

**Consolidated Financial Results
for the Fiscal Year 2017
Ended March 31, 2018
[Japanese GAAP]**



May 8, 2018

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
 URL: <https://www.jamco.co.jp/>
 Representative: Harutoshi Okita, President & CEO
 Contact: Kentaro Goto, Director & Managing Executive Officer
 Phone: +81-42-503-9145
 Scheduled date of general meeting of shareholders held: June 27, 2018
 The start date of payout of dividend: June 28, 2018
 Submission date of securities report scheduled: June 27, 2018
 Availability of supplementary briefing material on financial results: Yes
 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 2017 (from April 1, 2017 to March 31, 2018)

(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, 2018	77,791	(4.9)	4,466	109.5	3,504	172.5	1,681	65.8
March 31, 2017	81,834	(10.6)	2,132	(75.8)	1,285	(84.4)	1,014	(80.4)

(Note) Comprehensive income: Year ended March 31, 2018: ¥1,890 million [103.7 %]

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

	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, 2018	62.69	-	6.0	3.7	5.7
March 31, 2017	37.82	-	3.7	1.4	2.6

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2018: ¥37 million

Year ended March 31, 2017: ¥37 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	94,456	29,553	30.4	1,071.84
As of March 31, 2017	92,559	28,003	29.4	1,013.58

(Reference) Equity: As of March 31, 2018: ¥28,752 million

As of March 31, 2017: ¥27,189 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, 2018	3,971	(2,810)	(460)	2,399
March 31, 2017	2,128	(3,176)	(587)	1,772

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 2016	-	0.00	-	10.00	10.00	268	26.4	1.0
Fiscal year 2017	-	0.00	-	20.00	20.00	536	31.9	1.9
Fiscal year 2018 (Planned)	-	0.00	-	20.00	20.00		29.8	

3. Consolidated Financial Results Forecast for the Fiscal Year 2018 (from April 1, 2018 to March 31, 2019)

(%: 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	5.9	1,550	(18.7)	1,400	(25.3)	930	(10.1)	34.66
Full year	81,900	5.3	3,110	(30.4)	2,680	(23.5)	1,800	7.0	67.10

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year 2017 (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: None
 - 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, 2018: 26,863,974 shares
 - As of March 31, 2017: 26,863,974 shares
 - 2) Number of treasury stock:
 - As of March 31, 2018: 38,762 shares
 - As of March 31, 2017: 38,730 shares
 - 3) Average number of common shares outstanding:
 - For the year ended March 31, 2018: 26,825,217 shares
 - For the year ended March 31, 2017: 26,825,267 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year 2017 (April 1, 2017 to March 31, 2018)

(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, 2018	66,183	(3.1)	2,979	33.6	2,309	38.0	1,576	22.6
March 31, 2017	68,271	(13.5)	2,231	(69.2)	1,673	(74.4)	1,285	(68.9)

	Net income per share		Diluted net income per share	
	Yen		Yen	
For the year ended				
March 31, 2018	58.77		-	
March 31, 2017	47.92		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	82,016	27,836	33.9	1,037.68
As of March 31, 2017	77,835	26,312	33.8	980.87

(Reference) Equity: As of March 31, 2018: ¥27,836 million

As of March 31, 2017: ¥26,312 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 by certified public accountants or audit firms.
- *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	5
(4) Future Outlook	5
2. Basic Approach to the Selection of Accounting Standards	6
3. Consolidated Financial Statements and Primary Notes.....	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Comprehensive Income	9
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes on going concern assumption)	15
(Segment information, etc.)	15
(Per share information).....	21
(Significant subsequent events).....	22

1. Overview of Business Results, etc.

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

During FY 2017, the overall global economy remained firm, as the U.S. economy steadily improved, and the economies in Japan and the euro-zone also continued to recover moderately, while China and the emerging countries also showed signs of economic rebound. Meanwhile, uncertainties about the future heightened due to mounting geopolitical risks stemming from factors such as (i) changes in the financial capital markets and trade issues by the policies of each country and (ii) the situation concerning North Korea. The foreign exchange market generally remained stable owing to the expectation that the dollar would further strengthen toward the end of the third quarter. However, speculation of tapering of monetary easing toward the end of FY 2017, inflationary concerns in the U.S., and risk aversion resulting from the chain of global stock sell-off led to an accelerated appreciation of the yen and a depreciation of the dollar.

