prevention Activity in the International Contribution Category in 2017.

The Ministry of the Environment in Japan has presented this award during Global Warming Prevention Month every December since 1998 as part of its efforts to promote the prevention of global warming. It is presented in recognition of individuals and organizations that have made notable contributions in this area.

JAMCO joined the project in 2003, and was responsible for the development of two devices: The Automatic Atmospheric Sampling Device (ASE) and the Continuous Carbon Dioxide Measuring Device (CME). We obtained the Supplemental Type Certificates (STC) required to install them on aircraft from the Japan Civil Aviation Bureau of Ministry of Land, Infrastructure, Transport and Tourism as well as the U.S. Federal Aviation Administration (FAA). Having acquired the STCs, we fitted the devices to a Boeing 777-200ER and 777-300ER that are used by Japan Airlines for regular passenger flights, and they are currently sampling observational atmospheric data on a global scale. The results from the analysis of these observations are distributed worldwide by the National Institute for Environmental Studies as valuable data for use in research related to global warming. JAMCO will continue to participate in the project as part of its environmental conservation activities.



\*CONTRAIL is the acronym for Comprehensive Observation Network For TRace gases by AIrLiner, and has been in use since 2007.

### About the CONTRAIL Project

CONTRAIL is a collaborative atmospheric observation project between industry, academia and government that aims to shed light on the mechanism of atmospheric changes that bring about global warming. Since 2003, JAMCO has been contributing to global warming research through its participation in this project.

## Three-Dimensional Observation of Greenhouse Gases in the Atmosphere

The objective of the "CONTRAIL Project" is extensive observation of the greenhouse gases which cause global warming. In order to observe precisely where concentrations of greenhouse gases such as carbon dioxide are distributed in the atmosphere, it is very important that we observe not only from the ground but also three-dimensionally using aircraft.

Prior to this project, observation using chartered aircraft was performed in areas such as over Siberia, but if we can observe the atmosphere using a commercial aircraft flying around the world every day, we can collect more frequent and precise data.

Moreover, there are groundbreaking merits to be had such as being able to observe each area of the world on a global scale, and being able to investigate the detailed distribution of greenhouse gases at various altitudes from the surface of the earth to the sky.

## Supporting the Continuation of the Project as an Aviation Industry Professional

Atmospheric observation for research on global warming was started in 1993 by the Meteorological Research Institute, Japan Airlines, JAL Foundation (current JAL Foundation), and was conducting observations with a JAL Boeing 747-200 aircraft on the route between Australia and Narita using a timer and equipment that collects atmospheric samples at regular intervals (flask sampling).

However, around 2002, due to the retirement of the aircraft equipped with the equipment, installation of a new atmospheric observation device was being considered.

In 2003, a new collaborative atmospheric observation research project was launched with industry-academia members from the National Institute for Environmental Studies, Meteorological Research Institute, Tohoku University, Japan Aerospace Exploration Agency, Japan Airlines International (present Japan Airlines), JAL Foundation and JAMCO.

JAMCO was in charge of developing two kinds of new atmospheric observation devices such as ASE (Automatic Atmospheric Sampling Device) and CME (Continuous Carbon Dioxide Measuring Device), and obtaining approval for installing the devices on aircraft. Since 2005 observation activities with these new devices are continuing to be conducted as the "CONTRAIL Project" (the use of the project name began in 2007).

JAMCO's mission in this project is to support continuation of atmospheric observation as a professional in the airline industry.

Since the observation began, JAMCO has been in charge of refurbishments for implementing installations on new aircraft due to aircraft retirement and the changing of routes, as well as making renovations to improve the functions of observation equipment.



CME (Continuous Carbon Dioxide Measuring Device)



ASE (Automatic Atmospheric Sampling Device)



Maintenance of ASE

Ten years have passed since the start of observation, and obtaining internal parts is becoming difficult. JAMCO is making efforts to continue observation, such as repairs that allows alternate parts to be used in place of parts that are difficult to obtain, so that observations can be continued in the coming decade.

## Observation Results are Valuable Data used throughout the World

ASE can collect 12 pre-programmed areas of the atmosphere automatically and bring them back to the ground. Then, from the areas collected, the concentrations of carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, carbon monoxide, and hydrogen can be analyzed by the National Institute for Environmental Studies.

This observation data, including the former ASE observations that began in 1993, is the longest, continuous long-term observation recorded for the latitudinal distribution of greenhouse gases in both the northern and southern hemispheres in the world.

In addition, CME can continuously measure and record carbon dioxide concentration with high precision during aircraft ascent, cruise, and descent.

This is the first project in the world to attempt to measure such concentrations of greenhouse gases at a high frequency on a global scale, and to compile the data.

Valuable data from this long-term observation is currently being offered to researchers around the world through the National Institute for Environmental Studies.

Research results utilizing that data are disseminated throughout the world in the form of numerous academic papers and academic presentations.

JAMCO will continue to contribute to research on global warming by backing up stable observations.



### Related News (Findings & awards)

- December 2017: CONTRAIL Project Receives the Environment Minister's Award for Global Warming Prevention Activity in the International Contribution Category
- December 2016: Announcement of Findings From the CONTRAIL Project
- May 2015: CONTRAIL Receives the Special Award of The Grand Prize for the Global Environment Award
- November 2014: Atmospheric Observation Project Participates in Flight Test of Boeing's eco Demonstrator 787
- October 2013: Atmospheric Observation Project CONTRAIL receives Asian Environmental Award
- June 2013: Atmospheric Observation Project CONTRAIL receives Environment Minister's Award as well as Award for Excellence of Environmental Award
- July 2012: Aircraft Begins Flights With Special Atmospheric Observation Project Livery
- June 2007: JAMCO's Keita Goto, Responsible for Development of New Atmospheric Observation Devices, Receives the Japan Aeronautical Engineer Association's Chairman Award.

### Related Websites

- >National Institute for Environmental Studies (NIES) CONTRAIL Project Website (English)
- >Japan Airlines webpage introducing the CONTRAIL Project

## With our Customers

JAMCO contributes to society by providing products and services which meet customer satisfaction while taking into account that safety and quality comes first.

### Approach to Product Quality

We strive to "Uphold flight safety and enhance quality" in our management policy, and recognize that providing safe and high-quality products to society is the most important foundation of management. Based on this idea, JAMCO will always ensure adequate quality control and product safety in accordance with laws, regulations, standards, specifications, etc. in all life cycles of our products, such as research and development, design, production, maintenance, repair, etc.

### Quality Management System Construction

"The JAMCO Group will provide customers with products and services that assuredly satisfy the quality requirements by giving top priority to quality for pursuing social trust and customer satisfaction." has been decided as the group quality policy. Based on this, we are proactively promoting high-quality products and services that will satisfy our customers by flowing them down into the quality policy of each department.

