

**Consolidated Financial Results
for the Fiscal Year 2019
Ended March 31, 2020
[Japanese GAAP]**



May 18, 2020

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 25, 2020
 The start date of payout of dividend: June 26, 2020
 Submission date of securities report scheduled: June 29, 2020
 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 2019 (from April 1, 2019 to March 31, 2020)

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended March 31, 2020	91,535	8.9	1,807	(58.2)	1,178	(64.2)	605	(68.3)
March 31, 2019	84,068	8.1	4,321	(3.2)	3,290	(6.1)	1,910	13.6

(Note) Comprehensive income: Year ended March 31, 2020: ¥219 million [(89.4)%]
 Year ended March 31, 2019: ¥2,071 million [9.6%]

	Net income per share	Diluted net income per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
For the year ended March 31, 2020	22.58	-	2.0	1.1	2.0
March 31, 2019	71.23	-	6.5	3.3	5.1

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2020: ¥(11) million
 Year ended March 31, 2019: ¥(52) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	120,184	30,373	24.8	1,112.58
As of March 31, 2019	102,980	30,715	29.3	1,124.82

(Reference) Equity: As of March 31, 2020: ¥29,844 million
 As of March 31, 2019: ¥30,173 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, 2020	(11,285)	(2,570)	16,953	7,167
March 31, 2019	9,365	(1,944)	(5,828)	4,046

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 2018	-	0.00	-	20.00	20.00	536	28.1	1.8
Fiscal year 2019	-	0.00	-	20.00	20.00	536	88.6	1.8
Fiscal year 2020 (Planned)	-	-	-	-	-		-	

(Note) The plan of dividend distribution for FY 2020 has not been determined at this time. We will disclose the consolidated financial results forecast as soon as it becomes possible.

3. Consolidated Financial Results Forecast for the Fiscal Year 2020 (from April 1, 2020 to March 31, 2021)

The consolidated financial results forecast for FY 2020 has not been determined as it is difficult to reasonably estimate the impact of COVID-19 at this time. We will disclose the consolidated financial results forecast as soon as it becomes possible.

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year 2019 (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, 2020: 26,863,974 shares
 - As of March 31, 2019: 26,863,974 shares
 - 2) Number of treasury stock:
 - As of March 31, 2020: 38,932 shares
 - As of March 31, 2019: 38,832 shares
 - 3) Average number of common shares outstanding:
 - For the year ended March 31, 2020: 26,825,073 shares
 - For the year ended March 31, 2019: 26,825,183 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year 2019 (April 1, 2019 to March 31, 2020)

(1) Non-consolidated Operating Results

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended								
March 31, 2020	83,528	9.3	1,707	(45.0)	1,580	(37.7)	1,039	(48.9)
March 31, 2019	76,447	15.5	3,104	4.2	2,537	9.9	2,034	29.1

	Net income per share		Diluted net income per share	
	Yen		Yen	
For the year ended				
March 31, 2020	38.73		-	
March 31, 2019	75.85		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	106,949	29,690	27.8	1,106.82
As of March 31, 2019	91,132	29,300	32.2	1,092.26

(Reference) Equity: As of March 31, 2020: ¥29,690 million

As of March 31, 2019: ¥29,300 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 4 of the Attachment.

The Company had intended to hold a briefing session for institutional investors in May 2020 but cancelled the plan to prevent the spread of COVID-19. The materials that were scheduled to be used at the briefing session will be posted on the Company’s corporate website.

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1. Overview of Business Results, etc.

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

During FY 2019, the global economy faced increasingly difficult circumstances due to the impact of the spread of COVID-19 going into the fourth quarter, amid growing signs of an economic slowdown due mainly to concerns on the trade issue between the U.S. and China as well as confusion stemming from Brexit. Under these circumstances, the dollar-yen exchange rate moved within the range of the lower ¥112 to the lower ¥103 per US\$1.

