

**Consolidated Financial Results
for the Fiscal Year 2016
Ended March 31, 2017
[Japanese GAAP]**



May 10, 2017

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
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 Scheduled date of general meeting of shareholders held: June 28, 2017
 The start date of payout of dividend: June 29, 2017
 Submission date of securities report scheduled: June 28, 2017
 Availability of supplementary briefing material on financial results: None
 Schedule of financial results briefing session: Yes (for institutional investors)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Operating Results for the Fiscal Year 2016 (from April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results (%: Changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
For the year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2017	81,834	(10.6)	2,132	(75.8)	1,285	(84.4)	1,014	(80.4)
March 31, 2016	91,561	19.0	8,793	29.6	8,245	5.3	5,169	7.8

(Note) Comprehensive income: Year ended March 31, 2017: ¥927 million [(80.1)%]

Year ended March 31, 2016: ¥4,653 million [(17.2)%]

	Net income per share	Diluted net income per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
For the year ended	Yen	Yen	%	%	%
March 31, 2017	37.82	-	3.7	1.4	2.6
March 31, 2016	192.72	-	20.2	9.2	9.6

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2017: ¥37 million

Year ended March 31, 2016: ¥43 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	92,559	28,003	29.4	1,013.58
As of March 31, 2016	92,284	28,202	29.7	1,020.08

(Reference) Equity: As of March 31, 2017: ¥27,189 million

As of March 31, 2016: ¥27,363 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
For the year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2017	2,128	(3,176)	(587)	1,772
March 31, 2016	4,689	(3,857)	(242)	3,479

2. Dividend distribution

	Dividend distribution per share					Total dividends	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year 2015	-	0.00	-	40.00	40.00	1,073	20.8	4.2
Fiscal year 2016	-	0.00	-	10.00	10.00	268	26.4	1.0
Fiscal year 2017 (Planned)	-	0.00	-	20.00	20.00		23.5	

3. Consolidated Financial Results Forecast for the Fiscal Year 2017 (from April 1, 2017 to March 31, 2018)

(%: indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter-end	40,300	0.1	1,810	-	1,660	-	1,050	-	39.14
Full year	79,400	(3.0)	3,800	(78.2)	3,470	(169.8)	2,280	124.7	84.99

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year 2016 (Changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of common shares issued
 - 1) Number of common shares outstanding (including the number of treasury stock):
 - As of March 31, 2017: 26,863,974 shares
 - As of March 31, 2016: 26,863,974 shares
 - 2) Number of treasury stock:
 - As of March 31, 2017: 38,730 shares
 - As of March 31, 2016: 38,635 shares
 - 3) Average number of common shares outstanding:
 - For the year ended March 31, 2017: 26,825,267 shares
 - For the year ended March 31, 2016: 26,825,392 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year 2016 (April 1, 2016 to March 31, 2017)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended								
March 31, 2017	68,271	(13.5)	2,231	(69.2)	1,673	(74.4)	1,285	(68.9)
March 31, 2016	78,948	15.1	7,245	17.1	6,549	(14.8)	4,138	(13.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
For the year ended				
March 31, 2017	47.92		-	
March 31, 2016	154.29		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of March 31, 2017	77,835		26,312		33.8		980.87	
As of March 31, 2016	72,509		26,152		36.1		974.93	

(Reference) Equity: As of March 31, 2017: ¥26,312 million

As of March 31, 2016: ¥26,152 million

***Notes:**

*1. This document is an English translation of a statement written initially in Japanese. The Japanese original document should be considered as the primary version.

*2. These consolidated financial results are outside the scope of audit

***3. Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain premises that the Company deems to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. For the conditions that form the premises of the forecasts, please refer to "Future Outlook" on page 5 of the Attachment.

Table of Contents

1. Overview of Business Results, etc.	2
(1) Overview of Business Results for the Fiscal Year Under Review	2
(2) Overview of Financial Position for the Fiscal Year Under Review	4
(3) Overview of Cash Flows for the Fiscal Year Under Review	4
(4) Future Outlook	5
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Primary Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
(Notes on going concern assumption)	14
(Changes to accounting policies)	14
(Additional information)	14
(Segment information)	14
(Per share information)	22
(Significant subsequent events)	23

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

During FY 2016, the overall global economy generally remained firm, as trends in the U.S. economy remained steady, and the economies in Japan and the euro-zone also continued a moderate recovery, despite signs of a slowdown of economic growth in China and the emerging countries in Asia. Meanwhile, owing to significant fluctuations in the foreign exchange market stemming from factors such as U.K.'s decision to exit the EU and the result of the U.S. presidential election, unstable financial conditions persisted.

In the air transportation industry, fierce competition continued due to the rise of low-cost carriers (LCCs), despite the growing global demand for air transportation and low crude oil prices that contributed to strong airline earnings overall. Aircraft manufacturers are expanding the production system of new aircrafts in response to increasing aircraft demand, and the number of aircrafts delivered to airlines remains at a high level. As for aircraft orders received, order receipt of small passenger aircraft has been increasing with the increase of LCCs, while order receipt of large aircraft has been decreasing compared with recent years. The policy to reduce production of Airbus A380 and Boeing 777 was announced.

