

April 1, 2023 through September 30, 2023

Interim Business Report 2023

November 22, 2023

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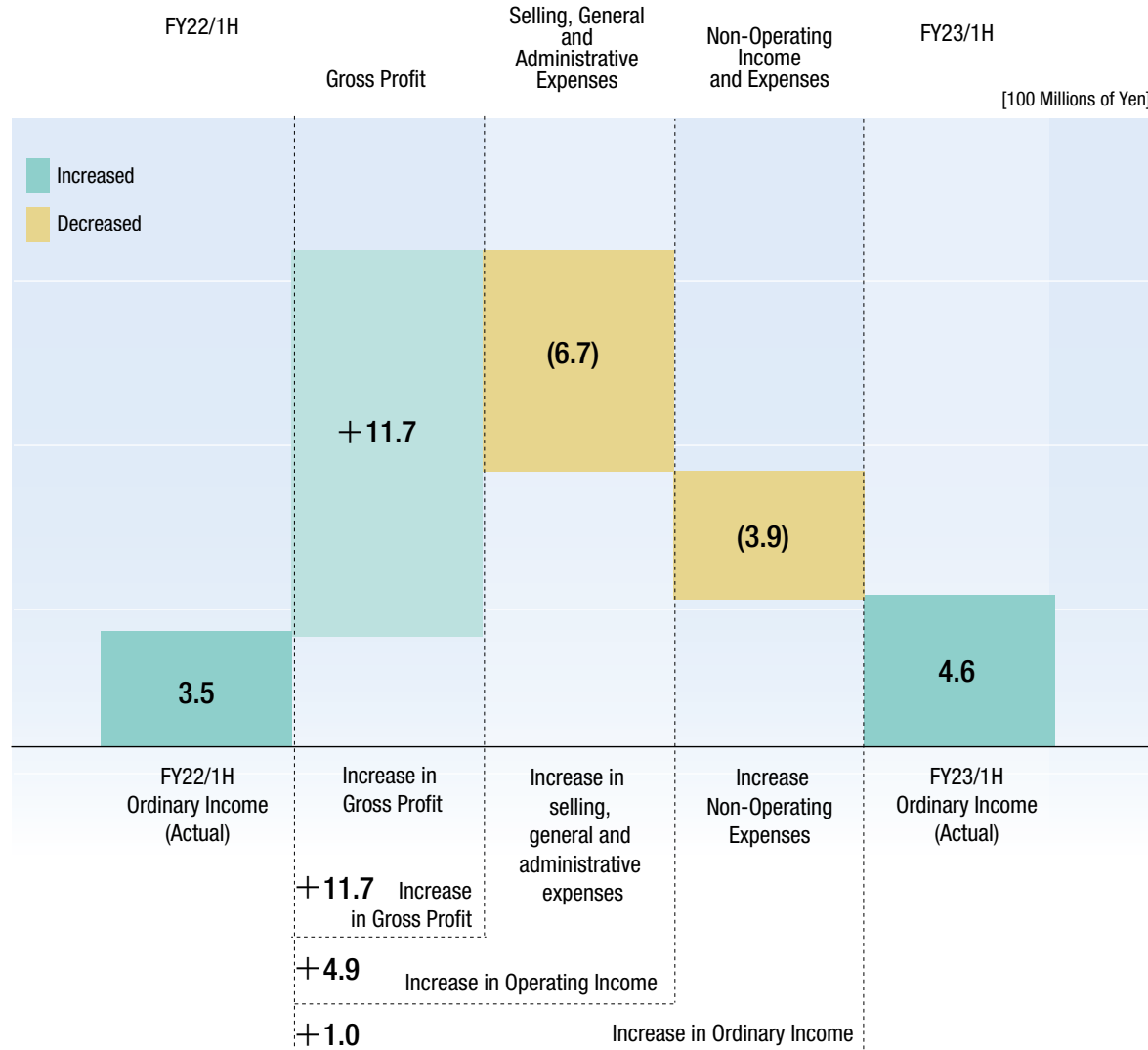
Consolidated Statements of Income



[Million Yen]

	FY22/1H (Actual)	FY23/1H (Actual)	Compared to Previous FY (Change)
Net Sales	17,042	27,243	10,200
Gross Profit	4,075	5,247	1,172
Selling, General and Administrative Expenses	3,793	4,467	673
Operating Income	281	780	499
Non-Operating Income and Expenses	73	(317)	(390)
Ordinary Income	354	463	108
Extraordinary loss	37	(12)	(49)
Income Before Taxes	392	451	58
Net Income Attributable to Shareholders of Parent Company	655	960	305
Net Income Per Share (Yen)	24.42	35.80	—
Exchange Rate (Yen/US\$)	131.50	138.69	—

Compared to Previous FY +1.0



Point

- Gross Profit +¥11.7**
 - Net sales increased due to increased sales of spare parts to airlines as the number of aircraft in operation grew and the depreciation of the yen from the previous year
- Selling, General and Administrative Expenses (¥6.7)**
 - Increase in sales commission (¥2.9)
 - Increase in labor costs (¥2.0)
 - Increase in R&D costs (¥0.9)
 - Others (¥0.9)
- Non-Operating Income and Expenses (¥3.9)**
 - Increase in interest expenses (¥3.1)
 - Decrease in foreign exchange gains (¥2.2)
 - Others +¥1.4