### Certifications

#### Japan Civil Aviation Bureau (JCAB), Organization Approval

Organization Name	Capability	Approval Reference	Remarks
Aircraft Maintenance Group	Capability of aircraft maintenance and final inspection Capability of aircraft maintenance or modification Capability of aircraft part repair or modification	No. 004	
Aircraft Interiors and Component Group	Capability of manufacturing aircraft parts and conducting the final inspection	No. 094	

#### EASA, Organization Approval

Organization Name	Scope of Approval	Approval Reference	Remarks
Aircraft Maintenance Group	Repair, modification, overhaul and inspection for aircraft components (other than complete engines or APUs)	EASA.145.0560	
Aircraft Interiors and Component Group	Approval of minor change and repair design for aircraft interiors	EASA.21J.170	
	Manufacture and inspection for aircraft interiors Manufacture and inspection for aircraft passenger seats	EASA.21G.004	
	Repair, modification, overhaul and inspection for aircraft components (other than complete engines or APUs)	EASA.145.0087	

## CAAS, Organization Approval

Organization Name	Scope of Approval	Approval Reference	Remarks
Aircraft Interiors and Component Group	Repair, modification and overhaul for aircraft components (other than complete engines or APU's)	AWI/225	
	Manufacture of aircraft interiors	AWI/POA/019	
Niigata JAMCO Corporation	Manufacture of galleys and lavatories	AWI/POA/019	Satellite

## Quality Management System

Aircraft Maintenance Group JIS Q 9100:2016 ( Certification Structure: Campus )

Scope of Certification

- Maintenance and Alteration of Aircraft, and Design and Development of Aircraft Alteration
- Repair and Alteration of Aircraft Accessories
- Design and Development, Production and Maintenance of On-Ground Supporting Equipment for Aircraft

Site Name		Location	Remarks
JAMCO Corporation	Aircraft Maintenance Group	Head Office and Aircraft Maintenance Center	70 aza-Shintaku, Shimonogo, Iwanuma-shi, Miyagi-ken, Japan Central Office
		Narita District (Accessories Maintenance Center)	26 Shinizumi, Narita-shi, Chiba-ken, Japan
		Mitaka District (Marketing & Sales Division and Accessories Maintenance Center)	6-11-25 Osawa, Mitaka-shi, Tokyo, Japan

Aircraft Interiors and Components Group (Aircraft Components)

JIS Q 9100:2016 (Certification Structure: Campus )

Scope of Certification

Design and Development, Manufacture and Servicing (Maintenance and Inspection, Repair, etc.) of Aerospace and Aircraft Components, Aerospace and Aircraft Parts, Ground Service Equipment and Composite Material

Site Name		Location	Remarks
JAMCO Corporation	Aircraft Interiors and Components Group (Aircraft Components)	Chofu District	6-11-25 Osawa, Mitaka-shi, Tokyo, Japan Central Office
		Tachikawa District	1-100 Takamatsu-cho, Tachikawa-shi, Tokyo, Japan Marketing & Sales Division of Aircraft Components
JAMCO Aeromanufacturing Co., Ltd.		7-101-36 Medeshimadai, Natori-shi, Miyagi-ken, Japan	Associated Organization

Aircraft Interiors and Components Group (Aircraft Interiors) JIS Q 9100:2016 (Certification Structure: Campus )

Scope of Certification

Design and Development, Production and Service Provision (Repair) of Airplane Interiors

Site Name			Location	Remarks
JAMCO Corporation	Aircraft Interiors and Components Group (Aircraft Interiors)	Aircraft Interiors and Components Group (Aircraft Interiors)	1-100 Takamatsu-cho, Tachikawa-shi, Tokyo, Japan	Central Office
		Chofu Test Facilities (Mitaka)	6-11-25 Osawa, Mitaka-shi, Tokyo, Japan	
		Nakajo Warehouse (Tainai)	9-125 Shimizu, Tainai-shi, Niigata-ken, Japan	
	Marketing & Sales Division (Aircraft Interiors)	1-100 Takamatsu-cho, Tachikawa-shi, Tokyo, Japan		
Niigata JAMCO Corporation			341-1 Kamitsubone, Tsubone-aza, Murakami-shi, Niigata-ken, Japan	Associated Organization (including Honeycomb Core Manufacturing)
Niigata JAMCO Corporation, No. 2 Facility			945-3 Ueno, Sasaki-aza, Murakami-shi, Niigata-ken, Japan	Associated Organization
Niigata JAMCO Corporation, No. 3 Facility			9-113 Shimizu, Tainai-shi, Niigata-ken, Japan	Associated Organization
Miyazaki JAMCO Corporation			7320 Tanocho-ko, Miyazaki-shi, Miyazaki-ken, Japan	Associated Organization
Miyazaki JAMCO Corporation, No. 2 Facility			8136-7 Tanocho-ko, Miyazaki-shi, Miyazaki-ken, Japan	Associated Organization

## Performance of Quality Assurance Education

We are performing quality assurance education to enhance knowledge and awareness of quality. The main curriculum consists of "Introductory" and "Basic" education on the quality management system for new employees, including those hired year-round, and we perform Human Factors and qualification education etc. from time to time for employees in the production departments.

## Improvement of Customer Satisfaction

At JAMCO, we strive to communicate conscientiously every day in order to reflect customer input into our product quality and service improvements.

### Valuing Our Customers' Opinions

JAMCO participated in this year's Aircraft Interiors Expo held in Hamburg, Germany from April 10-12, 2018. The Expo, which we participate in every year, is a global trade show that features aircraft interiors and related products, gathering together numerous aircraft manufacturers, commercial airlines, suppliers and other companies from around the world under one roof.

Not only is the Expo an occasion for us to show off new product concepts, but it also gives us the unique chance to directly hear the opinions and desires of cabin attendants, maintenance personnel and other customers who actually use our products. We consider this an important opportunity that is vital to the improvement of our product development and services. JAMCO constantly works to create products and improve services that will satisfy our customers by taking advantage of every opportunity to actively communicate with them.



## With our Employees

In order to continue to be "a sincere company that respects employees", JAMCO will support the growth of all employees supporting the JAMCO Group, and will promote a workplace environment where employees can actively work.

### Employee Composition of JAMCO

#### Number of Employees

	Group Total	JAMCO
Regular employees	3,087	1,197
Temporary employees	291	113
Total Employees	3,378	1,310

As of March 31<sup>st</sup>, 2018

#### Full-Time Employees

Average Age	42.5 years old
Average Years of Service	17.3 years
Average Annual Salary	6,925 thousand yen/year
New Graduates Hired	46

As of March 31<sup>st</sup>, 2018

### Human Resources Development Initiatives

Each and every JAMCO employee is able to work with pride and high technology in day-to-day business activities, and we are actively promoting the development of human resources in order to provide ever higher quality products and services to our customers.

Our human resources training system provides opportunities for career education and skill improvement through new employee education, band (occupational type) education, and training by age. This is performed by the Corporate Administration & Human Resource Department, and various types of professional education including quality management is performed by each assigned Department.

In addition, we have organized self-development support systems such as an overseas and domestic language training system, a qualification acquisition incentive system, etc., and we support the growth of our employees in many ways.

## Respect for Human Rights

The JAMCO Group has established a Compliance Code which states "We will endeavor to secure a safe and comfortable work environment without discrimination or harassment, while respecting individual character and personality", and we respect basic human rights as our basic stance.

We regularly perform in-house education to promote human rights awareness to both executives and employees.

In order to actively fulfill its responsibilities as a company that develops business globally, in the future we plan to promote initiatives such as group-wide human rights education/self-development programs taking global human rights issues into consideration.

## Promotion of Diversity in the Workplace

The JAMCO Group will contribute to the Group's sustainable growth and creation of a better society by promoting diversity of human resources, setting up a workplace environment where employees with various backgrounds can play an active role.