Under such circumstances, in the aircraft interiors business, the Group promoted initiatives to improve production efficiency and reduce cost, while answering to the increase in production of interior products for Boeing 787s. We also promoted the development of lavatories for the Boeing 777X, which is a successor to the Boeing 777, and rear galleys for Airbus A350XWBs.

In the aircraft seat business, we began full-fledged mass production at Miyazaki JAMCO Corporation, a seat production plant which commenced operation in December 2015, as we pushed ahead with efforts to enhance productivity and strengthen the supply chain.

In the aircraft components business, we promoted efforts to cut costs for cargo struts for Airbus A350XWBs, which are new products for CFRP structure parts, while also increasing production of engine parts for commercial aircrafts.

In the aircraft maintenance business, we continued with initiatives to ensure flight safety and enhance quality, while also making efforts to recover orders and improve productivity.

During FY 2016, net sales and income decreased from the previous fiscal year due mainly to the appreciating yen on the foreign exchange market causing a relative decrease in U.S. dollar-denominated net sales, as well as a significant decline in net sales of galleys for which orders are directly placed by airlines, a decrease in sales of spare parts, and a drop in order receipt of aircraft maintenance work.

Provision for loss on construction contracts of ¥3,434 million for construction to be completed from the next fiscal year was recognized at the end of FY 2016. The impact on costs for the fourth quarter of FY 2016 due to the recording of provision for loss on construction contracts increased by ¥1,363 million (provision for loss on construction contracts at the end of the third quarter of FY 2016 was ¥2,070 million), and the impact on costs for FY 2016 increased by ¥1,606 million (provision for loss on construction contracts at the end of FY2015 was ¥1,827 million).

As a result, during FY 2016, the Company posted net sales of ¥81,834 million (down ¥9,726 million compared to the previous fiscal year), operating income of ¥2,132 million (down ¥6,661 million compared to the previous fiscal year), ordinary income of ¥1,285 million (down ¥6,959 million compared to the previous fiscal year) and net income attributable to shareholders of parent company of ¥1,014 million (down ¥4,155 million compared to the previous fiscal year).

Selling, general and administrative expenses, non-operating income/expenses and extraordinary income/loss for the Group are as follows:

Selling, general and administrative expenses were ¥8,870 million (a decrease of ¥1,252 million compared to the previous fiscal year) due mainly to decreases in warranty expenses and experiment and research expenses.

In terms of non-operating income/expenses, an expense of ¥846 million was reported due mainly to foreign exchange losses of ¥555 million as a result of the appreciation of the yen against the U.S. dollar

compared to the previous fiscal year and recognition of compensation expenses of ¥128 million (an expense of ¥547 million in the previous fiscal year).

As for extraordinary income/loss, an expense of ¥23 million was reported due to factors including loss on disposal of non-current assets and head office transfer expenses (a loss of ¥14 million in the previous fiscal year).

Business performance by segment is as follows.

[Aircraft Interiors Business] and [Aircraft Seat Business]

In the aircraft interiors business and aircraft seat business, we continued various initiatives to expand order receipt of new products and aftermarket products in line with the business strategy of aiming at becoming a total interior integrator of cabin interiors and equipment, while working to improve the efficiency of the product system for interior products for newly-built aircrafts. Additionally, we are taking initiatives to establish production sites and strengthen the supply chain with a view to developing the aircraft seat business into the fourth pillar of the aircraft interiors business.

Following the reorganization on June 28, 2016, the aircraft seat business segment was newly established by a split from the aircraft interiors business segment, which previously included the aircraft seat business.

During the fiscal year under review, although shipments of aircraft seats increased, both net sales and ordinary income decreased from the previous fiscal year. This decline was attributable to factors including the appreciating yen on the foreign exchange market leading to a relative decrease in foreign currency-denominated net sales, a decrease in net sales of galleys for Boeing 777s due to the transition to the Boeing 777X under development by Boeing, and a decline in sales of spare parts, in addition to an increase in costs due to making provision for loss on construction contracts for construction expected to incur losses from the next fiscal year and foreign exchange losses.

As a result, the aircraft interiors business segment before reorganization, composed of the aircraft interiors and aircraft seat businesses, posted net sales of ¥67,867 million (down ¥9,155 million compared to the previous fiscal year) and ordinary income of ¥1,129 million (down ¥6,736 million compared to the previous fiscal year). As for the breakdown of results of each segment, the aircraft interiors business posted net sales of ¥55,311 million and ordinary income of ¥4,676 million and the aircraft seat business posted net sales of ¥12,556 million and ordinary loss of ¥3,547 million.

[Aircraft Components Business]

In the aircraft components business, we endeavored to expand order receipt of core products such as heat exchangers mainly for defense-related use, as well as worked to establish and improve the efficiency of the production system mainly for CFRP structure parts and engine parts for commercial aircrafts.