Net Sales and Ordinary Income by Segment—①

[Million Yen]

	Net Sales			Ordinary Income		
	FY22/1H (Actual)	FY23/1H (Actual)	Change	FY22/1H (Actual)	FY23/1H (Actual)	Change
Aircraft Interiors	10,809	17,369	6,560	2,098	3,202	1,104
Aircraft Seat	461	3,950	3,489	(1,696)	(2,690)	(993)
Aircraft Components	2,164	2,205	40	(101)	(151)	(50)
Aircraft Maintenance	3,606	3,715	109	52	102	50
Others	1	1	0	2	0	(2)
Total	17,042	27,243	10,200	354	463	108

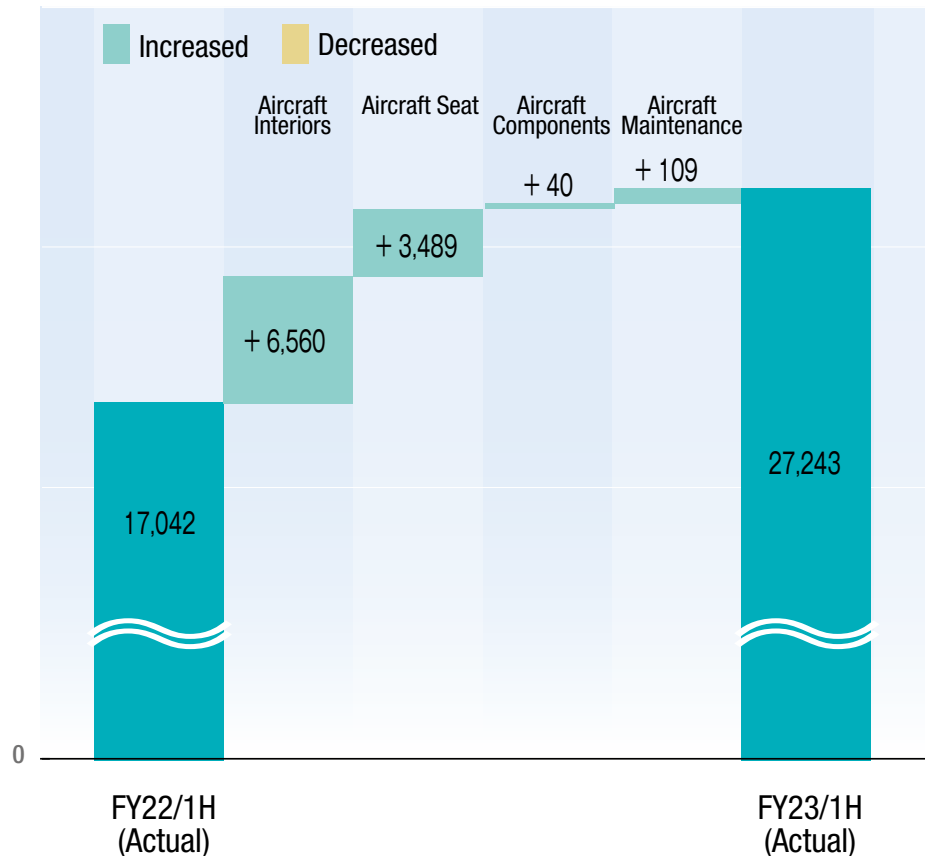
(Note) "Others" include amounts for Orange JAMCO Corporation.

Net Sales and Ordinary Income by Segment – ②



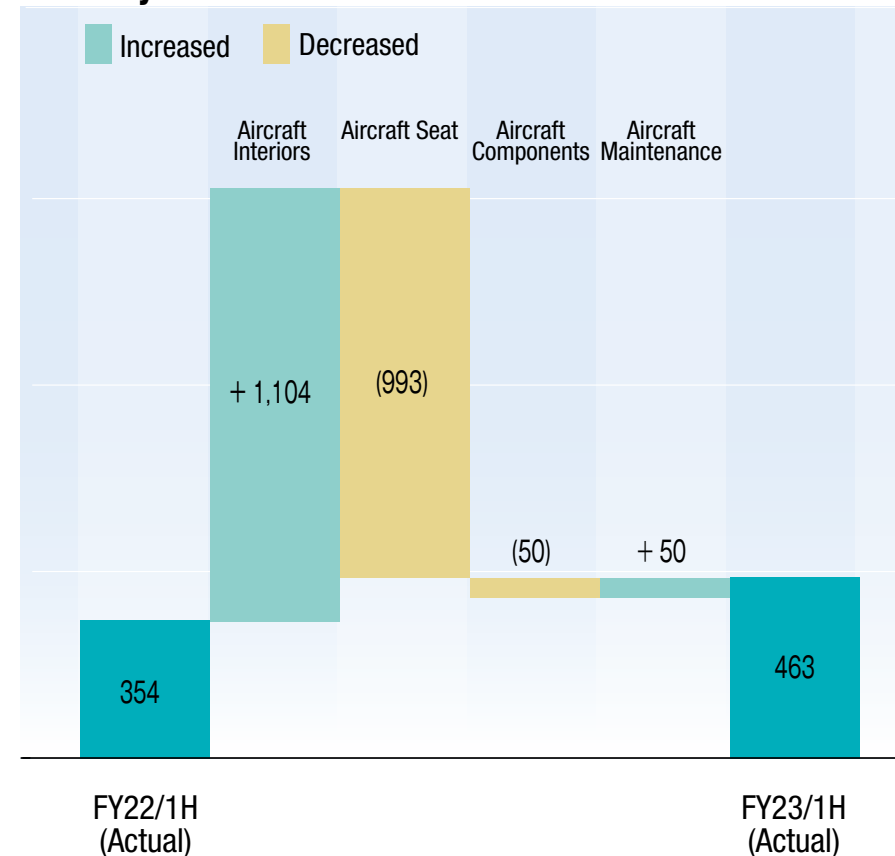
Net sales

[Million Yen]