### General Employer Action Plan

To create an environment where all employees can manage both work and childcare, and can demonstrate their abilities to the fullest. Also, to support the development of the next generation, and to promote activities by female employees, we have formulated the following action plan:

1) Next Generation Development Support (Planned period: April 1st, 2015 ~ March 31st, 2020)

Plan Goal 1: Put in place a system to rehire employees who left for childbirth or child-rearing

Goal 2: Put in place a telecommuting system

Goal 3: Development of a robust childcare welfare service and assistance

2) Female Activity Promotion (Planned period: April 1st, 2016 ~ March 31st, 2021)

Plan Goals : Increase the percentage of female assistant managers to 10 percent or more.

## Female Activity Promotion

As of FY 2017, there are 8 female managers in JAMCO (3.1% of management positions as a whole). In order to promote the appointment of managers, we believe that it is necessary to appoint female assistant managers as managerial candidates, and "Female Activity Promotion" has been set as a goal in the General Employer Action Plan.

### Transition of female assistant managers based on the Female Activity Promotion Plan

	FY 2015	FY 2016	FY 2017
# of Female Assistant Managers	6	8	8
% of Female Assistant Managers	3.1	4.2	3.9

## Female Employee Passes Class 1 Aircraft Maintenance Engineer Exam

In April 2017, a female employee and member of the Maintenance Management Department's Fixed Wing Section at JAMCO's Aircraft Maintenance Group's Aircraft Maintenance Center took the Class 1 Aircraft Maintenance Engineer Exam (Fixed Wing Aircraft with Turbine Engines), and became the first woman in our company to pass.

JAMCO is promoting women's participation and advancement in the workplace by actively hiring female maintenance engineers.

Comment from the employee:

Nearly two years ago, when I decided to take the practical examination for the Beechcraft B300, I was mostly worried about how to study for it. Time ticked away as I fumbled around trying to figure out where to start, how to proceed, and how much to study.

There were times when I would get anxious thinking about how hard it would be to finish the exam by the deadline, but the support of everyone around me at JAMCO helped me to keep going until I finally took the exam. I am so thankful to my managers and seniors who created opportunities for me to study, and even gave up some of their own time to share their own store of experience and knowledge with me. I was also able to study with coworkers who were preparing for the test on the same type of aircraft. Knowing that I was not the only one working hard to prepare was a powerful motivator that kept me going.

I truly feel that the reason I was able to pass the exam was because of the support that I received from so many people at my company. I want to say "thank you" to all of them. Even though I passed the exam, there are still many things that I need to work on. As aircraft are improving with each passing day I want to keep studying so I can master each improvement, and also have a part in the creation of safe and comfortable aircraft. In addition, I want to give back the support that I received from everyone around me by helping out coworkers who will prepare for the examination in the future as much as I can.



Class 1 Aircraft Maintenance Engineer Exam



Other female mechanics are active at the Aircraft Maintenance Center

## Employment of Persons with Disabilities

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The JAMCO Group is continually working to create employment and promote the success of people with disabilities.

At group companies, we are making efforts to develop workplace environments where people with disabilities can easily work together, and also proactively promote employment at Orange JAMCO, a special subsidiary\* established in 1999, which entrusts supplementary work within the JAMCO facilities.

\*: A special company based on the Japanese law aimed at promoting the employment of people with disabilities (Number of employees with disabilities: 33)

In FY2017, the JAMCO employment rate of people with disabilities was 2.49%, exceeding the statutory employment rate of 2.0%.

JAMCO will continue our efforts to draw out the skills and desire to work of people with disabilities.



## Retiree Re-employment System

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At JAMCO, employees who have reached the compulsory retirement age of 60 who wish to be re-employed, and who satisfy the requirements such as employment regulations, may continue to be employed as a re-employed temporary employee up to the age of 65.

In addition, if both the company and the employee so desire, the agreement may be renewed beyond the age of 65.

JAMCO would prepare an environment where the employee can work flexibly, making use of knowledge and experience, and able to choose a shorter working time according to their wishes.

In FY2017 there are 17 re-employed employees, and the re-employment rate is 65%.

## Promotion of Work-Life Balance

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We have established various systems to promote the work-life balance of our employees in order to create a workplace environment where our diverse human resources can work vigorously and rewardingly, and maximize their abilities.

In JAMCO, as a promotion of diversity, we have formulated a general business action plan to promote the compatibility between work and childcare with the aim of supporting next-generation development and female employee participation. To create a comfortable working environment responding to problems such as returning to work after childcare leave and children being put on long waiting lists to enter nursery schools, we have signed a contract with a privately-run day-care center (Fuji Akatonbo Nursery School) opened by Tachihi Holdings, which also manages the land that our Head office and Aircraft Interiors and Components Group are location on, and have improved the working environment to allow easier employee use.

Jamco will continue to consider and promote the creation of a comfortable work environment with our employees.

Main Work-Life Balance Support Systems and Usage Results (FY2017 )

System	Outline	Male	Female
Maternity Leave	6 weeks prior to and 8 weeks after childbirth for a total of 14 weeks.	-	8
Time of Birth Leave	4 days leave available for use.	34	-
Childcare Leave	Until the child is 1 year and 6 months old (up to a maximum of the first March 31 <sup>st</sup> when the child is 2 years old) .	7	12
Reduced Working Hours for Childcare	Until the first March 31 <sup>st</sup> when the child is 12 years old working hours can be reduced by two hours per day.	0	10
Childcare Leave	5 days leave available per child per year for the school events, etc. of children up to 12years old.	102	23
Family care leave	5 days available per year for family care.	1	0
Family care leave	A maximum of 93 days available per year for family care.	0	0

\* Other work-life balance support programs such as Childcare Flexible Work Hours, Overtime Duty Exemption, Late-Night Overtime Exemption, Childcare Leave Returnee Support Program (promoted by the government), Family Care Assistance Leave, etc. are also available.

\* Available to full-time employees, part-time employees and contract employees.

## One Employee's Experience with Taking Maternity Leave

Recounted by a member of the Technical Division, Aircraft Interiors and Components Group  
Taking Maternity Leave

My eldest son was born in May 2017.

As my wife's mother lived far away and was caring for her own mother at the time, I decided to take one month of maternity leave to support my wife and help take care of my new son. I spoke with my managers about this six months before my wife was due to give birth, and they gladly approved my request. I got ready by gradually and methodically handing over my duties to my coworkers, something which had concerned me the most about taking maternity leave.

### My Son Is Hospitalized

It was on the day that my son was born. No sooner had I been overcome by the joy of the event than I got a call late that night from the hospital. They told me that because his breathing was unstable he would need to be transferred to a general hospital, and I would need to be there when he was admitted. I was told his symptoms were those of Transient Tachypnea of the Newborn, a problem sometimes seen in infants where the amniotic fluid from the mother remains in the baby's lungs, which prevents them from starting to breathe on their own. He was in the hospital for nearly a week after my wife was released, so we went to visit him and deliver my wife's colostrum every day. During that period, I was surprised by the extraordinary ordeal that my wife went through: seeing her get up every three hours in the middle of the night to collect her breast milk, and holding our son until the very end of the visits, even though she had just given birth and had not fully recovered her strength yet. With both of us feeling so much anxiety, I was truly glad that I made the decision to use the ample time provided by maternity leave so I could be there to support my wife as best as I could.

### After Leaving the Hospital

After my son was discharged from the hospital, we each did our share of the housework and taking care of him, and for the most part I figured out what needed to be done during my month off. I never had any problems with cooking or doing the laundry, and I wasn't averse to giving our son a bath, feeding him his milk or changing his diapers, because I had been shown how to do those things together with my wife while she was still in the hospital. Yet putting that knowledge into practice at a moment's notice was quite a trial: he'd start crying in the middle of the night, or urinate on me, or spit up his milk. All of this made me acutely aware of how leaving my wife to do all of this put a very heavy burden on her.