In the air transportation industry, owing to the impact of the global spread of COVID-19, travel bans were issued in each country, causing a sharp decrease in passenger demand which had been robust until the outbreak. This resulted in a significant deterioration of the business environment. As for aircraft manufacturers too, both Boeing and Airbus plan to substantially reduce production due to the sharp decline in demand for air transportation.

Under such circumstances, in the aircraft interiors business and the aircraft seat business, we worked to identify the cause and verify safety in response to the inappropriate quality issues announced on March 26, 2019, and implemented corrective/preventive measures, while proceeding with efforts to raise awareness of both compliance and quality to a higher level.

In the aircraft components business, we took initiatives to improve productivity, while proceeding with in-house production of interiors and seat parts by applying the metal processing technologies we have accumulated over the years.

In the aircraft maintenance business, we continued with initiatives to ensure flight safety and enhance quality, while also endeavoring to expand aircraft maintenance for airlines.

As a result, on a consolidated basis, during FY 2019, the Company posted net sales of ¥91,535 million (up ¥7,467 million compared to the previous fiscal year), operating income of ¥1,807 million (down ¥2,513 million compared to the previous fiscal year), ordinary income of ¥1,178 million (down ¥2,112 million compared to the previous fiscal year) and net income attributable to shareholders of parent company of ¥605 million (down ¥1,304 million compared to the previous fiscal year).

Provision for loss on construction contracts of ¥3,607 million for construction to be completed in or after the next fiscal year was recognized at the end of FY 2019. The impact of this provision for loss on construction contracts on income (loss) for the quarterly fourth quarter of FY 2019 was a decrease of ¥460 million in cost of sales (provision for loss on construction contracts as of December 31, 2019 was ¥4,068 million) and, for FY 2019, a decrease of ¥173 million in cost of sales (provision for loss on construction contracts at the end of FY 2018 was ¥3,781 million).

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

Selling, general and administrative expenses were ¥8,636 million (a decrease of ¥684 million compared to the previous fiscal year), due mainly to decreases in warranty expenses and sales commissions.

In terms of non-operating income (expenses), an expense of ¥629 million was reported due mainly to a deterioration in foreign exchange gains (losses) resulting from the appreciation of the yen in the foreign exchange market from the end of the previous fiscal year, despite a decrease in compensation expenses (an expense of ¥1,030 million in the previous fiscal year).

As for extraordinary income (loss), although insurance income related to quality issues of ¥60 million was recognized due to liability insurance, a loss of ¥279 million was reported due mainly to loss related to quality (a loss of ¥263 million in the previous fiscal year).

Business performance by segment is as follows.

[Aircraft Interiors Business]

In the aircraft interiors business, net sales increased from the previous fiscal year as a result of progress in the shipment of products against the backdrop of demand for air transportation which had been robust until the global spread of COVID-19. Meanwhile, ordinary income decreased from the previous fiscal year, mainly reflecting a decline in the number of shipments of profitable programs compared with the favorable number in the previous fiscal year and foreign exchange losses, in addition to increases in personnel expenses and transportation costs for recovering temporary shipment delays which occurred owing to the response to inappropriate quality issues, despite the impact of increased net sales.

As a result, the aircraft interiors business posted net sales of ¥61,078 million (up ¥4,209 million compared to the previous fiscal year) and ordinary income of ¥3,107 million (down ¥3,005 million compared to the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, net sales increased from the previous fiscal year due to the shipment of the business class seat “Venture” which started in FY 2019. Meanwhile, an ordinary loss was reported due mainly to an increase in costs resulting from a delay in the improvement of productivity of some programs, as well as additional expenses incurred as a result of shifting orders to other production bases following the temporary suspension of production owing to response to inappropriate quality issues at Miyazaki JAMCO Corporation, despite the impact of increased net sales.