Ordinary Income

[Million Yen]



Point

- Net sales for the aircraft interiors business increased mainly due to resumption of shipments for Boeing 787 and the increased sales of spare parts to airlines as the number of aircraft in operation grew
- Net sales for the aircraft seat business increased, as shipments of the Venture business class seat for Boeing 777 started
- Net sales for the aircraft components business increased due mainly to increased shipments of Air Conditioning and other equipment
- Net sales for the aircraft maintenance business increased due to an increase of construction to be completed in aircraft maintenance

Point

- Ordinary Income for the aircraft interiors business increased mainly due to increased sales of spare parts, as well as the effect of a weaker yen on foreign currency-denominated net sales
- Ordinary loss for the aircraft seat business was posted due mainly to an increase in initial costs involved in adapting the seat for other aircraft types as well as the increase in dollar-denominated costs caused by the inflation in the U.S. and the depreciation of the yen
- Ordinary loss for the aircraft components business was posted due mainly to the impact of higher costs
- Ordinary income for the aircraft maintenance business increased due to the increase in net sales

Consolidated Balance Sheets



[Million Yen]

Items of an Account	End of FY22 (As of March 31, 2023)	End of FY23/1H (As of September 30, 2023)	Change
ASSETS			
Current Assets			
Cash and Deposits	8,334	8,260	(73)
Notes and Accounts Receivable - Trade, and Contract Assets	17,615	15,471	(2,143)
Inventories	48,732	54,293	5,560
Other Current Assets	2,639	2,996	357
Total Current Assets	77,321	81,022	3,700
Non-Current Assets			
Property, Plant and Equipment	11,590	11,587	(2)
Intangible Assets	1,807	2,018	211
Investments and Other Assets	10,074	10,778	703
Total Non-Current Assets	23,472	24,385	912
Total Assets	100,794	105,407	4,612

Items of an Account	End of FY22 (As of March 31, 2023)	End of FY23/1H (As of September 30, 2023)	Change
LIABILITIES			
Current Liabilities			
Notes and Accounts Payable - Trade	4,719	5,805	1,085
Electronically Recorded Obligations - Operating	2,997	4,307	1,309
Short-Term Loans Payable	50,022	52,057	2,034
Current Portion of Long-Term Loans Payable	1,060	60	(1,000)
Advances Received	8,374	8,459	85
Provision for Loss on Construction Contracts	4,280	4,682	402
Other Current Liabilities	5,577	5,214	(363)
Total Current Liabilities	77,032	80,586	3,554
Non-Current Liabilities			
Long-Term Loans Payable	1,250	1,220	(30)
Other Non-Current Liabilities	9,128	8,980	(148)
Total Non-Current Liabilities	10,378	10,200	(178)
Total Liabilities	87,411	90,786	3,375
NET ASSETS			
Total Net Assets	13,383	14,620	1,236
Total Liabilities and Net Assets	100,794	105,407	4,612

Point

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

- Equity ratio 12.9%→13.5%

Consolidated Statements of Cash Flows



[Million Yen]

	FY22/1H	FY23/1H
Cash flows from operating activities	(1,097)	774
Cash flows from investing activities	(673)	(745)
Free cash flows	(1,771)	29
Cash flows from financing activities	2,525	(816)
Net increase (decrease) in cash and cash equivalents	1,476	(194)
Cash and cash equivalents, end of period	9,651	6,764