We took care of our son together during the remainder of my maternity leave, and even after returning to work I have been doing as much as I can on weekends to help her out, which allows her to make a little time for herself. This is something I would like to keep on doing.

### Reflecting on Taking Maternity Leave

While there were some things about maternity leave that were difficult, these were outweighed by the many good aspects of the experience. I'm not sure whether it is because I was able to be with him right after he was born, but my son seems very attached to me. I was never really close to children, which may have been because I didn't know how to act around them. Now, having had a part in raising my son, I can interact naturally with them. It really made me happy when I was able to comfort him when he was fussy and see him smile, and put him to sleep.

### Words of Thanks

I am truly grateful to my manager, who worked things out so that I could take a month's worth of time off for maternity leave during the extremely busy and important period right before a meeting for the project I was in charge of. I am also grateful to my coworkers who took over my duties for me.



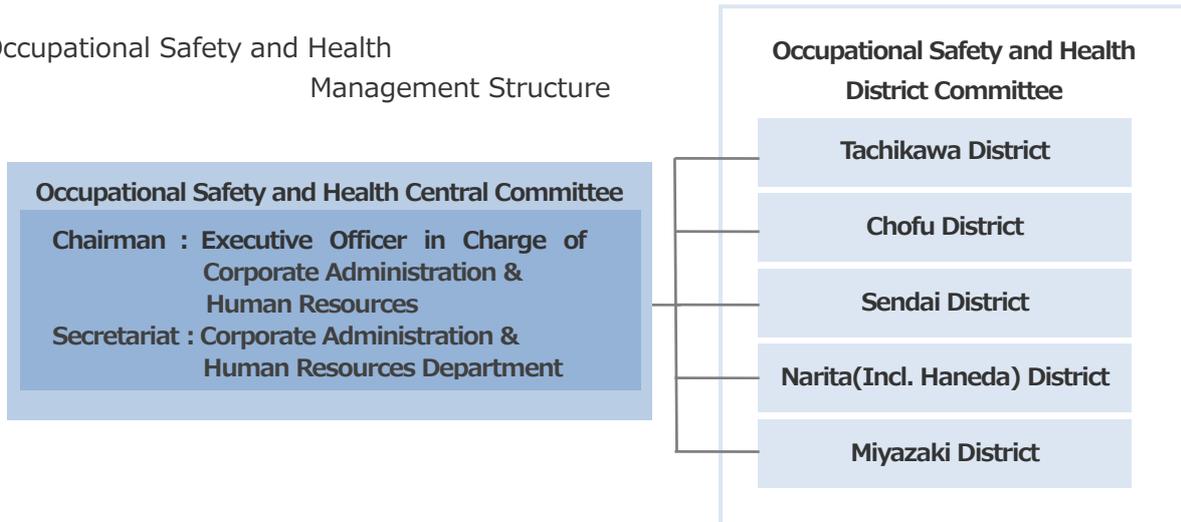
## Occupational Safety and Health

Safety is the most important foundation of our business and the duty to society. JAMCO's basic policy is to comply with relevant laws and regulations concerning occupational safety and to realize a safe and comfortable workplace environment by closely cooperating with executives, employees and organizations.

JAMCO has established a district safety and health committee for each district under the Central Safety and Health Committee, which is chaired by the executive officer in charge of Corporate Administration & Human Resources, and is working on an organizational basis. We are also working to raise employee safety awareness every day, such as by implementing safety and health education for employees at work sites.

### Occupational Safety and Health

#### Management Structure



\* In JAMCO, the people in charge of safety and health at each district (supervisors of safety and health managers, safety managers, health managers, safety and health promoters and industrial physicians) are all assigned according to the number of employees.

\* JAMCO assigns a dedicated operations chief as stipulated in the Occupational Safety and Sanitation Law of each district.

## For Employee Health

In addition to performing mental health education for all employees as a measure to protect the health of employees, JAMCO has a mandatory physical health examination, and accepts health consultations by telephone (JAMCO Family Consultation 24).

## With our Business Partners

The JAMCO Group is always striving to build fair and sound relationships with our business partners, keeping in mind to deal honestly so that we can expand our partnerships further.

### Building Sound Business Relationships

JAMCO hopes to build fair and healthy business relationships with our business partners, to develop together, and to be a good partner in contributing to society.

Needless to say we are complying with all laws and ordinances, and are dealing honestly with our business partners. To promote fair and transparent transactions we have made our guidelines clear in a "Compliance Handbook", which has been distributed to all of our officers and employees.

Furthermore, as a global corporation with subsidiaries and affiliates abroad, we naturally comply with international rules and respect the culture and customs of each country as well as strive to build relationships of mutual trust.

### Promoting CSR together with our Business Partners

JAMCO has been promoting procurement that adheres to social norms in accordance with the laws and ordinances of each country and region.

However, in response to growing social demands in recent years, we think that it is necessary to work with our business partners on CSR and to fulfill our responsibilities to society more actively.

This fiscal year we will share our newly formulated CSR procurement policies with our group companies and cooperate with our business partners to promote initiatives throughout the supply chain.

### Responding to Conflict Minerals

Tantalum, tin, tungsten and gold are 4 minerals (conflict minerals) produced by the Democratic Republic of the Congo and surrounding countries, and the funding of armed insurgents causing atrocities in these countries with these minerals has become an international problem. So as to not facilitate conflicts in those areas, JAMCO declares we do not use materials recognized as conflict minerals, and we are responding appropriately to requests for reviews and reports on conflict mineral regulations from customers.

We are also requesting suppliers of raw materials related to these four kinds of minerals to submit a pledge that the materials we purchase not to contain conflict minerals.

### Promotion of Green Procurement

In order to continuously address environmental concerns in all corporate activities and reduce environmental burdens in the life cycle of products being produced and sold, JAMCO has established "Green Procurement Standards" by which we are committed to procuring materials and products with minimal environmental impact.

### CSR Procurement Policy

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The JAMCO Group will promote CSR-aware procurement activities. We will also require our business partners to observe this policy.

1. Building Sound Business Relationships
  - We will maintain healthy business relations with our partners by placing value on relationships built on mutual understanding and trust.
  - We will adhere to fair and appropriate terms in all of our transactions.
  - We will encourage transactions that value corporate social responsibility, evaluating the financial condition, technological strengths, corporate stance and other aspects of our business partners.
2. Fair Selection of Business Partners and Appropriate Procurement
  - We will select business partners based on objective purchasing standards such as quality, price, and delivery time, using fair judgement to do so.
3. Elimination of Questionable Relationships
  - We will work to carry out transactions that are fair and just, and will not accept personal remunerations or commissions related to work, nor accept hospitality or gifts that exceed socially accepted bounds.
4. Compliance & Ethics
  - We will comply with the laws and ordinances of the countries and regions that we perform transactions in.
  - We will closely observe industry standards and trends, and strive to carry out transactions that respect these.
  - We will comply with the parental enterprise responsibilities set out in the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and will not carry out unfair business practices that are prohibited as an abuse of a superior bargaining position as established in the Antimonopoly Act.
  - We will not divulge the confidential terms of transactions.
  - We will not disclose information and intellectual assets provided to us without the consent of the party providing them.
  - We will ensure supply chain transparency and carry out responsible procurement with regard to conflict minerals.
5. Green Procurement
  - We will promote green procurement and carry out transactions that give adequate consideration to environmental and resource conservation.
6. Respect for Human Rights and Occupational Safety and Health
  - We will respect basic human rights while promoting procurement activities that give adequate consideration to working environments, occupational safety and health.