As a result, the aircraft seat business posted net sales of ¥15,994 million (up ¥3,818 million compared to the previous fiscal year) and ordinary loss of ¥2,499 million (ordinary loss of ¥3,143 million in the previous fiscal year).

[Aircraft Components Business]

In the aircraft components business, despite robust shipments of heat exchangers and CFRP structure parts, net sales decreased from the previous fiscal year due to the postponement of shipments of some aircraft engine parts to the next fiscal year and thereafter. Ordinary income decreased from the previous fiscal year due to a decrease in net sales.

As a result, the aircraft components business posted net sales of ¥6,333 million (down ¥264 million compared to the previous fiscal year) and ordinary income of ¥6 million (down ¥104 million compared to the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, net sales decreased from the previous fiscal year due mainly to the postponement of some shipments in aircraft maintenance and equipment maintenance to the next fiscal year and thereafter. Meanwhile, ordinary income increased from the previous fiscal year due to improved profitability, reflecting a solid increase in performance of aircraft maintenance for airlines.

As a result, the aircraft maintenance business posted net sales of ¥8,129 million (down ¥296 million compared to the previous fiscal year) and ordinary income of ¥567 million (up ¥357 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 (up ¥0 million compared to the previous fiscal year) and ordinary loss of ¥4 million (ordinary loss of ¥0 million in the previous fiscal year).

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

Total assets as of March 31, 2020 amounted to ¥120,184 million, up ¥17,203 million from the end of the previous fiscal year. Of such, total current assets increased by ¥17,130 million from the end of the previous fiscal year, due mainly to an increase in notes and accounts receivable – trade (up ¥9,327 million compared to the end of the previous fiscal year), an increase in raw materials and supplies (up ¥4,296 million compared to the end of the previous fiscal year), and an increase in cash and deposits (up ¥2,868 million compared to the end of the previous fiscal year). Total non-current assets increased by ¥73 million from the end of the previous fiscal year.

Total liabilities amounted to ¥89,811 million, up ¥17,545 million from the end of the previous fiscal year. This was attributable primarily to an increase in short-term loans payable (up ¥18,982 million compared to the end of the previous fiscal year) and an increase in notes and accounts payable – trade (up ¥2,573 million compared to the end of the previous fiscal year), which offset the decrease in advances received (down ¥2,030 million compared to the end of the previous fiscal year).

Total net assets amounted to ¥30,373 million, down ¥341 million from the end of the previous fiscal year. This was due primarily to a decrease in foreign currency translation adjustment (down ¥163 million compared to the end of the previous fiscal year) and a decrease in accumulated adjustment for employee retirement benefits (down ¥122 million compared to the end of the previous fiscal year). As a result, the equity ratio stood at 24.8%.

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

Cash and cash equivalents as of March 31, 2020 increased by ¥3,121 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 2019, net cash provided by operating activities decreased by ¥20,650 million compared to the previous fiscal year, to a cash outflow of ¥11,285 million. This was mainly due to an increase in notes and accounts receivable – trade and a decrease in advances received.

(Cash flows from investing activities)

During FY 2019, net cash used in investing activities increased by ¥626 million compared to the previous fiscal year, to a cash outflow of ¥2,570 million. This was mainly due to outflows from purchase of property, plant and equipment.

(Cash flows from financing activities)

During FY 2019, net cash provided by financing activities increased by ¥22,781 million compared to the previous fiscal year, to a cash inflow of ¥16,953 million. This was mainly due to loans payable from financial institutions.

(4) Future Outlook

In addition to not being able to predict how COVID-19 will spread in the future, we expect the global economy to remain in challenging circumstances due to the impact of virus infection.

In the air transportation industry in which the Group is involved, following the sharp decline in passenger demand mainly as a result of travel bans imposed by each country considering the impact of the virus infection, the global business environment for airlines has deteriorated significantly. Also, the steep decline in demand for air transportation has forced aircraft manufacturers to substantially reduce production.