In the air transportation industry, growing global demand for air transportation and low crude oil prices have resulted in improved earnings for airlines. However, fierce competition continues due to aggressive efforts of low-cost carriers (LCCs), and major airlines are launching various strategies such as securing flight routes with high demand, enhancing passenger cabin services, and forging business alliance with LCCs. As for aircraft manufacturers, while production is increasing of small- and mid-size passenger aircraft such as Boeing 787 and Airbus A350, production is declining of Boeing 777 which is transitioning to a new model and large passenger aircraft such as Airbus A380. Nevertheless, demand for Boeing 777X which is to replace Boeing 777 is expected to increase in the future.

Under such circumstances, in the aircraft interiors business, we promoted initiatives to improve production efficiency and reduce cost, while promoting the development and manufacture of new products such as lavatories for Boeing 777X and rear galleys for Airbus A350.

In the aircraft seat business, we promoted initiatives to improve production efficiency and reduce cost, while promoting the development and manufacture of new seats such as next-generation standard seats.

In the aircraft components business, we worked to improve productivity for carbon fiber reinforced plastic (CFRP) structure parts and aircraft engine parts.

In the aircraft maintenance business, we continued with initiatives to ensure flight safety and enhance quality, while also taking initiatives to expand the range of services and improve earnings, in addition to promoting order receipt of new products.

During FY 2017, net sales decreased from the previous fiscal year owing largely to the impact of a decrease in shipments of galleys and lavatories for the current Boeing 777 which are making a transition to Boeing 777X under development by Boeing. Meanwhile, income increased from the previous fiscal year due mainly to an increase in sales of highly profitable spare parts and additional sales resulting from changes in customer specifications.

As a result, on a consolidated basis, during FY 2017, the Company posted net sales of ¥77,791 million (down ¥4,042 million compared to the previous fiscal year), operating income of ¥4,466 million (up ¥2,334 million compared to the previous fiscal year), ordinary income of ¥3,504 million (up ¥2,218 million compared to the previous fiscal year) and net income attributable to shareholders of parent company of ¥1,681 million (up ¥667 million compared to the previous fiscal year).

Provision for loss on construction contracts of ¥2,066 million for construction to be completed in or after the next fiscal year was recognized at the end of FY 2017. The impact of this provision for loss on construction contracts on income (loss) for the fourth quarter of FY 2017 was a decrease of ¥638 million in cost of sales (provision for loss on construction contracts as of December 31, 2017 was ¥2,705 million) and, for FY 2017, a decrease of ¥1,367 million in cost of sales (provision for loss on construction contracts at the end of FY 2016 was ¥3,434 million).

Selling, general and administrative expenses, non-operating income (expenses), and extraordinary income (loss) are as follows:

Selling, general and administrative expenses were ¥8,687 million (a decrease of ¥182 million compared to the previous fiscal year) due mainly to decreases in personnel expenses, sales commissions, and warranty expenses.

In terms of non-operating income (expenses), an expense of ¥962 million was reported due mainly to recognition of compensation expenses of ¥416 million resulting from the early cancellation of contracts with customers, despite an improvement in foreign exchange gains (losses) from the previous fiscal year which was affected by the sharp appreciation of the yen (an expense of ¥846 million in the previous fiscal year). Foreign exchange gains of ¥12 million were recognized during the third quarter of FY 2017 (April 1, 2017 to December 31, 2017); however, foreign exchange losses of ¥416 million were recorded in non-operating expenses during FY 2017 (April 1, 2017 to March 31, 2018) due to foreign exchange losses of ¥429 million during the fourth quarter of FY 2017 (January 1, 2018 to March 31, 2018) primarily as a result of fluctuations in the foreign exchange market.