## With our Shareholders and Investors

We will strive to disclose information and return profits in a timely and appropriate manner and through thorough communication comply with the expectations of our shareholders and investors.

### Disclosure of IR Information

JAMCO places great importance on timeliness, fairness, accuracy, and continuity in disclosing corporate information such as management strategy and financial information. Based on this, JAMCO establishes regulations concerning information management and disclosure, properly conducts disclosures based on laws and ordinances, and is working to ensure transparent and fair disclosures of financial information and non-financial information. In addition, we have established an IR web-site on the JAMCO corporate site and are working to disclose investment information in a timely and accurate manner.

### Communication with Shareholders and Investors

JAMCO believes that it is important to disclose information in a timely and appropriate manner in order to secure the rights and equality of our shareholders while cultivating a better understanding of our company. Accordingly, in addition to issuing annual general meeting of shareholders and financial reports, we also hold financial results briefings twice a year for securities analysts and institutional investors, and explain the business results and management policies, etc.. JAMCO is also actively engaged in communication with shareholders and investors through various external activities.

#### Results of IR Activities in FY2017

Type of IR Activity	Frequency of Activity
Financial Results Briefing	2 times (2nd Quarter Financial Results Briefing, Fiscal Year-End Financial Results Briefing)
Small Meeting	4 times
Individual Meeting	26 times
Factory Tour for Institutional Investors	1 time
Company Briefing for Individual Investors	2 times



Financial Results Briefing



Company Briefing for Individual Investors

### Policy of Shareholder Return

JAMCO is performing efficient management based on basic management policies and individual company policies, and is making stable and continuous returns for shareholders by improving profitability.

Preparing for unforeseen circumstances due to business risks and other factors, and taking into consideration the funds necessary for future capital investment, it is essential to retain internal reserves for continued growth, but we believe that maintaining this balance will lead to profits for all shareholders.

## With the Local Community

The JAMCO Group, which operates in various domestic and overseas regions, aims to be a trusted company, treasuring relationships with local communities.

### Social Contribution Activities by JAMCO

JAMCO promotes various social contribution activities such as interaction with local residents, education / academic support, and joint research and development through collaboration with overseas companies.

#### Lecture at University of Toyama "An Introduction to Atmospheric Observation Devices and Ultra Wide-Body Aircraft Interior Products"

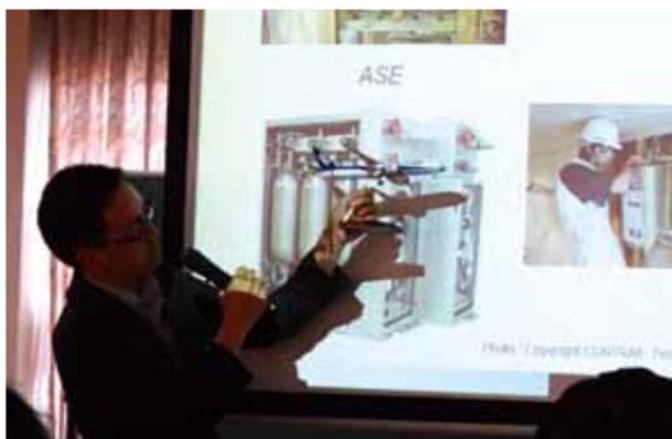
On August 4, 2017, a series of lectures were held at the University of Toyama as part of the Aviation Human Resources Training Program (for developing hands –on aviation training using aircraft), which is funded by an Aerospace Science and Technologies Promotion Commissioned Grant from the Ministry of Education, Culture, Sports, Science and Technology. JAMCO presented a lecture as a part of this entitled "An Introduction to Atmospheric Observation Devices and Ultra-wide-body Aircraft Interior Products" at the request of the university, which was introduced to our company by The Society of Japanese Aerospace Companies.

The aim of the Aviation Human Resources Training Program—participated in by thirteen Japanese universities including Nagoya University acting in a supervisory role—is the education of human resources that will support the next generation of aviation science and technology. The program, a collaborative effort between industry, government and academia, consists of practical training using actual aircraft and awareness-building activities that relate to that training.

Specifically, the program consists of three activities: “practical flight education” and “flight education & mini testing” for university students; and “outreach activities (career path awareness activities)” targeting junior high and high school students and their parents or guardians. JAMCO’s lecture at the University of Toyama was held as a part of the outreach activities.

Held in the Faculty of Engineering's Large Meeting Hall, the lecture welcomed a total of around 30 attendees, including high school, industrial high school and university students and teachers, with engineers from the Part Maintenance Center at JAMCO’s Aircraft Maintenance Group participating as lecturers. In addition to providing an explanation of the atmospheric observation project that our company is involved in and the observation devices that we were responsible for developing, the event also introduced our galleys, lavatories, seats and other core products.

Attendees listened with great interest to the explanation of our observation project and how it relates to the planet's environment, as well as the behind-the-scenes look at products that they do not see every day.



## JAMCO Presents Lecture at "Introduction to Today's Aviation Industry" Course at Waseda University

On January 11, 2018, the Deputy General Manager of the Engineering and Technology Division at JAMCO's Aircraft Interiors and Components Group presented a lecture as part of a course at Waseda University that focuses on the current state of the aviation industry. A collaborative effort between the university and All Nippon Airways Co., Ltd., the course was meant to promote the practical education of students interested in aviation through lectures that invite those working in the field, including flight crew members and cabin attendants, in addition to executives from companies in the aviation industry and members of government agencies as guest speakers.

The lecture presented by the Deputy General Manager of the Engineering and Technology Division was entitled "What is Required of Cabin Interiors: The Present and Future State of Aircraft Interior Products". It started with an overview of our company's business activities, and introduced the development process for cabin interior products, our market share as a supplier, and the future size of the market in order to deepen attendees' understanding of our operations and the potential of the aviation industry. The lecture then moved to the evolution of cabin interiors and an introduction of our products that included photos of our seat consoles, which we developed to differentiate ourselves from our competitors. At the same time, we explained our initiatives aimed at developing the next generation of cabin interiors that include innovating comfortable and easy-to-use interiors, using designs that make the most of the length of aircraft cabins and the expanded use of weight-reducing materials.

This lecture succeeded in getting the more than 100 students in attendance interested in our business from the perspective of aircraft interior products. We will continue to use such chances to offer opportunities to raise students' awareness about the aviation industry.



## For the Global Environment

Jamco is proactively addressing global environmental issues by stating its management philosophy "To coexist with nature and contribute to the creation of a prosperous society".

### Environmental Initiatives

JAMCO performs energy saving measures, green procurement, reduction and recycling of waste materials, investigations into chemical compositions of materials used, and promotes the use of alternate materials for those containing hazardous substances. In the Aircraft Components Manufacturing Division (Mitaka) and the headquarters (Tachikawa No. 4 building), we have acquired environmental management system certifications by certification bodies and are continuously working to maintain them.

We will continue working to further reduce our environmental impact as the importance of efforts to address global environmental issues is increasing.

### History of Activity

In July 1998, we established a basic environmental philosophy as our declaration on the global environment, set out environmental corporate action guidelines, started systematic environmental conservation activities, and in September 1999 we established our "Environmental Regulations".