Point

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

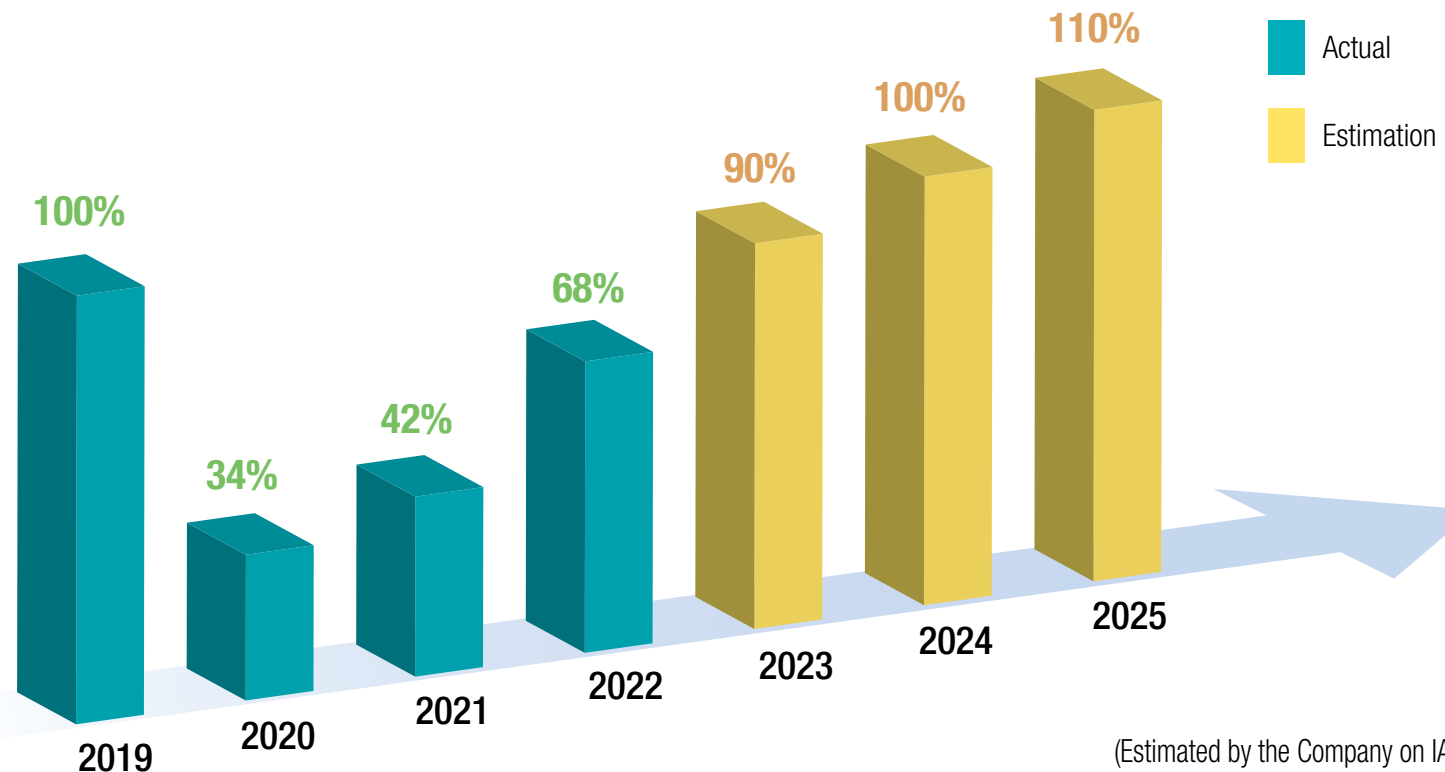
[Million Yen]

	JAMCO	Niigata JAMCO	Miyazaki JAMCO	Nakajo JAMCO	JAMCO AMERICA, INC.	JAMCO AERO DESIGN & ENGINEERING PTE LTD.	JAMCO SINGAPORE PTE LTD.	JAMCO PHILIPPINES, INC.	JAMCO AERO MANUFACTURING CO., LTD.	Tokushima JAMCO	JAMCO AEROTECH CO., LTD.	Orange JAMCO
Net sales	24,012	1,297	310	506	10,646	294	–	383	520	389	244	62
Operating income	1,280	(11)	12	42	(451)	(25)	(2)	81	3	12	18	1
Ordinary income	1,106	(8)	11	40	(759)	11	(2)	81	3	12	18	1
Net income	1,687	(5)	11	26	(752)	9	(13)	70	1	5	14	1

(Note) JAMCO Singapore is in liquidation proceedings

- According to the International Air Transport Association (IATA) June update, the forecast for air passenger demand is generally trending at pre-pandemic levels.
- The United States has turned positive compared to the 2019 fiscal year, and the Middle East, South America, Europe, and Africa are also recovering to around 90% of the 2019 levels. Asia is slightly lagging behind with a recovery rate of 71% compared to the 2019 levels.