As for extraordinary income (loss), a loss of ¥49 million was reported due mainly to loss on disposal of non-current assets (a loss of ¥23 million in the previous fiscal year).

Total income taxes were ¥1,690 million (up ¥1,491 million compared to the previous fiscal year) primarily due to the recording of ¥421 million in the impact of revisions from the recalculation of a U.S. subsidiary's deferred tax assets following the enactment of the tax reform act, which includes a reduction of the U.S. federal income tax rate from 35% to 21% on December 22, 2017 (local time).

Business performance by segment is as follows.

[Aircraft Interiors Business]

In the aircraft interiors 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 development and manufacture and production system for interior products for newly-built aircraft.

During the fiscal year under review, we began shipment of rear galleys for Airbus A350.

Net sales for the fiscal year under review decreased from the previous fiscal year owing mainly to a decrease in shipments of galleys and lavatories for the current Boeing 777 that are being replaced by Boeing 777X.

Meanwhile, although ordinary income was somewhat impacted by the decrease in net sales, it increased from the previous fiscal year, owing to increased sales of spare parts, additional sales resulting from changes in customer specifications, lower costs achieved through cost reduction measures and a decline in provision for loss on construction contracts.

As a result, the aircraft interiors business posted net sales of ¥50,992 million (down ¥4,319 million compared to the previous fiscal year) and ordinary income of ¥6,793 million (up ¥2,117 million compared to the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, we promoted sales through the development of attractive products, while strengthening cost management and the supply chain in order to realize a stable business base and improve productivity.

During the fiscal year under review, we started delivery of business class seats for Airbus A380s for Singapore Airlines. We also pushed forward the development and sales of next-generation standard seats as exemplified in the announcement of the premium seats for Boeing 787.

Net sales for the fiscal year under review decreased from the previous fiscal year due to changes in the delivery dates for some programs, despite product shipments from new programs and increased sales of spare parts for seats.

With regard to ordinary income (loss), although we worked to improve production efficiency, an increase in the initial costs of development and manufacturing of new programs and other factors resulted in an ordinary

loss.

As a result, the aircraft seat business posted net sales of ¥12,484 million (down ¥71 million compared to the previous fiscal year) and ordinary loss of ¥3,641 million (ordinary loss of ¥3,547 million in the previous fiscal year).

[Aircraft Components Business]

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

During the fiscal year under review, net sales decreased from the previous fiscal year. This was because, although the production of aircraft engine parts rose, there was a decline in shipments of CFRP structure parts owing mainly to the impact of the decrease in production of Airbus A380.

Meanwhile, ordinary income increased from the previous fiscal year due mainly to an improvement in profitability of CFRP structure parts for Airbus A350 and an improvement in production efficiency for aircraft engine parts.

As a result, the aircraft components business posted net sales of ¥6,312 million (down ¥36 million compared to the previous fiscal year) and ordinary income of ¥216 million (up ¥119 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, as well as strengthen initiatives for new high-value-added businesses.

During the fiscal year under review, we promoted initiatives for the airline business that included the conclusion of an agreement for maintenance of regional jets, as well as pursued activities for new business development including the commencement of maintenance business for new products in equipment maintenance.

Although net sales of aircraft maintenance were weak as a result of a decrease in completed construction due to factors such as the termination of our contract for regular inspection and maintenance of Civil Aviation Bureau flight inspection aircraft and changes in the delivery dates for a portion of government agency-related aircraft maintenance, net sales for the fiscal year under review increased from the previous fiscal year due to continued strong production for equipment maintenance.