Trends in the air transportation industry directly impact the Company. Since it is unclear when the infection will come to an end at this time, it is difficult to rationally make a financial results forecast. As such, the consolidated financial results forecast for FY 2020 has not been determined. We will disclose the consolidated financial results forecast as soon as it becomes possible.

Dividend for FY 2020 too has not yet been determined at this time. We will disclose the dividend promptly, together with the financial results forecast, when disclosure of such forecast becomes possible.

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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	5,822,330	8,690,990
Notes and accounts receivable - trade	22,571,490	31,898,770
Merchandise and finished goods	2,240,670	1,422,398
Work in process	30,282,883	30,328,978
Raw materials and supplies	16,203,864	20,500,595
Consumption taxes receivable	317,124	520,946
Other	3,167,196	4,378,388
Allowance for doubtful accounts	(3,388)	(8,504)
Total current assets	80,602,172	97,732,564
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,071,923	19,283,085
Accumulated depreciation	(12,053,348)	(12,519,980)
Buildings and structures, net	7,018,575	6,763,105
Machinery, equipment and vehicles	10,246,336	10,358,913
Accumulated depreciation	(8,160,499)	(8,367,749)
Machinery, equipment and vehicles, net	2,085,837	1,991,164
Land	3,449,025	3,440,275
Leased assets	596,572	1,060,811
Accumulated depreciation	(351,367)	(454,797)
Leased assets, net	245,204	606,013
Construction in progress	90,544	130,138
Other	7,380,799	7,991,862
Accumulated depreciation	(6,281,666)	(7,156,519)
Other, net	1,099,133	835,343
Total property, plant and equipment	13,988,321	13,766,040
Intangible assets		
Software	970,542	1,245,678
Leased assets	683,148	605,706
Other	96,559	147,736
Total intangible assets	1,750,249	1,999,120
Investments and other assets		
Investment securities	552,301	453,439
Long-term prepaid expenses	66,942	45,798
Guarantee deposits	84,695	85,597
Deferred tax assets	5,890,668	6,063,002
Other	45,500	38,982
Total investments and other assets	6,640,107	6,686,819
Total non-current assets	22,378,679	22,451,980
Total assets	102,980,852	120,184,545

(Thousand yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,821,292	11,394,529
Electronically recorded obligations - operating	8,910,255	9,551,128
Short-term loans payable	17,404,112	36,386,966
Current portion of long-term loans payable	2,300,000	1,200,000
Lease obligations	249,535	380,126
Accrued expenses	1,427,419	1,306,804
Income taxes payable	1,465,270	302,208
Accrued consumption taxes	99,794	155,762
Advances received	10,675,352	8,644,784
Accrued expense-salary	1,696,645	1,642,946
Provision for loss on construction contracts	3,781,190	3,607,749
Provision for loss related to quality	67,817	-
Other	2,657,953	2,376,776
Total current liabilities	59,556,639	76,949,782
Non-current liabilities		
Long-term loans payable	3,700,000	3,500,000
Lease obligations	641,442	794,172
Liability for employee retirement benefits	7,070,783	7,282,672
Provision for loss on compensation	921,541	987,196
Long-term accounts payable - other	322,265	253,902
Deferred tax liabilities	52,703	43,320
Total non-current liabilities	12,708,736	12,861,263
Total liabilities	72,265,376	89,811,045
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,309,484	4,309,484
Retained earnings	20,413,755	20,483,085
Treasury stock	(30,968)	(31,175)
Total shareholders' equity	30,052,165	30,121,288
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166,007	104,663
Deferred gains or losses on hedges	50,597	-
Foreign currency translation adjustment	121,844	(41,674)
Accumulated adjustment for employee retirement benefits	(217,091)	(339,306)
Total accumulated other comprehensive income	121,358	(276,318)
Non-controlling interests	541,951	528,529
Total net assets	30,715,475	30,373,500
Total liabilities and net assets	102,980,852	120,184,545