The data are expressed as relative values, with FY2019 being 100 percent

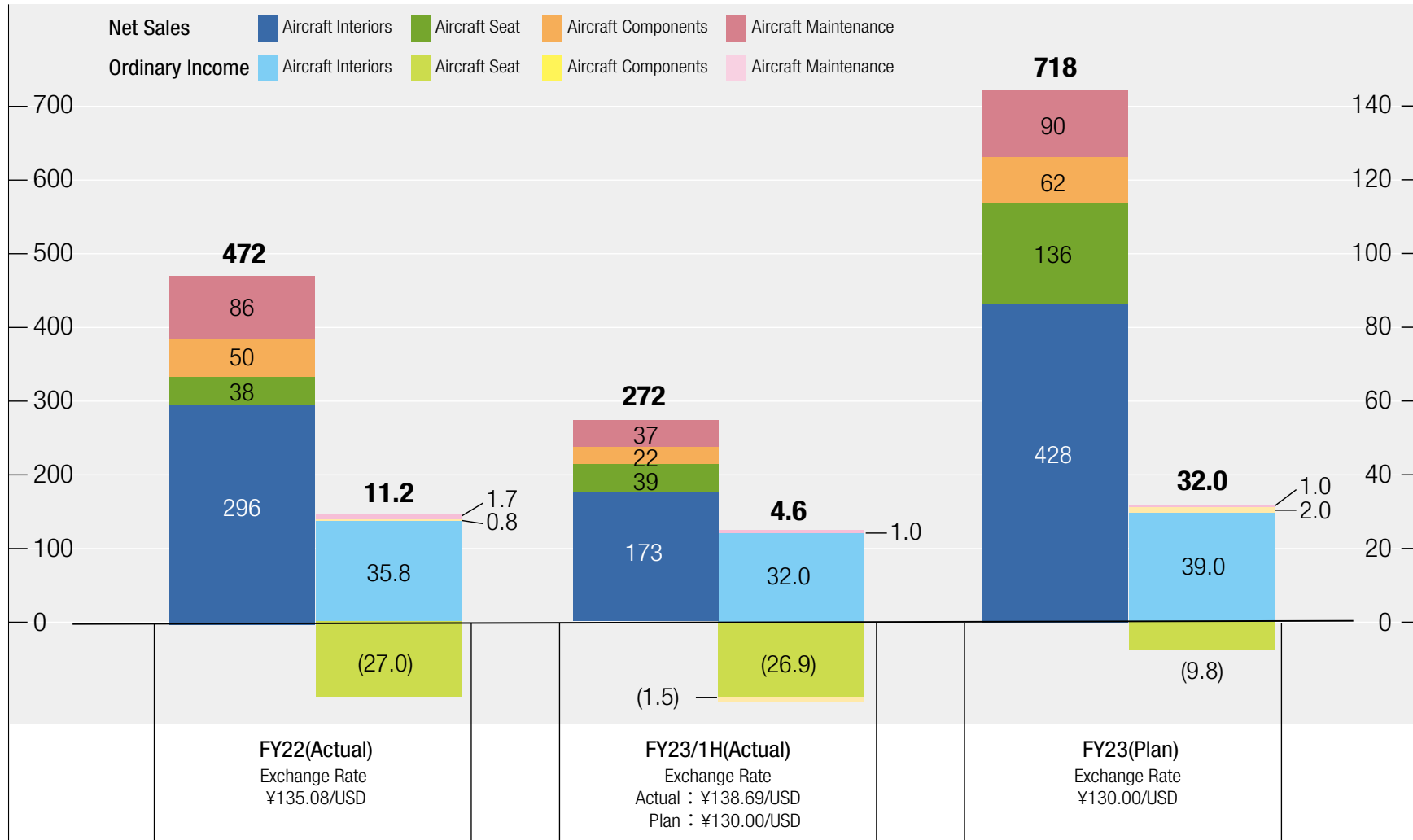


Progress in FY2023



[Net Sales 100 Million Yen]

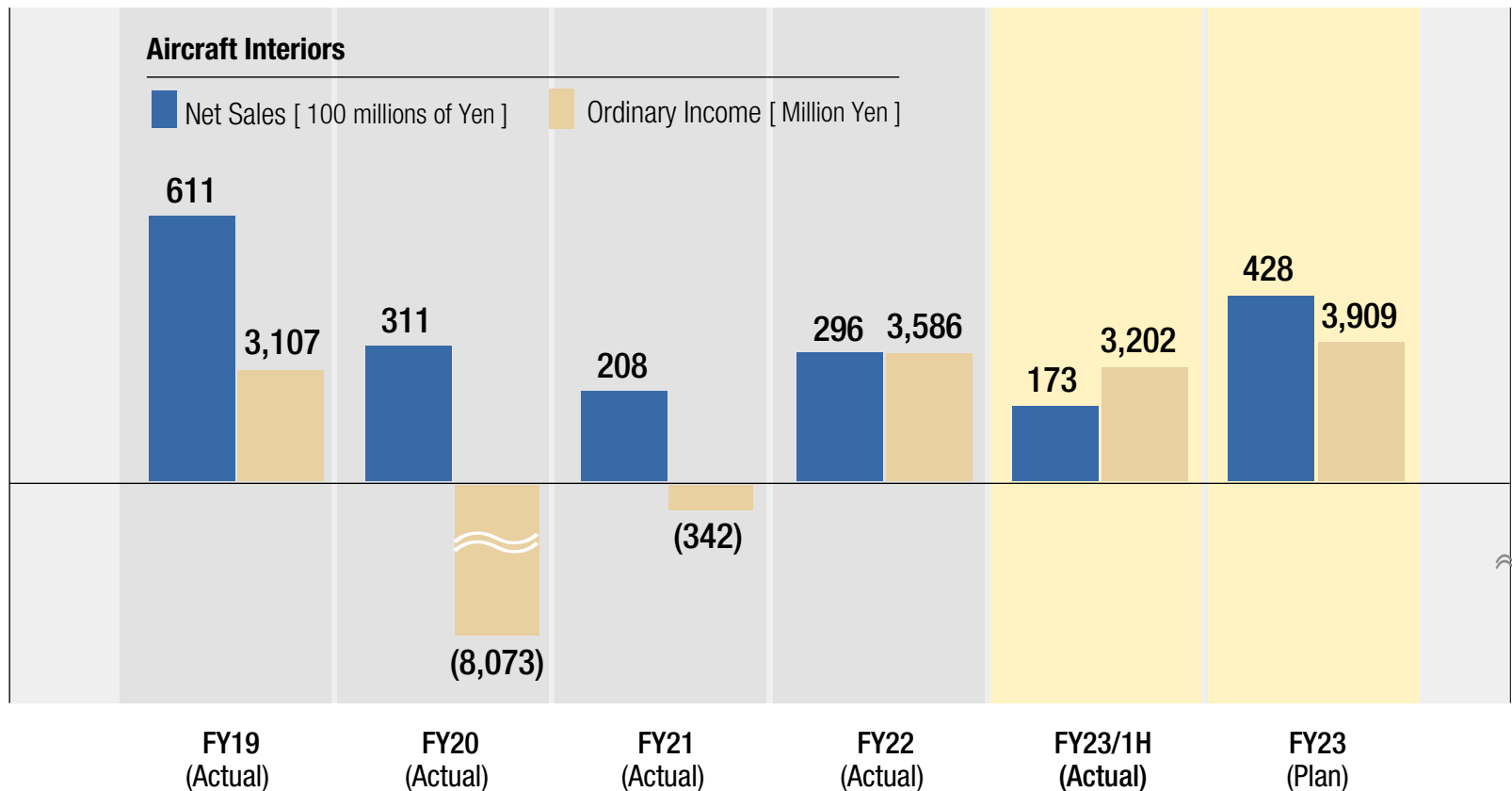
[Ordinary Income 100 Million Yen]