Ordinary income increased from the previous fiscal year as a result of the promotion of measures to review the contract for existing equipment maintenance and activities to win orders for new products.

As a result, the aircraft maintenance business posted net sales of ¥8,002 million (up ¥385 million compared to the previous fiscal year) and ordinary income of ¥139 million (up ¥75 million compared to the previous fiscal year).

[Others]

The Others segment includes the businesses of the consolidated subsidiary Orange JAMCO Corporation, and we were able to make steady progress mainly in inter-segment transactions, including assistance work in the aircraft interiors business.

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

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

Total assets as of March 31, 2018 amounted to ¥94,456 million, up ¥1,897 million from the end of the previous fiscal year. Of such, total current assets increased by ¥2,203 million from the end of the previous fiscal year, due mainly to an increase in cash and deposits (up ¥1,556 million compared to the end of the previous fiscal year) and an increase in work in process (up ¥3,911 million compared to the end of the previous fiscal year), despite a decrease in notes and accounts receivable - trade (down ¥706 million compared to the end of

the previous fiscal year) and a decrease in raw materials and supplies (down ¥2,726 million compared to the end of the previous fiscal year). Total non-current assets decreased by ¥306 million from the end of the previous fiscal year as a result of relatively limited investment for the fourth quarter of FY 2017.

Total liabilities amounted to ¥64,903 million, up ¥346 million from the end of the previous fiscal year. This was attributable primarily to an increase in electronically recorded obligations - operating (up ¥1,090 million compared to the end of the previous fiscal year) and an increase in advances received (up ¥2,346 million compared to the end of the previous fiscal year), which offset the decrease in notes and accounts payable - trade (down ¥2,089 million compared to the end of the previous fiscal year), a decrease in loans payable (down ¥502 million compared to the end of the previous fiscal year) and a decrease in provision for loss on construction contracts (down ¥1,367 million compared to the end of the previous fiscal year).

Total net assets amounted to ¥29,553 million, up ¥1,550 million from the end of the previous fiscal year. This was due primarily to an increase in retained earnings (up ¥1,413 million compared to the end of the previous fiscal year). As a result, the equity ratio stood at 30.4%.

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

Cash and cash equivalents as of March 31, 2018 increased by ¥626 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 2017, net cash provided by operating activities increased by ¥1,842 million compared to the previous fiscal year, to a cash inflow of ¥3,971 million. This was mainly due to an increase in inflows resulting from a decrease in income before taxes and a decrease in notes and accounts receivable - trade.

(Cash flows from investing activities)

During FY 2017, net cash used in investing activities decreased by ¥365 million compared to the previous fiscal year, to a cash outflow of ¥2,810 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 2017, net cash used in financing activities decreased by ¥126 million compared to the previous fiscal year, to a cash outflow of ¥460 million. The cash outflow 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. and the euro-zone as well as Japan. Meanwhile, as geopolitical risks grow in the Middle East and Southeast Asia, uncertainties are increasing about the outlook for the financial markets. Also, there were concerns about a deterioration of corporate earnings mainly for export-oriented companies due to the appreciation of the yen from the beginning of the year.

In such a business environment, we will enhance the business base to secure stable earnings, continue strengthening experiment and research, and conduct capital expenditure to improve productivity.

In the aircraft interiors business, although order receipt for the current Boeing 777 is expected to decline due to the impact of the transition to Boeing 777X, the appreciation of the yen, and a drop in order prices, we will continue initiatives to expand order receipt of aftermarket products, respond to the increase in monthly aircraft production to 14 with regard to products for Boeing 787, promote development of products for Boeing 777X, and reduce cost.

In the aircraft seat business, we will strive to improve profitability through expanding order receipt of standard seats, responding to increased production, optimizing the supply chain, and improving production efficiency.