During the fiscal year under review, net sales decreased as a result of factors such as a relative decrease in foreign currency-denominated net sales due to the appreciating yen on the foreign exchange market and a decline in production volume of CFRP structure parts for the Airbus A380, despite increased production volume due to robust order receipt of engine parts for commercial aircrafts. In addition, although we pushed ahead with reducing costs associated with the new CFRP structure parts for the Airbus A350XWB, ordinary income also decreased because of the residual effect of the loss in the first half.

As a result, the aircraft components business posted net sales of ¥6,349 million (down ¥17 million compared to the previous fiscal year) and ordinary income of ¥96 million (down ¥118 million compared to the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, we made efforts to ensure flight safety and persistently reinforce the quality assurance system, and strengthen initiatives for new high-value-added businesses.

During the fiscal year under review, net sales declined due in part to a decrease in completed construction

compared to the previous fiscal year, when order receipt for special work and completed construction were relatively strong. This decrease in net sales resulted in a decline in ordinary income due to a decrease in profitability for the business as a whole.

As a result, the aircraft maintenance business posted net sales of ¥7,617 million (down ¥553 million compared to the previous fiscal year) and ordinary income of ¥64 million (down ¥102 million compared to the previous fiscal year).

[Others]

The Others segment includes the businesses of the consolidated subsidiaries Orange JAMCO Corporation and JAMCO TECHNICAL CENTER Co., Ltd. As of March 31, 2016, JAMCO TECHNICAL CENTER Co., Ltd. was dissolved, with its liquidation completed on August 22, 2016.

As a result, the Others segment posted net sales of ¥0 million (up ¥0 million from the previous fiscal year) and ordinary loss of ¥4 million (ordinary loss of ¥2 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets as of March 31, 2017 amounted to ¥92,559 million, up ¥275 million from the end of the previous fiscal year. Of such, total current assets increased by ¥117 million from the end of the previous fiscal year, due mainly to an increase in notes and accounts receivable - trade (up ¥2,925 million compared to the end of the previous fiscal year), despite a decrease in cash and deposits (down ¥1,201 million compared to the end of the previous fiscal year) and a decrease in raw materials and supplies (down ¥1,031 million compared to the end of the previous fiscal year). Total non-current assets increased by ¥158 million from the end of the previous fiscal year as a result of promoting investment including introduction of an aircraft seat dynamic testing facility, reinforcement of head office buildings and structures, and replacement of plant-related facilities while cutting back on non-essential, non-urgent capital expenditures.

Total liabilities amounted to ¥64,556 million, up ¥474 million from the end of the previous fiscal year. This was attributable primarily to an increase in provision for loss on construction contracts (up ¥1,606 million compared to the end of the previous fiscal year), which offset the decrease in advances received (down ¥1,718 million compared to the end of the previous fiscal year), the decrease in income taxes payable (down ¥632 million compared to the end of the previous fiscal year), and the decrease in accrued expense-salary (down ¥591 million compared to the end of the previous fiscal year). The decrease in notes and accounts payable - trade is attributable to changing the payment method to electronically recorded obligations - operating from the fiscal year under review.

Total net assets amounted to ¥28,003 million, down ¥198 million from the end of the previous fiscal year. This was due primarily to a decrease in retained earnings (down ¥58 million compared to the end of the previous fiscal year), a decrease in foreign currency translation adjustment (down ¥79 million compared to the end of the previous fiscal year), and a decrease in deferred gains or losses on hedges (down ¥72 million compared to the end of the previous fiscal year). As a result, the equity ratio stood at 29.4%.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents as of March 31, 2017 decreased by ¥1,706 million compared to the end of the previous fiscal year, as a result of the cash flows described below.

(Cash flows from operating activities)

During FY 2016, net cash provided by operating activities decreased by ¥2,560 million compared to the previous fiscal year, to a cash inflow of ¥2,128 million. This was mainly due to a decrease in inflows resulting from a decrease in income before taxes, an increase in notes and accounts receivable, and a decrease in advances received.

(Cash flows from investing activities)

During FY 2016, net cash used in investing activities decreased by ¥681 million compared to the previous fiscal year, to a cash outflow of ¥3,176 million. This was mainly due to the postponement of non-

essential, non-urgent capital expenditure projects in an effort to cut back on expenses.

(Cash flows from financing activities)

During FY 2016, net cash used in financing activities increased by ¥345 million compared to the previous fiscal year, to a cash outflow of ¥587 million. This was mainly because outflows from cash dividends paid and repayments of loans payable to financial institutions exceeded the proceeds from loans payable from financial institutions.

(4) Future Outlook

The global economy is expected to remain firm, as the economic recovery trend continues in the U.S., Japan and the euro-zone, despite concerns about a slowdown of economic growth in China and the emerging countries in Asia. Meanwhile, as growing geopolitical risks may cause sharp fluctuations in the foreign exchange market, the outlook for the financial markets is expected to be uncertain.

In such a business environment, the Group anticipates net sales and income to decrease in the aircraft interiors business due mainly to the effect of a decrease in order receipt resulting from the transition of order receipt of products for conventional Boeing 777s to the Boeing 777X currently under development by Boeing, and a drop in prices at which orders are received. As such, we will continue initiatives to cut costs, including improvements from the product design phase.