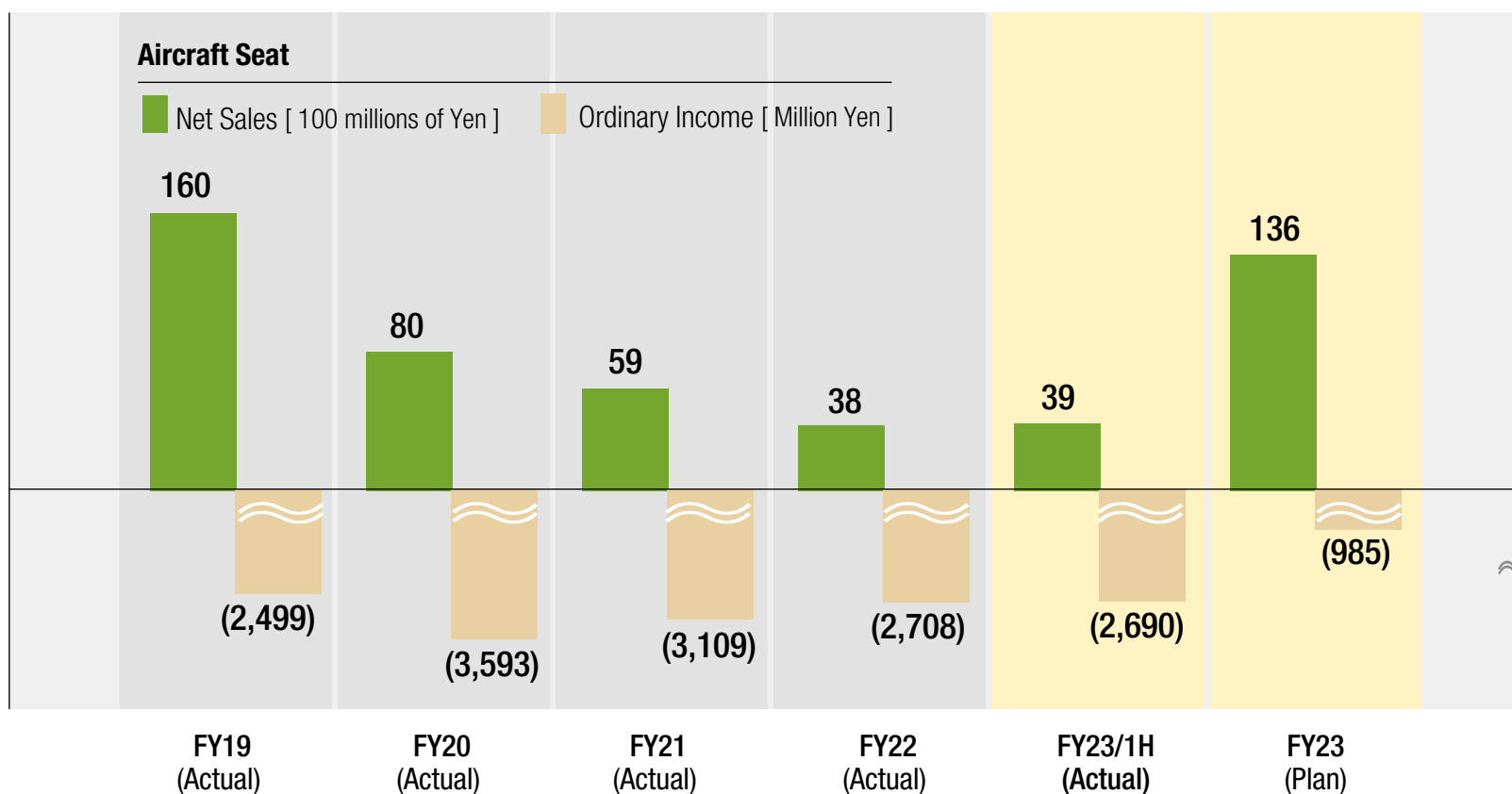
Point

- Ordinary income for the first half of the fiscal year showed positive progress in the aircraft interior and the aircraft maintenance segments, while the aircraft seat and the aircraft components segments experienced slower progress.
- The exchange rate assumptions for the consolidated full year results forecast remain unchanged at 130 yen, starting from the third quarter of the fiscal year, and the consolidated financial results forecast for FY 2023 remains the same.