In the aircraft components business, although production of CFRP structure parts for Airbus A380 is expected to decrease, an increase in those for other Airbus aircraft and an increase in order receipt of aircraft engine parts are expected. 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 light of these circumstances, our outlook of consolidated operating results for FY 2018 calls for net sales of ¥81,900 million, operating income of ¥3,110 million, ordinary income of ¥2,680 million, and net income attributable to shareholders of parent company of ¥1,800 million. The exchange rate assumed for the outlook is ¥105 to US\$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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	2,277,428	3,833,880
Notes and accounts receivable - trade	23,158,092	22,451,904
Merchandise and finished goods	602,859	715,123
Work in process	23,098,314	27,009,919
Raw materials and supplies	17,659,592	14,933,273
Consumption taxes receivable	331,927	228,005
Deferred tax assets	3,158,569	2,240,936
Other	2,468,037	3,542,048
Allowance for doubtful accounts	(6,161)	(2,944)
Total current assets	72,748,660	74,952,147
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,679,687	18,640,039
Accumulated depreciation	(10,865,272)	(11,413,692)
Buildings and structures, net	7,814,415	7,226,347
Machinery, equipment and vehicles	9,993,799	9,915,596
Accumulated depreciation	(7,988,486)	(8,067,128)
Machinery, equipment and vehicles, net	2,005,312	1,848,468
Land	3,484,134	3,460,331
Leased assets	406,446	545,644
Accumulated depreciation	(305,066)	(345,167)
Leased assets, net	101,379	200,476
Construction in progress	115,934	381,764
Other	6,402,945	6,577,176
Accumulated depreciation	(5,567,921)	(5,854,146)
Other, net	835,023	723,029
Total property, plant and equipment	14,356,198	13,840,417
Intangible assets		
Leased assets	427,970	658,060
Other	1,134,254	1,285,614
Total intangible assets	1,562,225	1,943,674
Investments and other assets		
Investment securities	480,806	604,018
Long-term prepaid expenses	98,574	75,727
Guarantee deposits	98,145	87,222
Deferred tax assets	3,181,907	2,921,601
Other	33,253	32,118
Total investments and other assets	3,892,687	3,720,689
Total non-current assets	19,811,111	19,504,781
Total assets	92,559,772	94,456,929

(Thousand yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,608,011	7,518,512
Electronically recorded obligations - operating	6,371,831	7,462,195
Short-term loans payable	22,741,823	22,239,114
Current portion of long-term loans payable	700,000	900,000
Lease obligations	150,780	220,798
Accrued expenses	993,272	1,327,751
Income taxes payable	965,269	611,221
Accrued consumption taxes	146,550	117,085
Advances received	3,704,268	6,051,066
Accrued expense-salary	1,302,943	1,604,173
Provision for loss on construction contracts	3,434,215	2,066,719
Other	2,126,893	2,183,620
Total current liabilities	52,245,859	52,302,258
Non-current liabilities		
Long-term loans payable	4,700,000	4,500,000
Lease obligations	384,983	613,308
Provision for directors' and auditors' retirement benefits	175,420	184,006
Provision for executive officers' retirement benefits	119,702	129,501
Liability for employee retirement benefits	6,808,585	6,876,571
Provision for loss on compensation	-	203,751
Deferred tax liabilities	67,387	66,457
Other	54,293	27,209
Total non-current liabilities	12,310,373	12,600,807
Total liabilities	64,556,232	64,903,066
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,367,993	4,367,993
Retained earnings	17,626,220	19,039,542
Treasury stock	(30,689)	(30,772)
Total shareholders' equity	27,323,417	28,736,656
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	106,871	177,595
Deferred gains or losses on hedges	(72,280)	72,818
Foreign currency translation adjustment	135,690	(46,134)
Accumulated adjustment for employee retirement benefits	(304,154)	(188,623)
Total accumulated other comprehensive income	(133,873)	15,656
Non-controlling interests	813,996	801,550
Total net assets	28,003,540	29,553,862
Total liabilities and net assets	92,559,772	94,456,929