In the aircraft seat business, we will endeavor to enhance profitability by improving production efficiency, in addition to increasing net sales by increasing product shipments.

In the aircraft components business, we expect a decrease in production volume of CFRP structure parts for the Airbus A380 and a decrease in order receipt of heat exchangers and other defense-related components, despite an increase in order receipt of engine parts for commercial aircrafts. We will work to expand order receipt of various products, while pushing ahead with initiatives such as applying CFRP molding technology to interior products and seat products.

In the aircraft maintenance business, we will pursue new business initiatives for aircraft maintenance and activities to win orders for equipment maintenance by setting our sights on foreign customers as well on the basis of ensuring flight safety and enhancing quality. By doing so, we will aim at creating a new business model as an MRO (Maintenance, Repair and Overhaul) provider. In the next fiscal year, defense-related order receipt is expected to increase, and we will engage in activities to win orders and improve earnings, including high-value-added service operations.

In light of these circumstances, our outlook of consolidated operating results for FY 2017 calls for net sales of ¥79,400 million, operating income of ¥3,800 million, ordinary income of ¥3,470 million, and net income attributable to shareholders of parent company of ¥2,280 million. The exchange rate assumed for the outlook is ¥110 to U.S.\$1.

2. Basic Approach to the Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements by term and the comparability between companies, the Group's policy is to prepare consolidated financial statements based on Japanese GAAP.

The Group plans to carefully consider the adoption of IFRS (International Financial Reporting Standards), taking into account the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	3,479,003	2,277,428
Notes and accounts receivable - trade	20,232,940	23,158,092
Merchandise and finished goods	580,002	602,859
Work in process	22,938,144	23,098,314
Raw materials and supplies	18,691,439	17,659,592
Consumption taxes receivable	1,002,592	331,927
Deferred tax assets	2,470,038	3,158,569
Other	3,241,917	2,468,037
Allowance for doubtful accounts	(4,501)	(6,161)
Total current assets	72,631,578	72,748,660
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,660,830	18,679,687
Accumulated depreciation	(10,574,169)	(10,865,272)
Buildings and structures, net	8,086,660	7,814,415
Machinery, equipment and vehicles	9,246,108	9,993,799
Accumulated depreciation	(7,519,796)	(7,988,486)
Machinery, equipment and vehicles, net	1,726,311	2,005,312
Land	3,486,100	3,484,134
Leased assets	414,836	406,446
Accumulated depreciation	(249,281)	(305,066)
Leased assets, net	165,554	101,379
Construction in progress	296,161	115,934
Other	5,807,229	6,402,945
Accumulated depreciation	(5,071,644)	(5,567,921)
Other, net	735,584	835,023
Total property, plant and equipment	14,496,373	14,356,198
Intangible assets		
Leased assets	261,223	427,970
Other	952,661	1,134,254
Total intangible assets	1,213,884	1,562,225
Investments and other assets		
Investment securities	459,014	480,806
Long-term prepaid expenses	125,267	98,574
Guarantee deposits	108,601	98,145
Deferred tax assets	3,218,451	3,181,907
Other	31,167	33,253
Total investments and other assets	3,942,502	3,892,687
Total non-current assets	19,652,760	19,811,111
Total assets	92,284,339	92,559,772

(Thousand yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,216,137	9,608,011
Electronically recorded obligations - operating	-	6,371,831
Short-term loans payable	22,374,049	23,441,823
Lease obligations	200,757	150,780
Accrued expenses	1,131,173	993,272
Income taxes payable	1,598,026	965,269
Accrued consumption taxes	132,664	146,550
Advances received	5,423,070	3,704,268
Accrued expense-salary	1,894,715	1,302,943
Provision for loss on construction contracts	1,827,438	3,434,215
Other	1,944,882	2,126,893
Total current liabilities	51,742,914	52,245,859
Non-current liabilities		
Long-term loans payable	5,100,000	4,700,000
Lease obligations	151,484	384,983
Provision for directors' and auditors' retirement benefits	154,939	175,420
Provision for executive officers' retirement benefits	80,869	119,702
Liability for employee retirement benefits	6,738,093	6,808,585
Provision for environmental measures	6,887	-
Deferred tax liabilities	71,909	67,387
Other	34,923	54,293
Total non-current liabilities	12,339,105	12,310,373
Total liabilities	64,082,020	64,556,232
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,367,993	4,367,993
Retained earnings	17,684,729	17,626,220
Treasury stock	(30,452)	(30,689)
Total shareholders' equity	27,382,163	27,323,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87,484	106,871
Deferred gains or losses on hedges	-	(72,280)
Foreign currency translation adjustment	214,971	135,690
Accumulated adjustment for employee retirement benefits	(320,734)	(304,154)
Total accumulated other comprehensive income	(18,278)	(133,873)
Non-controlling interests	838,434	813,996
Total net assets	28,202,319	28,003,540
Total liabilities and net assets	92,284,339	92,559,772