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

(Thousand yen)

	FY 2018 (From April 1, 2018 to March 31, 2019)	FY 2019 (From April 1, 2019 to March 31, 2020)
Net sales	84,068,168	91,535,360
Cost of sales	70,425,097	81,090,903
Gross profit	13,643,071	10,444,456
Selling, general and administrative expenses	9,321,739	8,636,882
Operating income	4,321,331	1,807,573
Non-operating income		
Interest income	37,726	47,071
Dividend income	5,222	5,300
Foreign exchange gains	325,162	-
Insurance income	-	52,110
Subsidy income	111,409	195,413
Other	94,220	84,886
Total non-operating income	573,742	384,782
Non-operating expenses		
Interest expenses	392,030	421,684
Foreign exchange losses	-	111,896
Share of loss of entities accounted for using equity method	52,401	11,396
Loss on transfer of accounts receivable	148,086	126,958
Compensation expenses	975,465	266,108
Other	36,733	76,242
Total non-operating expenses	1,604,717	1,014,287
Ordinary income	3,290,356	1,178,069
Extraordinary income		
Gain on sales of investment securities	211,377	-
Insurance income	-	60,000
Total extraordinary income	211,377	60,000
Extraordinary loss		
Loss on disposal of non-current assets	144,535	67,165
Impairment loss	82,817	15,125
Loss on disaster	-	13,306
Loss related to quality	247,824	244,243
Total extraordinary loss	475,176	339,841
Income before taxes	3,026,557	898,227
Income taxes – current	1,746,537	360,986
Income taxes – deferred	(662,816)	(95,911)
Total income taxes	1,083,720	265,075
Net income	1,942,836	633,152
Net income attributable to non-controlling interests	32,119	27,319
Net income attributable to shareholders of parent company	1,910,717	605,832

Consolidated Statements of Comprehensive Income

(Thousand yen)

	FY 2018 (From April 1, 2018 to March 31, 2019)	FY 2019 (From April 1, 2019 to March 31, 2020)
Net income	1,942,836	633,152
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,587)	(61,344)
Deferred gains or losses on hedges	(22,220)	(50,597)
Foreign currency translation adjustment	205,081	(179,580)
Adjustment for employee retirement benefits	(28,467)	(122,215)
Share of other comprehensive income of entities accounted for using equity method	(14,023)	-
Total other comprehensive income	128,780	(413,738)
Comprehensive income	2,071,617	219,414
Comprehensive income attributable to		
Comprehensive income attributable to shareholders of parent company	2,016,420	208,155
Comprehensive income attributable to non-controlling interests	55,197	11,258

(3) Consolidated Statements of Changes in Equity
For fiscal year 2018 (from April 1, 2018 to March 31, 2019)

(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	19,039,542	(30,772)	28,736,656
Changes in items during period					
Dividends of surplus			(536,504)		(536,504)
Net income attributable to shareholders of parent company			1,910,717		1,910,717
Purchase of treasury stock				(195)	(195)
Change in ownership interest of parent due to transactions with non-controlling interests		(58,508)			(58,508)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(58,508)	1,374,213	(195)	1,315,509
Balance at the end of period	5,359,893	4,309,484	20,413,755	(30,968)	30,052,165

	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	177,595	72,818	(46,134)	(188,623)	15,656	801,550	29,553,862
Changes in items during period							
Dividends of surplus							(536,504)
Net income attributable to shareholders of parent company							1,910,717
Purchase of treasury stock							(195)
Change in ownership interest of parent due to transactions with non-controlling interests							(58,508)
Net changes of items other than shareholders' equity	(11,587)	(22,220)	167,978	(28,467)	105,702	(259,598)	(153,896)
Total changes of items during period	(11,587)	(22,220)	167,978	(28,467)	105,702	(259,598)	1,161,613
Balance at the end of period	166,007	50,597	121,844	(217,091)	121,358	541,951	30,715,475