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

(Thousand yen)

	FY 2016 (From April 1, 2016 to March 31, 2017)	FY 2017 (From April 1, 2017 to March 31, 2018)
Net sales	81,834,495	77,791,842
Cost of sales	70,832,154	64,637,686
Gross profit	11,002,340	13,154,156
Selling, general and administrative expenses	8,870,335	8,687,995
Operating income	2,132,004	4,466,160
Non-operating income		
Interest income	7,567	16,872
Dividend income	4,445	4,599
Share of profit of entities accounted for using equity method	37,400	37,434
Insurance income	-	33,000
Subsidy income	76,541	113,344
Other	91,347	80,473
Total non-operating income	217,302	285,724
Non-operating expenses		
Interest expenses	309,176	325,221
Foreign exchange losses	555,387	416,227
Compensation expenses	128,002	416,291
Other	70,797	90,032
Total non-operating expenses	1,063,364	1,247,773
Ordinary income	1,285,942	3,504,111
Extraordinary income		
Gain on sales of non-current assets	961	5,560
Gain on sales of investment securities	4,062	-
Total extraordinary income	5,024	5,560
Extraordinary loss		
Loss on disposal of non-current assets	15,664	54,581
Head office transfer expenses	13,320	-
Total extraordinary loss	28,985	54,581
Income before taxes	1,261,982	3,455,090
Income taxes – current	839,058	743,993
Income taxes – deferred	(639,641)	946,682
Total income taxes	199,416	1,690,676
Net income	1,062,565	1,764,413
Net income attributable to non-controlling shareholders	48,060	82,839
Net income attributable to shareholders of parent company	1,014,504	1,681,574

Consolidated Statements of Comprehensive Income

(Thousand yen)

	FY 2016 (From April 1, 2016 to March 31, 2017)	FY 2017 (From April 1, 2017 to March 31, 2018)
Net income	1,062,565	1,764,413
Other comprehensive income		
Valuation difference on available-for-sale securities	19,387	70,724
Deferred gains or losses on hedges	(72,280)	145,099
Foreign currency translation adjustment	(92,534)	(207,101)
Adjustment for employee retirement benefits	16,579	115,530
Share of other comprehensive income of entities accounted for using equity method	(5,963)	1,353
Total other comprehensive income	(134,812)	125,606
Comprehensive income	927,752	1,890,020
Comprehensive income attributable to		
Comprehensive income attributable to shareholders of parent company	898,909	1,831,102
Comprehensive income attributable to non-controlling shareholders	28,843	58,917

(3) Consolidated Statements of Changes in Equity
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

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

(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	17,626,220	(30,689)	27,323,417
Changes in items during period					
Dividends of surplus			(268,252)		(268,252)
Net income attributable to shareholders of parent company			1,681,574		1,681,574
Purchase of treasury stock				(83)	(83)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,413,321	(83)	1,413,238
Balance at the end of period	5,359,893	4,367,993	19,039,542	(30,772)	28,736,656

	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	106,871	(72,280)	135,690	(304,154)	(133,873)	813,996	28,003,540
Changes in items during period							
Dividends of surplus							(268,252)
Net income attributable to shareholders of parent company							1,681,574
Purchase of treasury stock							(83)
Net changes of items other than shareholders' equity	70,724	145,099	(181,825)	115,530	149,529	(12,445)	137,083
Total changes of items during period	70,724	145,099	(181,825)	115,530	149,529	(12,445)	1,550,322
Balance at the end of period	177,595	72,818	(46,134)	(188,623)	15,656	801,550	29,553,862