- Strong sales of spare parts due to an increase in the number of aircraft in operation
- Improved profitability resulting from yen depreciation led to an increase in ordinary income



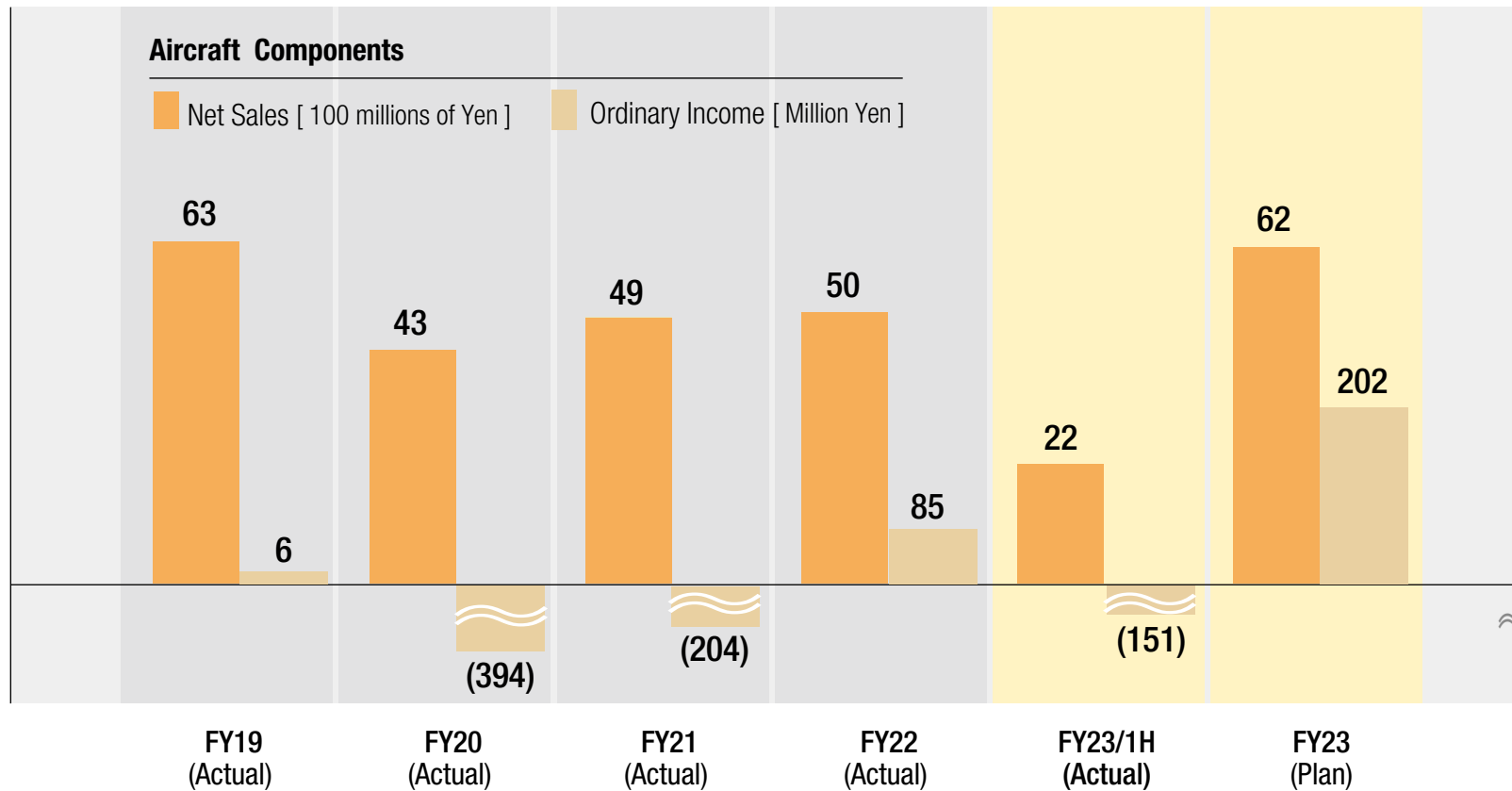
- Partial shipment delays to the following fiscal year due to customer's circumstances for Venture seats
- Inflation in the United States and the depreciation of the yen increased dollar-denominated costs
- Cost reduction measures implemented, such as the transfer of some assembly operations to Mexico