The head office at that time, the Chofu Head Office District (Chofu Site), took the lead of the entire company by developing activities, and in February 2000 we received our ISO 14001 certification.

In April 2001 we completely revised our "Environmental Regulations" and started company-wide deployment of environmental conservation activities.

In July 2010, we established a new "Environmental Operation Standard (EOS)" and began taking measures so that even sites that do not have ISO 14000 certification can tackle environmental conservation activities conforming to this certification.

### Basic Environmental Philosophy / Environmental corporate action guidelines

#### Basic Environmental Philosophy

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Global environmental conservation for the survival of human beings is a common desire throughout the entire world.

As a company operating globally, the JAMCO Group positions global environmental issues as one of the most important management issues, and we will contribute widely to society conducting corporate activities as a company that is friendly to the global environment and is capable of coexisting with richness.

#### Environmental Corporate Action Guidelines

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(1) Nature conservation

In our product development, production and service activities, we will strive to protect the environments of our regions, and the globe.

(2) Effective utilization of resources

We will strive for efficient use and reuse of resources, and the use of products with less environmental impact in the development, production and service of our products.

(3) Compliance with environmental laws and regulations

We will comply with the environmental laws and regulations of national and local governments.

(4) Environmental conservation system

Following the basic philosophy and this guideline, we will formulate environmental policies throughout the entire company and each site, establish an environmental conservation system, periodically review, and maintain and improve the system.

(5) Promotion of environmental conservation activities

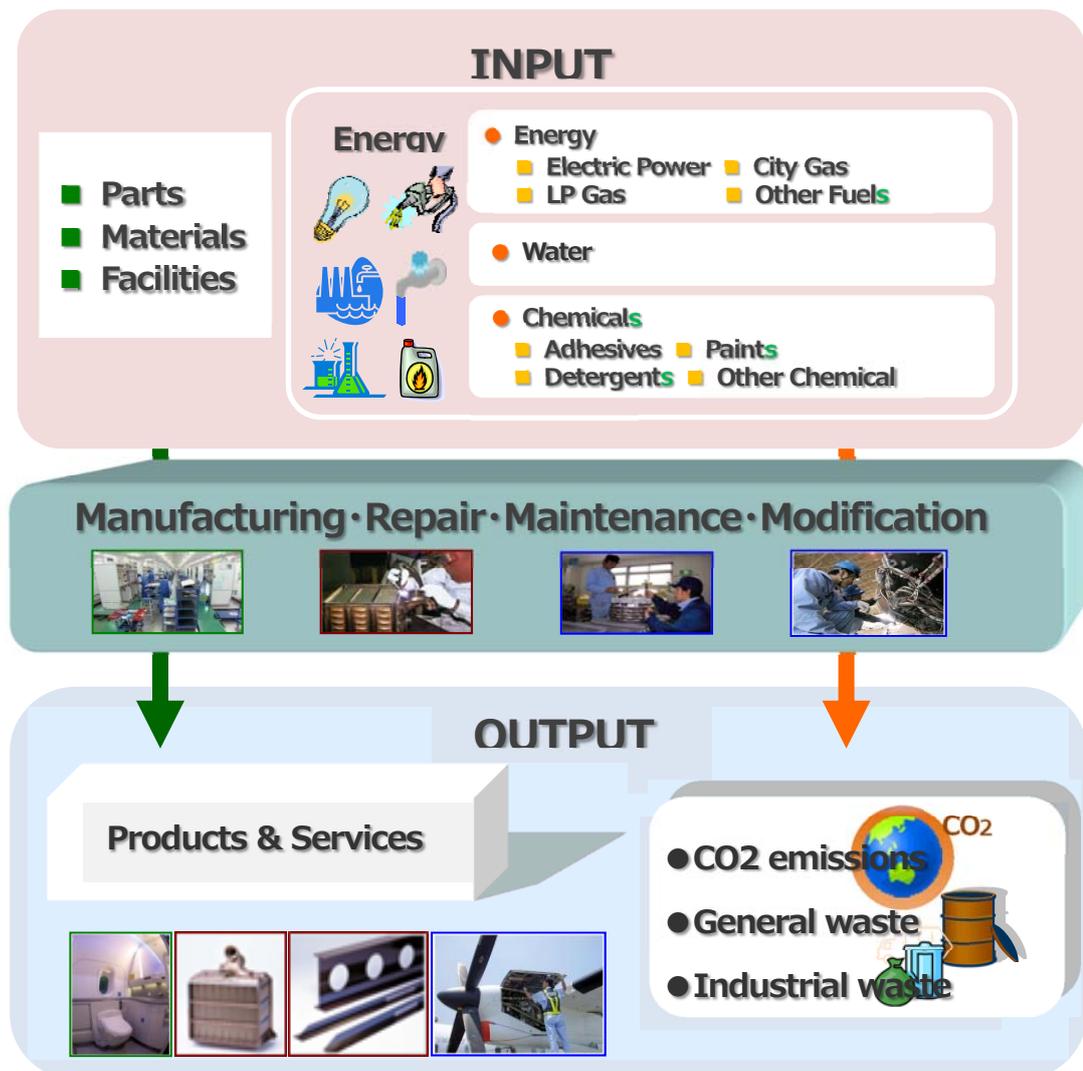
We will promote educational and awareness activities so that all stakeholders are informed of the basic philosophy and this guideline, and all of them understand and act.

(6) Displaying environmental conservation activities

We will display our basic philosophy and this guidance both inside and outside of the company.

## JAMCO's Business Activities Related to the Environment

We specialize in the field of aircraft and are engaged in the manufacture and repair of aircraft interior products and components, maintenance and modification of aircraft and aircraft equipment. The figure below shows the relationship between our business activities and the environment. In conducting our business, we consume a lot of resources and discharge various substances. In order to reduce the environmental burden on both input and output, we strive to quantitatively grasp the environmental burden.

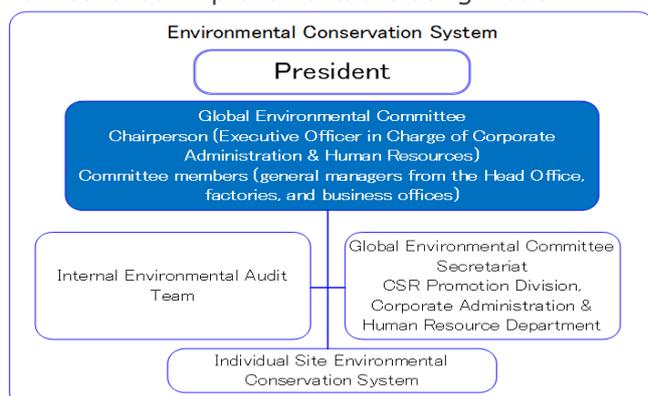


## Environmental Conservation Activities Promotion System

### Company-wide Promotion System

JAMCO engages in environmental conservation activities having put in place a system for promoting these activities together with an environmental management system (EMS). The company's President serves as Chief Environmental Management Officer and is responsible for supervising our environmental conservation activities, while the Executive Officer in Charge of Corporate Administration & Human Resources, serving as the chairperson of the Global Environmental Committee, is in charge of driving these activities and carrying out environmental management reviews.

We have established specific sites within each district to perform environmental conservation activities as an integrated unit, with the site's Environmental Committee promoting these activities in an organized manner. Each site sets individual environmental targets based on JAMCO's Environmental Basic Philosophy and Environmental Corporate Action Guidelines as objectives to achieve during the financial year. The sites work on continuous improvements related to the targets by systematically promoting environmental conservation activities and checking their progress through internal environmental audits. Sites that have received ISO certification undergo conformity assessments through periodic reviews by a certification body to determine whether their ISO 14001-based EMS is being operated properly and if continual improvements are being made.