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,309,484	20,413,755	(30,968)	30,052,165
Changes in items during period					
Dividends of surplus			(536,502)		(536,502)
Net income attributable to shareholders of parent company			605,832		605,832
Purchase of treasury stock				(207)	(207)
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	69,329	(207)	69,122
Balance at the end of period	5,359,893	4,309,484	20,483,085	(31,175)	30,121,288

	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	166,007	50,597	121,844	(217,091)	121,358	541,951	30,715,475
Changes in items during period							
Dividends of surplus							(536,502)
Net income attributable to shareholders of parent company							605,832
Purchase of treasury stock							(207)
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes of items other than shareholders' equity	(61,344)	(50,597)	(163,519)	(122,215)	(397,676)	(13,422)	(411,098)
Total changes of items during period	(61,344)	(50,597)	(163,519)	(122,215)	(397,676)	(13,422)	(341,975)
Balance at the end of period	104,663	-	(41,674)	(339,306)	(276,318)	528,529	30,373,500

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY 2018 (From April 1, 2018 to March 31, 2019)	FY 2019 (From April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Income before taxes	3,026,557	898,227
Depreciation	2,280,576	2,821,169
Impairment loss	82,817	15,125
Increase (decrease) in allowance for doubtful accounts	334	5,170
Increase (decrease) in accrued expense-salary	92,472	(53,699)
Increase (decrease) in liability for employee retirement benefits	161,277	(32,182)
Increase (decrease) in provision for loss on compensation	717,789	65,654
Increase (decrease) in provision for loss on construction contracts	1,714,014	(173,441)
Increase (decrease) in provision for loss related to quality	67,817	(67,817)
Interest and dividend income	(42,949)	(52,371)
Interest expenses	392,030	421,684
Foreign exchange losses (gains)	206,092	(148,061)
Share of loss (profit) of entities accounted for using equity method	52,401	11,396
Loss (gain) on disposal of non-current assets	144,535	67,165
Loss (gain) on sales of investment securities	(211,377)	-
Other non-operating expenses (income)	(20,809)	128,340
Decrease (increase) in notes and accounts receivable - trade	131,526	(9,428,402)
Decrease (increase) in inventories	(5,854,813)	(3,657,149)
Increase (decrease) in notes and accounts payable - trade	2,653,356	3,270,353
Decrease (increase) in advances paid	287,195	(287,682)
Increase (decrease) in advances received	3,979,826	(2,260,409)
Other	809,512	(961,384)
Subtotal	10,670,184	(9,418,313)
Interest and dividend income received	61,627	52,372
Interest expenses paid	(391,868)	(421,005)
Income taxes paid	(974,656)	(1,498,599)
Net cash provided by (used in) operating activities	9,365,287	(11,285,545)

(Thousand yen)

	FY 2018 (From April 1, 2018 to March 31, 2019)	FY 2019 (From April 1, 2019 to March 31, 2020)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,477,907)	(2,080,690)
Proceeds from sales of property, plant and equipment	1,775	6,358
Purchase of investment securities	(251,641)	(952)
Proceeds from sales of investment securities	413,202	-
Payments of loans receivable	(1,000)	-
Collection of loans receivable	2,472	2,427
Decrease (increase) in time deposits	(277,275)	217,480
Other payments	(361,024)	(724,160)
Other proceeds	6,771	8,681
Net cash provided by (used in) investing activities	(1,944,626)	(2,570,856)
Cash flows from financing activities		
Increase in short-term loans payable	63,989,859	80,002,386
Decrease in short-term loans payable	(69,266,307)	(60,860,423)
Proceeds from long-term loans payable	1,500,000	1,000,000
Repayments of long-term loans payable	(900,000)	(2,300,000)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(319,204)	-
Repayments of lease obligations	(242,602)	(327,624)
Purchase of treasury stock	(195)	(207)
Cash dividends paid	(535,872)	(535,919)
Cash dividends paid to non-controlling interests	(54,100)	(24,680)
Net cash provided by (used in) financing activities	(5,828,422)	16,953,530
Effect of exchange rate changes on cash and cash equivalents	54,696	24,071
Net increase (decrease) in cash and cash equivalents	1,646,935	3,121,200
Cash and cash equivalents, beginning of period	2,399,235	4,046,170
Cash and cash equivalents, end of period	4,046,170	7,167,370