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Thousand yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Net sales	91,561,076	81,834,495
Cost of sales	72,644,200	70,832,154
Gross profit	18,916,876	11,002,340
Selling, general and administrative expenses	10,123,232	8,870,335
Operating income	8,793,644	2,132,004
Non-operating income		
Interest income	1,540	7,567
Dividend income	4,166	4,445
Share of profit of entities accounted for using equity method	43,925	37,400
Commission for insurance office work	16,166	8,986
Dividend income of insurance	7,689	5,925
Subsidy income	102,643	76,541
Other	29,897	76,435
Total non-operating income	206,028	217,302
Non-operating expenses		
Interest expenses	286,498	309,176
Foreign exchange losses	423,994	555,387
Compensation expenses	-	128,002
Other	43,488	70,797
Total non-operating expenses	753,980	1,063,364
Ordinary income	8,245,691	1,285,942
Extraordinary income		
Gain on sales of non-current assets	1,774	961
Gain on sales of investment securities	-	4,062
Total extraordinary income	1,774	5,024
Extraordinary loss		
Loss on disposal of non-current assets	15,023	15,664
Head office transfer expenses	-	13,320
Other	1,522	-
Total extraordinary loss	16,546	28,985
Income before taxes	8,230,919	1,261,982
Income taxes - current	2,721,919	839,058
Income taxes - deferred	205,725	(639,641)
Total income taxes	2,927,645	199,416
Net income	5,303,274	1,062,565
Net income attributable to non-controlling shareholders	133,431	48,060
Net income attributable to shareholders of parent company	5,169,843	1,014,504

Consolidated Statement of Comprehensive Income

(Thousand yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Net income	5,303,274	1,062,565
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,315)	19,387
Deferred gains or losses on hedges	-	(72,280)
Foreign currency translation adjustment	(328,108)	(92,534)
Adjustment for employee retirement benefits	(301,632)	16,579
Share of other comprehensive income of entities accounted for using equity method	(7,136)	(5,963)
Total other comprehensive income	(650,193)	(134,812)
Comprehensive income	4,653,081	927,752
Comprehensive income attributable to		
Comprehensive income attributable to shareholders of parent company	4,569,736	898,909
Comprehensive income attributable to non-controlling shareholders	83,344	28,843

(3) Consolidated Statement of Changes in Equity
For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,367,993	13,453,776	(30,070)	23,151,592
Changes in items during period					
Dividends of surplus			(938,889)		(938,889)
Net income attributable to shareholders of parent company			5,169,843		5,169,843
Purchase of treasury stock				(382)	(382)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,230,953	(382)	4,230,570
Balance at the end of period	5,359,893	4,367,993	17,684,729	(30,452)	27,382,163

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	100,799	-	500,127	(19,101)	581,826	764,349	24,497,768
Changes in items during period							
Dividends of surplus							(938,889)
Net income attributable to shareholders of parent company							5,169,843
Purchase of treasury stock							(382)
Net changes of items other than shareholders' equity	(13,315)		(285,156)	(301,632)	(600,105)	74,084	(526,020)
Total changes of items during period	(13,315)	-	(285,156)	(301,632)	(600,105)	74,084	3,704,550
Balance at the end of period	87,484	-	214,971	(320,734)	(18,278)	838,434	28,202,319

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,367,993	17,684,729	(30,452)	27,382,163
Changes in items during period					
Dividends of surplus			(1,073,013)		(1,073,013)
Net income attributable to shareholders of parent company			1,014,504		1,014,504
Purchase of treasury stock				(236)	(236)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(58,509)	(236)	(58,745)
Balance at the end of period	5,359,893	4,367,993	17,626,220	(30,689)	27,323,417

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	87,484	-	214,971	(320,734)	(18,278)	838,434	28,202,319
Changes in items during period							
Dividends of surplus							(1,073,013)
Net income attributable to shareholders of parent company							1,014,504
Purchase of treasury stock							(236)
Net changes of items other than shareholders' equity	19,387	(72,280)	(79,280)	16,579	(115,594)	(24,438)	(140,032)
Total changes of items during period	19,387	(72,280)	(79,280)	16,579	(115,594)	(24,438)	(198,778)
Balance at the end of period	106,871	(72,280)	135,690	(304,154)	(133,873)	813,996	28,003,540

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Income before taxes	8,230,919	1,261,982
Depreciation	2,546,061	2,473,749
Amortization of goodwill	137,971	-
Increase (decrease) in allowance for doubtful accounts	(81,858)	1,643
Increase (decrease) in accrued expense-salary	135,590	(591,772)
Increase (decrease) in liability for employee retirement benefits	(184,457)	153,812
Increase (decrease) in provision for loss on construction contracts	769,451	1,606,777
Interest and dividend income	(5,707)	(12,012)
Interest expenses	286,498	309,176
Foreign exchange losses (gains)	(206,041)	88,916
Share of loss (profit) of entities accounted for using equity method	(43,925)	(37,400)
Loss (gain) on sales of non-current assets	(1,774)	(961)
Loss (gain) on disposal of non-current assets	15,023	15,664
Loss (gain) on sales of investment securities	-	(4,062)
Other non-operating expenses (income)	(112,907)	30,910
Other extraordinary loss (income)	1,522	13,320
Decrease (increase) in notes and accounts receivable - trade	14,390	(2,948,967)
Decrease (increase) in inventories	(5,509,228)	614,946
Increase (decrease) in notes and accounts payable - trade	1,392,883	811,962
Decrease (increase) in advances paid	(521,563)	591,859
Increase (decrease) in advances received	1,029,426	(1,685,532)
Other	558,504	1,196,188
Subtotal	8,450,779	3,890,202
Interest and dividend income received	27,572	31,451
Interest expenses paid	(287,566)	(282,316)
Other proceeds	134,758	122,438
Other payments	(12,225)	(170,129)
Income taxes paid	(3,623,597)	(1,462,832)
Net cash provided by (used in) operating activities	4,689,721	2,128,814