• Sites with ISO Certification: Aircraft Equipment Manufacturing Division (Including the Aircraft Interiors and Components Group Engineering Department,

Manufacturing Engineering and Quality Assurance Departments, and Components Group located in Mitaka), Head Office (Building 4 Tachikawa: Secretarial Office, Audit Department, Human Resources General Affairs Department, Accounting Finance Department, Quality Assurance Department, Information Systems Department)

• Tachikawa site: Aircraft Interiors and Components Group (Head Office Corporate Planning Department and Mitaka representative of the Technology Division technology management unit structure analysis group, including the interior equipment technology, First Section, 3rd Design Group) Nakajo site: aircraft interiors and equipment Division aircraft interior components manufacturing division purchasing supply section supply Nakajo group

• Narita Site: Aircraft Maintenance Division Parts Maintenance Factory (Including Business Promotion Office, Sales Department and Parts Maintenance Factory of Aircraft Maintenance Division located in Mitaka)

• Haneda Site: Aircraft Maintenance Division Parts Maintenance Factory Equipment Group (located in Haneda)

• Sendai Site: Aircraft Maintenance Division Aircraft Maintenance Factory (Including Technology Development Office and Quality Control Office)

• Miyazaki Site: Aircraft Maintenance Division Aircraft Maintenance Factory Miyazaki Office

\* The Chubu site was closed in September 2017, and the Obihiro site was closed in December 2017.

## Global Environmental Committee

The Global Environmental Committee has a variety of responsibilities at each site that include performing management reviews on site activities, environmental target and objective achievements, internal environmental audit implementation, and the corrective and preventative actions being taken there. At the same time the Committee also reports and holds discussions regarding changes in legal and customer requirements. The Global Environmental Committee Secretariat devotes its efforts to the education of employees in relation to environmental conservation. In addition, it gathers information to enable the efficient and effective implementation and improvement of environmental activities Group-wide.

## Environmental Audit System

We work to correct and improve our environmental conservation activities by carrying out periodic and ad hoc internal and external audits to confirm whether the activities are being performed appropriately in conformance with associated requirements, and if they are being maintained in an effective manner.

The internal environmental auditing team is made up of internal auditors who fulfill qualification requirements that are determined by internal regulations. Internal environmental audits follow an audit plan and check sheet. We focus on on-site audits that verify the consistency between administrative procedures and how activities are being performed. We link this to improvements in activities by gathering together the results of each audit into individual reports and requesting that corrective action be taken for non-compliant items. Every financial year we summarize the results of the internal audits and reflect them in the management review.

## Major Initiatives

At JAMCO, we are working on environmental conservation activities through various initiatives within our business activities.

## Promotion of Environmental Conservation Activities

Environmental activities throughout the year are summarized by management review, and issues are reviewed for improvement.

For the important action items decided through the review, each site continuously performs the PDCA cycle: Environmental objectives/targets/implementation plans/measures (Plan), implementation of measures (Do), confirmation and implementation result reports on the achievement of environmental objectives/targets (Check) and management review (Action). Through such continuous efforts, in response to various movements and changes in the environment, we are encouraging environmental awareness of our company.

## Management of Environmental Impact Assessment and Regulatory Compliance

We extract the aspects of our business activities that affect the environment, and in particular those items requiring improvements or special control under environmental laws and regulations are deemed to be significant environmental aspects.

Areas which require adherence to laws and regulations, such as “emergency situations” and “wastewater”, independent standards are established and periodic checks are made to strengthen control measures.

## Management of Chemical Substances

Chemical substances used in our business activities are regulated by laws and regulations depending on their properties and degree of risk or hazardousness, etc.

Regarding substances with a high degree of risk in particular, we set up management procedures in the internal regulations and control them appropriately so as not to leak or spatter.

In addition, workers actually handling chemical substances possess the necessary qualifications and are working properly in accordance with the management procedures.

## Energy Management

We are striving to reduce energy consumption by establishing management standards to streamline energy use (for air conditioning equipment, lighting equipment, etc.) in our company regulations.

## Reduction of Waste and Recycle Rate Improvement

We are working on reducing waste based on the 3R (Reduce, Reuse, Recycle) idea.

### (1) Thorough Separation Control

We thoroughly sort and collect waste by the individual material, convert metals and paper (copy paper, cardboard, newspapers, etc.) to valuable resources, etc., and are working on reducing and recycling waste.

### (2) Recycle Rate Improvement

We are working to increase the types of items which can be recycled, such as via material recycling and thermal recycling, by investigating and consulting with waste disposal contractors.

### (3) Proper Waste Management

We regularly conduct on-site surveys and collect information from waste disposal contractors to understand the waste disposal process, and to confirm manifest, etc. record control and certificate renewal, etc. are being performed properly.

### (4) Storage Conditions of PCB Equipment

We were properly managing PCB (polychlorinated biphenyl) in accordance with the "PCB Special Measures Law", but we completed disposal of the last 57 fluorescent lamp ballasts we had at the Chofu site in December, 2016.

PCB (polychlorinated biphenyl) disposed of by Jamco to date per the Waste Disposal Law is as follows:

- In July 2013, 1 each 3-phase transformer, which used PCB-containing insulating oil, stored at the Tachikawa site
- In April 2014, 479 each PCB-containing fluorescent lamp ballasts stored at the Sendai site
- In March 2016, 2 each switches, which used PCB-containing insulating oil, stored at the Chofu site
- In December 2016, 57 each PCB-containing fluorescent lamp ballasts stored at the Chofu site

As mentioned above, all PCB wastes stored at our company have been disposed of safely in accordance with the law.

## Results of FY2017 Activities

### Energy-saving Initiatives

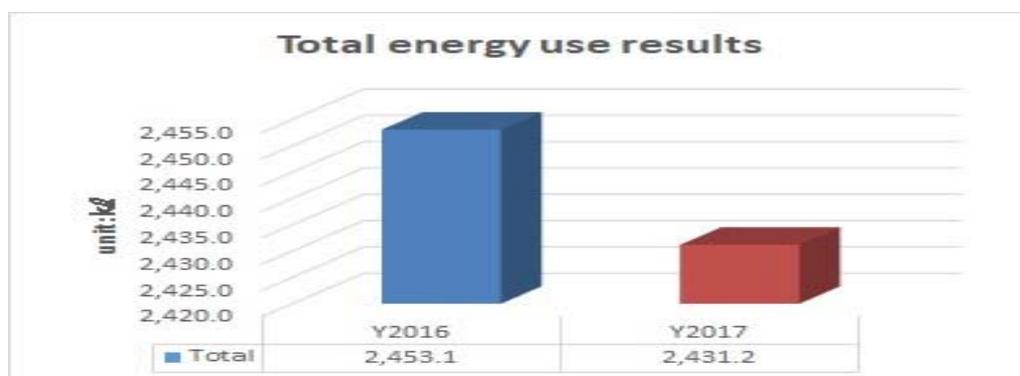
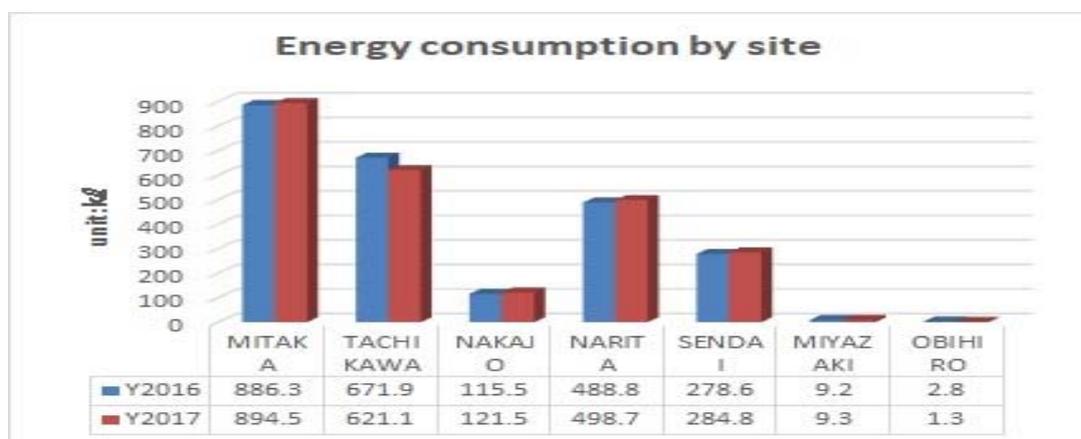
#### <FY2017 Company-wide>