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY 2016 (From April 1, 2016 to March 31, 2017)	FY 2017 (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Income before taxes	1,261,982	3,455,090
Depreciation	2,473,749	2,228,371
Increase (decrease) in allowance for doubtful accounts	1,643	(3,050)
Increase (decrease) in accrued expense-salary	(591,772)	301,229
Increase (decrease) in liability for employee retirement benefits	153,812	253,642
Increase (decrease) in provision for loss on compensation	-	203,751
Increase (decrease) in provision for loss on construction contracts	1,606,777	(1,367,045)
Interest and dividend income	(12,012)	(21,472)
Interest expenses	309,176	325,221
Foreign exchange losses (gains)	88,916	(212,480)
Share of loss (profit) of entities accounted for using equity method	(37,400)	(37,434)
Loss (gain) on sales of non-current assets	(961)	(5,560)
Loss (gain) on disposal of non-current assets	15,664	54,581
Loss (gain) on sales of investment securities	(4,062)	-
Other non-operating expenses (income)	30,910	(136,785)
Other extraordinary loss (income)	13,320	-
Decrease (increase) in notes and accounts receivable - trade	(2,948,967)	391,671
Decrease (increase) in inventories	614,946	(1,550,071)
Increase (decrease) in notes and accounts payable - trade	811,962	(881,202)
Decrease (increase) in advances paid	591,859	(192,787)
Increase (decrease) in advances received	(1,685,532)	2,458,009
Other	1,196,188	(258,907)
Subtotal	3,890,202	5,004,771
Interest and dividend income received	31,451	40,885
Interest expenses paid	(282,316)	(331,627)
Other proceeds	122,438	215,829
Other payments	(170,129)	(4,167)
Income taxes paid	(1,462,832)	(954,321)
Net cash provided by (used in) operating activities	2,128,814	3,971,369

(Thousand yen)

	FY 2016 (From April 1, 2016 to March 31, 2017)	FY 2017 (From April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,229,298)	(1,283,136)
Proceeds from sales of property, plant and equipment	1,550	6,754
Purchase of investment securities	(2,214)	(1,889)
Proceeds from sales of investment securities	24,276	-
Payments of loans receivable	(3,864)	(2,147)
Collection of loans receivable	3,982	1,348
Decrease (increase) in time deposits	(487,710)	(997,650)
Other payments	(500,776)	(549,201)
Other proceeds	17,970	15,009
Net cash provided by (used in) investing activities	(3,176,083)	(2,810,912)
Cash flows from financing activities		
Increase in short-term loans payable	59,985,227	57,236,380
Decrease in short-term loans payable	(59,389,134)	(57,177,170)
Proceeds from long-term loans payable	600,000	700,000
Repayments of long-term loans payable	(442,248)	(700,000)
Repayments of lease obligations	(217,374)	(179,797)
Purchase of treasury stock	(236)	(83)
Cash dividends paid	(1,070,742)	(268,870)
Cash dividends paid to non-controlling shareholders	(53,281)	(71,362)
Net cash provided by (used in) financing activities	(587,789)	(460,904)
Effect of exchange rate changes on cash and cash equivalents	(71,415)	(72,846)
Net increase (decrease) in cash and cash equivalents	(1,706,475)	626,706
Cash and cash equivalents, beginning of period	3,479,003	1,772,528
Cash and cash equivalents, end of period	1,772,528	2,399,235

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(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 aircraft engine parts, and CFRP structure parts. “Aircraft Maintenance Business” conducts operations such as maintenance and alteration of regional jets, medium- and small-sized aircraft and helicopters, as well as repairs of equipment for these aircraft.

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

The accounting method used for reportable business segments is a method that is in compliance with the accounting principles and procedures adopted for the 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.

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

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.