(Thousand yen)

	FY 2015 (From April 1, 2015 to March 31, 2016)	FY 2016 (From April 1, 2016 to March 31, 2017)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,035,024)	(2,229,298)
Proceeds from sales of property, plant and equipment	6,262	1,550
Purchase of investment securities	(2,896)	(2,214)
Proceeds from sales of investment securities	-	24,276
Payments of loans receivable	(3,184)	(3,864)
Collection of loans receivable	8,022	3,982
Payments for transfer of business	(375,000)	-
Other payments	(465,350)	(988,486)
Other proceeds	9,534	17,970
Net cash provided by (used in) investing activities	(3,857,636)	(3,176,083)
Cash flows from financing activities		
Increase in short-term loans payable	42,523,522	59,985,227
Decrease in short-term loans payable	(41,802,930)	(59,389,134)
Proceeds from long-term loans payable	1,900,000	600,000
Repayments of long-term loans payable	(1,714,343)	(442,248)
Repayments of lease obligations	(199,982)	(217,374)
Purchase of treasury stock	(382)	(236)
Cash dividends paid	(938,791)	(1,070,742)
Cash dividends paid to non-controlling shareholders	(9,258)	(53,281)
Net cash provided by (used in) financing activities	(242,165)	(587,789)
Effect of exchange rate changes on cash and cash equivalents	(161,028)	(71,415)
Net increase (decrease) in cash and cash equivalents	428,891	(1,706,475)
Cash and cash equivalents, beginning of period	3,050,112	3,479,003
Cash and cash equivalents, end of period	3,479,003	1,772,528

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

Following the revision of the Corporation Tax Act, the Company has applied the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (PITF No. 32, June 17, 2016), effective from FY 2016, and accordingly, has changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The impact of this change on profit or loss is immaterial.

(Additional information)

Effective from FY 2016, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of the Group are determined from those which can provide separate financial information, and are regularly reviewed by the Board of Directors to determine the allocation of management resources and to evaluate achievements among the constituent units of the Group.

The Group is composed of a single group and four divisions, each of which conducts business activities by developing independent management strategies for products and services it handles. The Group therefore consists of segments organized by product and service based on divisions, and the reportable segments comprise “Aircraft Interiors Business,” “Aircraft Seat Business,” “Aircraft Components Business” and “Aircraft Maintenance Business.”

“Aircraft Interiors Business” mainly engages in the manufacturing and sales of products including galleys and lavatories for passenger aircraft. “Aircraft Seat Business” primarily engages in manufacturing and sales of products including passenger aircraft seats. “Aircraft Components Business” engages in manufacturing and sales primarily of heat exchangers, aircraft equipment including jet engine parts, and ADP (CFRP structure parts). “Aircraft Maintenance Business” conducts operations such as maintenance and alteration of regional jets, medium- and small-sized aircrafts and helicopters, as well as repairs of equipment for these aircrafts.

The Company has abolished the previous in-house company system since June 28, 2016, in light of changes in the business environment and the scale of its operations, as well as to establish a framework capable of meeting the rising demand in commercial aircraft. The Company has reorganized its system into a framework comprising a single group and four divisions. The business of development, design and manufacture of aircraft seats, which had formerly been conducted in the aircraft interiors business, has become an independent business segment, and the former divisions have been reorganized into the “Aircraft Interiors Manufacturing Division,” “Aircraft Seat Manufacturing Division,” “Aircraft Components Manufacturing Division” and “Aircraft Maintenance Division.”

Furthermore, the “Aircraft Interiors and Components Group” has been established to oversee the three manufacturing divisions, excluding the Aircraft Maintenance Division. In accordance with this change, from FY 2016, the previous reportable segments of “Aircraft Interiors Business,” “Aircraft Components Business” and “Aircraft Maintenance Business” have been changed to “Aircraft Interiors Business,” “Aircraft Seat Business,” “Aircraft Components Business” and “Aircraft Maintenance Business.”

As it would be difficult to retrospectively obtain the information necessary to prepare segment information for FY 2015 according to the segment classification of FY 2016, segment information for FY 2015 prepared according to the revised classification method is not disclosed.

2. Method of calculating net sales, income (loss), assets, liabilities and others by reportable segment

The accounting method used for reportable business segments is generally the same as stated in “Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements.” Reportable segment income figures are based on ordinary income. Inter-segment net sales and transfers are based on market prices.