Objective: Reduce energy consumption

"Electricity, city gas, LP gas, type A fuel oil, gasoline, diesel fuel, kerosene"

Target: Reduce energy consumption by 1% or more compared with FY2016

We are working to reduce our energy consumption by driving energy conservation and efficiency in our production processes, and by reducing fuel consumption through such means as using inverters in our production equipment, air conditioning systems, lighting fixtures and air compressors.



CO<sub>2</sub> Emissions

4,983t-CO<sub>2</sub>

4,914t-CO<sub>2</sub>

During the past year we worked to reduce energy consumption at each site by introducing high-efficiency air conditioning equipment and operating it in an energy-saving manner, in addition to switching to LED lighting and leaving only some lights on.

Despite not reaching our target of at least 1%, we did achieve a 0.89% reduction in energy consumption in FY2017 compared with FY2016. The main reason for not meeting our target was the 24-hour operation of a Water-soluble Wastewater Treatment System that we introduced to ISO certified sites, which led to an increase in energy consumption.

(See the following table for the current status of each site's energy-saving programs.)

We lowered our CO<sub>2</sub> emissions in FY2017 to 4,914t, a 1.38% reduction compared to FY2016.

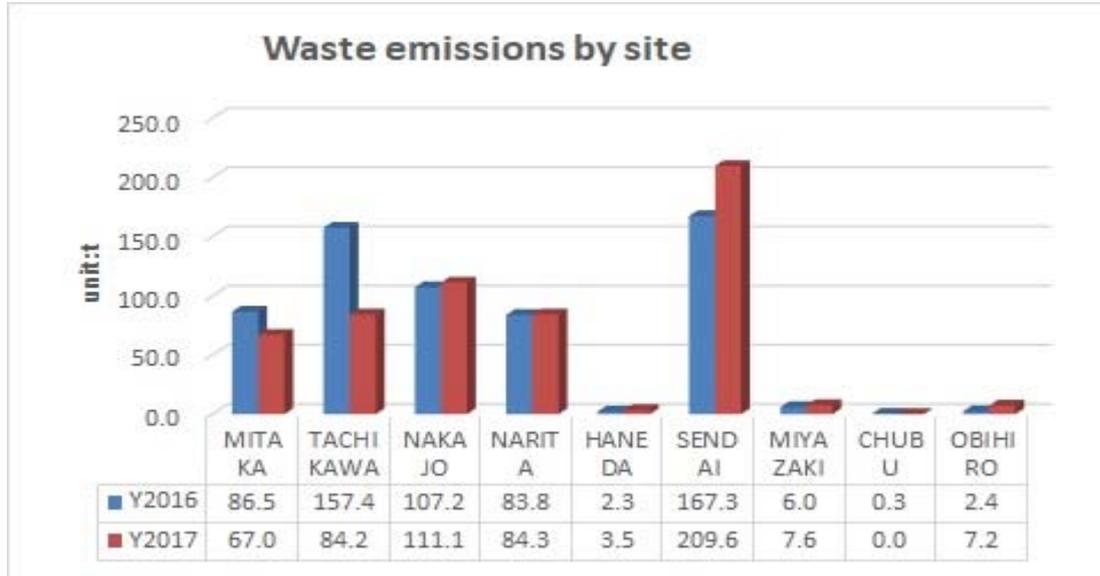
## Energy Reduction Measure Implementation Status

Measures Taken (Including operations)		Mitaka Site	Tachikawa Site	Sendai Site	Narita Site	Haneda Site	Miyazaki Site	Obihiro Site	Nakajo Site
Transformers	Integration abolition	○							
	Introduction of high efficiency-type equipment	○							
Air Compressors	Stopped night operations by installing an evaporator		○		○				
	Reduction of discharge pressure	○							
	Introduction of energy-saving equipment (Inverter type)	○			○				
Air conditioning systems	Strict observance of temperature setting (28 ° C in summer, 20 ° C in winter)	○	○	○	○	○	○	○	○
	Regular filter cleaning	○	○	○	○	○	○	○	○
	Introduction of energy-saving equipment (inverter type, heat pump type)	○	○	○	○		○		
Lighting	Frequent turn out (Such as during breaks)	○	○	○	○	○	○	○	○
	Cleaning of lighting equipment	○	○	○	○	○	○	○	○
	Curtailed use of fluorescent lights	○	○		○			○	
	Introduction of high-efficiency lighting equipment	○	○	○	○		○		○
Production equipment	Application of heat insulating paint to heating furnace	○							
Lifting Equipment	Number of elevator cars changed		○						
Other	Turning off OA equipment when not in use	○	○	○	○	○	○	○	○
	Demand meter settings	○	○		○				
	Introduction of fuel-efficient automobiles	○	○	○					
	Reduction of the number of vending machines	○					○		
	Man-hour reduction	○	○	○	○	○	○	○	○

○ : Measure Taken

## Waste Reduction Initiatives

As part of our efforts to reduce waste, we follow the 3R approach (Reuse, Reduce & Recycle), separating valuable materials from the industrial waste created as part of our business activities.



We worked to reduce the waste output for each site by thoroughly sorting and converting a portion of those materials that would have been disposed of into those of value. We reduced the annual waste output of ISO-certified sites by nearly 50 drum cans worth by introducing a Water-soluble Wastewater treatment system, resulting in a 6.31% reduction in waste in FY2017 over FY2016.

## Waste Material Recycling Initiatives



We worked on thorough sorting of waste materials for recycling at each site, resulting in a recycling rate for FY2017 of 88.7%, exceeding FY2016's rate of 84% by 4.7%.

## Introduction of a Water-soluble Wastewater Treatment System

In June 2017 we introduced a Water-soluble Wastewater Treatment System at an ISO certified site (Aircraft Components Manufacturing Division) to reduce its output of fluorescent penetrant inspection wastewater. Implementing this system had a significant effect on reducing emissions and disposal costs: while the site originally output nearly twenty (200-liter) drum cans of wastewater per month, by installing the treatment system we reduced the amount of wastewater produced by 80%, with output down to about four drum cans per month.



Water-soluble wastewater treatment equipment



Before wastewater treatment: fluorescent green



After wastewater treatment: transparent