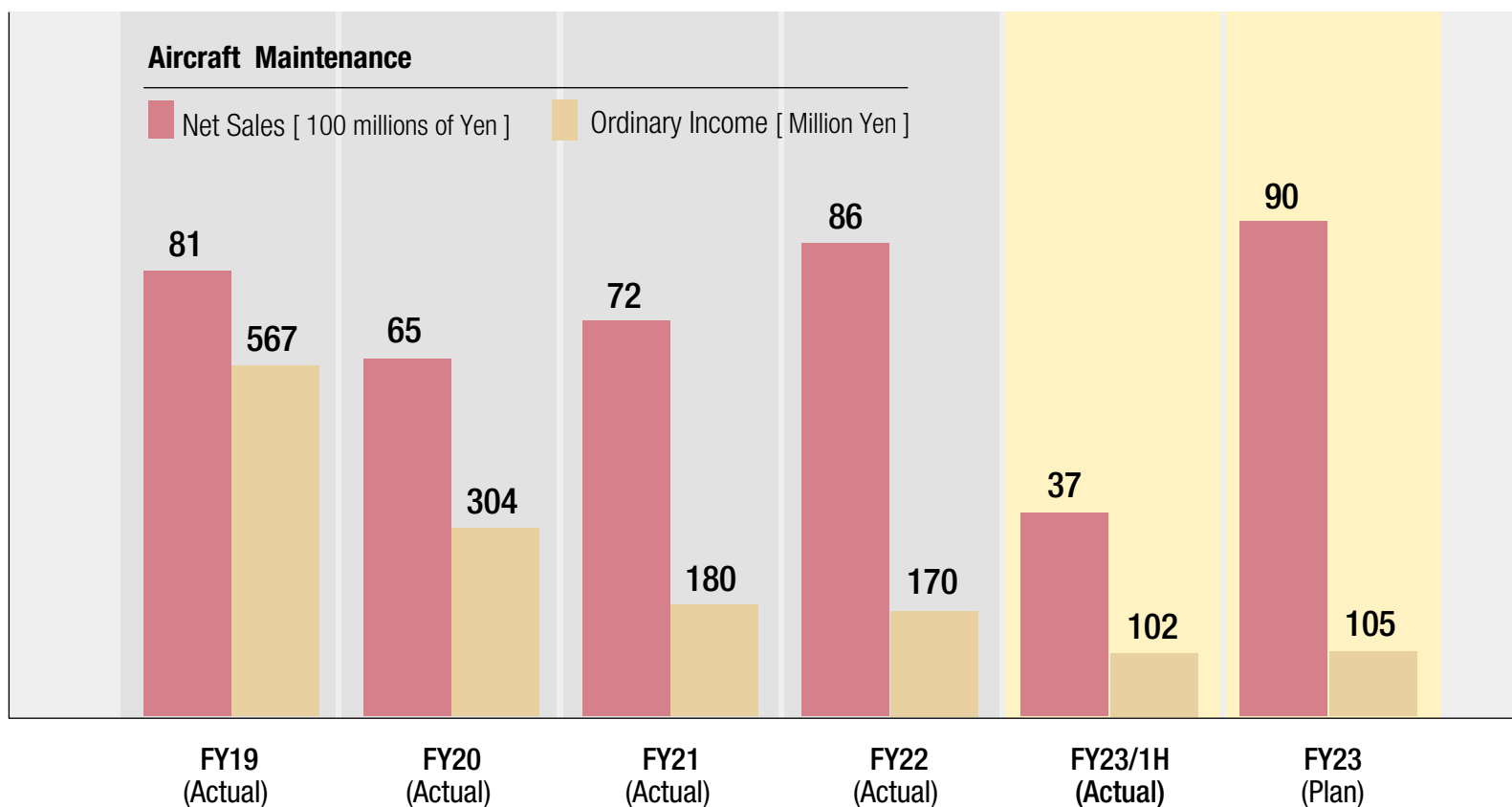
Progress by Segment (Aircraft Components)



- Decrease in shipments of commercial aircraft engine parts, etc.
- Deterioration in ordinary income due to the impact of high cost of sales



- Sales decline due to delays in parts procurement
- Increase in ordinary income due to higher sales of parts



Production Status and Development Status for Boeing and Airbus

■ 787 Production Status

- As of the end of September 2023, 666 aircraft are on order.
- Production rate is 5 per month in 2023 and plan to increase rate to 10 per month in 2025 and 2026.

■ 777-9 Development Status

- Commercial flights scheduled to begin in 2025.
- As of the end of September 2023, 371 aircraft are on order, including 777. Plan to produce 4 per month in 2025 and 2026.

■ 737MAX Production Status

- As of the end of September 2023, 4,031 aircraft are on order.
- Production rate is 38 per month in 2023 and plan to increase rate to 50 per month in 2025 and 2026.

■ A350XWB Production Status

- As of the end of September 2023, 489 aircraft are on order.
- Plan to increase production rate from 6 to 9 per month by the end of 2025.

■ A330neo Production Status

- As of the end of September 2023, 228 aircraft are on order.
- Plan to increase production rate from 3 to 4 per month by the end of 2024.

■ A320 Family neo Production Status

- As of the end of September 2023, 6,754 aircraft are on order.
- Plan to gradually increase production rate to 65 per month by the end of 2024.

Source: Boeing Home Page and Airbus Home Page

Boeing's Orders and Deliveries

(Jan. 2023~Sep. 2023)

	Orders	Deliveries	Order backlog
Total	965	371	5,172
747	0	1	0
777	75	17	371
787	211	50	666
767	15	17	104
737	664	286	4,031

(Note 1) colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Boeing Home Page

Airbus' Orders and Deliveries

(Jan. 2023~Sep. 2023)

	Orders	Deliveries	Order backlog
Total	1,241	488	7,990
A380	0	0	0
A350	121	36	489
A330/A340	35	20	228
A320 family	1,052	391	6,754
A220 family	33	41	519

(Note 1) colored models indicate wide-body aircraft

(Note 2) Orders indicate net orders

Source: Airbus Home Page

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