As mentioned in changes in accounting policies, following the revision of the Corporation Tax Act, the Company has changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. Accordingly, the Company has changed the method for the depreciation of business segment likewise.

The impact of this change on profit or loss is immaterial.

3. Information on net sales, income (loss), assets, liabilities and others by reportable segment

For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

(Thousand yen)

	Reportable segment				Others (Note)	Total
	Aircraft Interiors Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Net sales						
Net sales to outside customers	77,023,733	6,366,359	8,170,915	91,561,009	67	91,561,076
Inter-segment net sales or transfers	89,283	59,681	478,925	627,890	133,001	760,891
Total	77,113,016	6,426,041	8,649,841	92,188,899	133,069	92,321,968
Segment income	7,866,057	215,408	166,369	8,247,835	(2,144)	8,245,691
Segment assets	73,837,782	10,428,436	7,918,471	92,184,690	99,649	92,284,339
Other items						
Depreciation	1,739,216	480,435	324,555	2,544,208	1,853	2,546,061
Amortization of goodwill	137,971	-	-	137,971	-	137,971
Interest income	1,452	27	60	1,540	-	1,540
Interest expenses	249,134	20,865	16,498	286,498	-	286,498
Share of profit of entities accounted for using equity method	43,925	-	-	43,925	-	43,925
Increase in property, plant and equipment, intangible assets and long-term prepaid expenses	2,602,680	450,460	262,195	3,315,336	(403)	3,314,932

(Note) The Others segment includes the businesses of affiliates Orange JAMCO Corporation and JAMCO TECHNICAL CENTER Co., Ltd. Orange JAMCO Corporation is a special-purpose subsidiary, dedicated to promoting the employment of people with disabilities and provides assistance work in the Company's factories, which is one of the corporate social responsibilities, while JAMCO TECHNICAL CENTER Co., Ltd. is engaged in the research and development of new technologies and products.

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

(Thousand yen)

	Reportable segment					Others (Note)	Total
	Aircraft Interiors Business	Aircraft Seat Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Net sales							
Net sales to outside customers	55,311,603	12,556,148	6,349,189	7,617,480	81,834,422	72	81,834,495
Inter-segment net sales or transfers	1,141,323	-	3,621	85,588	1,230,533	90,697	1,321,230
Total	56,452,927	12,556,148	6,352,811	7,703,068	83,064,956	90,769	83,155,725
Segment income (loss)	4,676,748	(3,547,501)	96,980	64,040	1,290,267	(4,324)	1,285,942
Segment assets	55,286,010	18,894,582	10,098,031	8,269,261	92,547,887	11,885	92,559,772
Other items							
Depreciation	1,506,980	136,925	516,016	313,826	2,473,749	-	2,473,749
Interest income	4,851	1,929	416	369	7,567	-	7,567
Interest expenses	172,747	93,451	23,707	19,270	309,176	-	309,176
Share of profit of entities accounted for using equity method	37,400	-	-	-	37,400	-	37,400
Increase in property, plant and equipment, intangible assets and long-term prepaid expenses	1,384,814	254,432	650,880	154,236	2,444,364	-	2,444,364

(Note) The Others segment includes the businesses of affiliates Orange JAMCO Corporation and JAMCO TECHNICAL CENTER Co., Ltd. During FY 2016, JAMCO TECHNICAL CENTER Co., Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation due to completion of liquidation. Orange JAMCO Corporation is a special-purpose subsidiary dedicated to promoting the employment of people with disabilities and provides assistance work in the Company's factories, which is one of the corporate social responsibilities.

4. Differences between the total amount of reportable segments and the amounts in the Consolidated Financial Statements and the major details of such differences
(Matters relating to adjustment of differences)

(Thousand yen)

Net sales	Fiscal year 2015	Fiscal year 2016
Reportable segments total	92,188,899	83,064,956
Net sales of Others	133,069	90,769
Eliminations of inter-segment transactions	(760,891)	(1,321,230)
Net sales in the Consolidated Financial Statements	91,561,076	81,834,495

(Thousand yen)

Income	Fiscal year 2015	Fiscal year 2016
Reportable segments total	8,247,835	1,290,267
Income (loss) of Others	(2,144)	(4,324)
Ordinary income in the Consolidated Financial Statements	8,245,691	1,285,942

(Thousand yen)

Assets	Fiscal year 2015	Fiscal year 2016
Reportable segments total	92,184,690	92,547,887
Assets of Others	99,649	11,885
Total assets in the Consolidated Financial Statements	92,284,339	92,559,772

(Thousand yen)

Other items	Reportable segments total		Others		Adjustments		Amounts in the Consolidated Financial Statements	
	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016
Depreciation	2,544,208	2,473,749	1,853	-	-	-	2,546,061	2,473,749
Increase in property, plant and equipment and intangible assets	3,315,336	2,444,364	(403)	-	-	-	3,314,932	2,444,364

5. Matters concerning changes to reportable segments, etc.

As mentioned in “1. Overview of reportable segments,” the classification of reportable segments has changed. However, as it would be difficult to retrospectively obtain the information necessary to prepare segment information for FY 2015 based on the segment classification of FY 2016, segment information for FY 2016 is prepared based on the classification method for FY 2015 as follows.