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

(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	50,992,198	12,484,309	6,312,464	8,002,851	77,791,825	17	77,791,842
Inter-segment net sales or transfers	1,904,719	-	15,786	202,132	2,122,638	103,765	2,226,404
Total	52,896,918	12,484,309	6,328,251	8,204,984	79,914,463	103,782	80,018,246
Segment income (loss)	6,793,890	(3,641,005)	216,470	139,268	3,508,624	(4,513)	3,504,111
Segment assets	56,631,960	18,577,657	10,418,878	8,778,871	94,407,368	49,560	94,456,929
Other items							
Depreciation	1,310,361	109,130	501,157	307,722	2,228,371	-	2,228,371
Interest income	14,717	985	630	539	16,872	-	16,872
Interest expenses	178,068	98,594	26,366	22,192	325,221	-	325,221
Share of profit of entities accounted for using equity method	37,434	-	-	-	37,434	-	37,434
Increase in property, plant and equipment, intangible assets and long-term prepaid expenses	1,202,402	88,501	374,748	192,309	1,857,961	-	1,857,961

(Note) The Others segment includes the businesses of affiliate Orange JAMCO Corporation. 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 2016	Fiscal year 2017
Reportable segments total	83,064,956	79,914,463
Net sales of Others	90,769	103,782
Eliminations of inter-segment transactions	(1,321,230)	(2,226,404)
Net sales in the Consolidated Financial Statements	81,834,495	77,791,842

(Thousand yen)

Income	Fiscal year 2016	Fiscal year 2017
Reportable segments total	1,290,267	3,508,624
Loss of Others	(4,324)	(4,513)
Ordinary income in the Consolidated Financial Statements	1,285,942	3,504,111

(Thousand yen)

Assets	Fiscal year 2016	Fiscal year 2017
Reportable segments total	92,547,887	94,407,368
Assets of Others	11,885	49,560
Total assets in the Consolidated Financial Statements	92,559,772	94,456,929

(Thousand yen)

Other items	Reportable segments total		Others		Adjustments		Amounts in the Consolidated Financial Statements	
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Depreciation	2,473,749	2,228,371	-	-	-	-	2,473,749	2,228,371
Increase in property, plant and equipment and intangible assets	2,444,364	1,857,961	-	-	-	-	2,444,364	1,857,961

[Related information]

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	North America	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

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

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		
13,339,500	33,568,215	33,180,118	25,362,402	17,769,703	5,521,724	77,791,842

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

(2) Property, plant and equipment

(Thousand yen)

Japan	North America	Asia & Oceania	Europe	Total
10,857,713	2,097,818	884,886	-	13,840,417

3. Information by major customers

(Thousand yen)

Name of customer	Net sales	Related segment
MITSUBISHI INTERNATIONAL CORP.	28,553,725	Aircraft interiors business
ITOCHU Singapore Pte, Ltd.	13,948,052	Aircraft interiors business, Aircraft seat business

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

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

There is no relevant information.

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

There is no relevant information.

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

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

There is no relevant information.

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

There is no relevant information.

[Information on gain on bargain purchase by reportable segment]

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

There is no relevant information.

For fiscal year 2017 (from April 1, 2017 to March 31, 2018)

There is no relevant information.

(Per share information)

	Fiscal year 2016 (from April 1, 2016 to March 31, 2017)	Fiscal year 2017 (from April 1, 2017 to March 31, 2018)
Net assets per share	1,013.58 yen	1,071.84 yen
Net income per share	37.82 yen	62.69 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 2016 (from April 1, 2016 to March 31, 2017)	Fiscal year 2017 (from April 1, 2017 to March 31, 2018)
Net income attributable to shareholders of parent company (thousand yen)	1,014,504	1,681,574
Amount not attributable to common shareholders (thousand yen)	-	-
Net income attributable to shareholders of parent company related to common shares (thousand yen)	1,014,504	1,681,574
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 2016 (as of March 31, 2017)	Fiscal year 2017 (as of March 31, 2018)
Total net assets (thousand yen)	28,003,540	29,553,862
Amount deducted from total net assets (thousand yen)	813,996	801,550
[including non-controlling interests (thousand yen)]	[813,996]	[801,550]
Year-end net assets related to common shares (thousand yen)	27,189,544	28,752,312
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.