(Thousand yen)

	Reportable segment				Others (Note)	Total
	Aircraft Interiors Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Net sales						
Net sales to outside customers	67,867,752	6,349,189	7,617,480	81,834,422	72	81,834,495
Inter-segment net sales or transfers	61,136	3,621	85,588	150,346	90,697	241,043
Total	67,928,888	6,352,811	7,703,068	81,984,768	90,769	82,075,538
Segment income	1,129,246	96,980	64,040	1,290,267	(4,324)	1,285,942
Segment assets	74,180,593	10,098,031	8,269,261	92,547,887	11,885	92,559,772
Other items						
Depreciation	1,643,905	516,016	313,826	2,473,749	-	2,473,749
Interest income	6,780	416	369	7,567	-	7,567
Interest expenses	266,198	23,707	19,270	309,176	-	309,176
Share of profit of entities accounted for using equity method	37,400	-	-	37,400	-	37,400
Increases in property, plant and equipment, intangible assets and long-term prepaid expenses	1,639,247	650,880	154,236	2,444,364	-	2,444,364

[Related information]

For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

1. Information by product and service

This is omitted as similar information is disclosed in segment information.

2. Information by geographical area

(1) Net sales

(Thousand yen)

Japan	North America		Asia & Oceania		Europe	Total
	U.S.		Singapore			
14,542,369	36,886,090	36,469,208	31,950,171	14,316,283	8,182,445	91,561,076

(Note) Net sales are classified by country or area based on the locations of customers.

(2) Property, plant and equipment

(Thousand yen)

Japan	U.S.	Asia & Oceania	Europe	Total
11,339,178	1,923,020	1,234,175	-	14,496,373

3. Information by major customers

(Thousand yen)

Name of customer	Net sales	Related segment
MITSUBISHI INTERNATIONAL CORP.	30,470,836	Aircraft interiors business
ITOCHU Singapore Pte, Ltd.	10,583,593	Aircraft interiors business

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

1. Information by product and service

This is omitted as similar information is disclosed in segment information.

2. Information by geographical area

(1) Net sales

(Thousand yen)

Japan	North America		Asia & Oceania		Europe	Total
	U.S.		Singapore			
13,530,372	35,935,607	35,707,294	25,476,888	14,969,520	6,891,626	81,834,495

(Note) Net sales are classified by country or area based on the locations of customers.

(2) Property, plant and equipment

(Thousand yen)

Japan	U.S.	Asia & Oceania	Europe	Total
11,290,320	2,017,731	1,048,146	-	14,356,198

3. Information by major customers

(Thousand yen)

Name of customer	Net sales	Related segment
MITSUBISHI INTERNATIONAL CORP.	29,653,558	Aircraft interiors business
ITOCHU Singapore Pte, Ltd.	12,948,335	Aircraft interiors business, Aircraft seat business

[Information on impairment loss on non-current assets by reportable segment]

For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

There is no relevant information.

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

There is no relevant information.

[Information on amortization and unamortized balance of goodwill by reportable segment]

For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

(Thousand yen)

	Aircraft Interiors Business	Aircraft Components Business	Aircraft Maintenance Business	Total	Others	Total
Amortization for the period	137,971	-	-	137,971	-	137,971
Unamortized balance at the end of the period	-	-	-	-	-	-

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

There is no relevant information.

[Information on gain on bargain purchase by reportable segment]

For fiscal year 2015 (from April 1, 2015 to March 31, 2016)

There is no relevant information.

For fiscal year 2016 (from April 1, 2016 to March 31, 2017)

There is no relevant information.

(Per share information)

	Fiscal year 2015 (from April 1, 2015 to March 31, 2016)	Fiscal year 2016 (from April 1, 2016 to March 31, 2017)
Net assets per share	1,020.08 yen	1,013.58 yen
Net income per share	192.72 yen	37.82 yen
Diluted net income per share	Not presented because there are no latent shares.	Not presented because there are no latent shares.

(Notes) 1. The basis for calculating net income per share is as shown below.

	Fiscal year 2015 (from April 1, 2015 to March 31, 2016)	Fiscal year 2016 (from April 1, 2016 to March 31, 2017)
Net income attributable to shareholders of parent company (thousand yen)	5,169,843	1,014,504
Amount not attributable to common shareholders (thousand yen)	-	-
Net income attributable to shareholders of parent company related to common shares (thousand yen)	5,169,843	1,014,504
Average number of common shares (thousand shares)	26,825	26,825

2. The basis for calculating net assets per share is as shown below.

	Fiscal year 2015 (as of March 31, 2016)	Fiscal year 2016 (as of March 31, 2017)
Total net assets (thousand yen)	28,202,319	28,003,540
Amount deducted from total net assets (thousand yen)	838,434	813,996
[including non-controlling interests (thousand yen)]	[838,434]	[813,996]
Year-end net assets related to common shares (thousand yen)	27,363,884	27,189,544
Number of common shares at year- end used to calculate net assets per share (thousand shares)	26,825	26,825

(Significant subsequent events)

There is no relevant information.