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

Overseas consolidated subsidiaries which adopt the International Financial Reporting Standards (IFRS) have adopted IFRS 16 Leases from FY 2019.

The impact of the adoption of this accounting standard on the consolidated financial statements of FY 2019 is minor.

(Changes in presentation)

(1) Consolidated Balance Sheets

“Software” that was included in “Other” under “Intangible assets” in the previous fiscal year has been stated separately from FY 2019 due to the increased importance of its amount.

(2) Consolidated Statements of Income

“Loss on transfer of accounts receivable” that was included in “Other” under “Non-operating expenses” in the previous fiscal year has been stated separately from FY 2019 due to the increased importance of its amount.

(Consolidated Statements of Income)

(Loss related to quality)

In the aircraft seat business, ¥244,243 thousand of loss related to quality was recognized as expenses related to inappropriate inspections at a subsidiary of the Company that was announced on March 26, 2019.

(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 three divisions (Aircraft Interiors and Seat Manufacturing Division, Aircraft Components Manufacturing Division and Aircraft Maintenance Group), each of which conducts business activities by developing independent management strategies for products and services it handles. The Group 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 2018 (from April 1, 2018 to March 31, 2019)

(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	56,869,081	12,175,486	6,597,312	8,426,252	84,068,132	36	84,068,168
Inter-segment net sales or transfers	1,311,849	208,466	11,326	38,725	1,570,368	108,634	1,679,002
Total	58,180,930	12,383,953	6,608,639	8,464,977	85,638,500	108,670	85,747,171
Segment income (loss)	6,113,760	(3,143,327)	110,642	210,190	3,291,265	(908)	3,290,356
Segment assets	61,166,700	21,525,508	11,079,310	9,176,804	102,948,323	32,529	102,980,852
Other items							
Depreciation	1,385,024	127,212	459,633	308,705	2,280,576	-	2,280,576
Interest income	35,036	951	938	800	37,726	-	37,726
Interest expenses	227,020	101,803	34,856	28,349	392,030	-	392,030
Share of profit (loss) of entities accounted for using equity method	18,442	-	-	(70,844)	(52,401)	-	(52,401)
Increase in property, plant and equipment, intangible assets and long-term prepaid expenses	1,161,778	201,823	421,682	224,101	2,009,385	-	2,009,385

(Note) The Others segment includes the businesses of affiliates 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.

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

(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	61,078,579	15,994,367	6,333,087	8,129,269	91,535,304	56	91,535,360
Inter-segment net sales or transfers	478,062	196,273	28,636	41,761	744,733	109,492	854,226
Total	61,556,642	16,190,640	6,361,723	8,171,031	92,280,038	109,548	92,389,586
Segment income (loss)	3,107,854	(2,499,623)	6,623	567,616	1,182,471	(4,402)	1,178,069
Segment assets	79,648,928	20,453,910	10,360,913	9,683,719	120,147,471	37,074	120,184,545
Other items							
Depreciation	1,823,373	235,737	438,488	323,569	2,821,169	-	2,821,169
Interest income	44,986	970	598	515	47,071	-	47,071
Interest expenses	262,123	102,336	31,202	26,021	421,684	-	421,684
Share of profit (loss) of entities accounted for using equity method	-	-	-	(11,396)	(11,396)	-	(11,396)
Increase in property, plant and equipment, intangible assets and long-term prepaid expenses	1,715,880	62,513	389,361	219,299	2,387,054	-	2,387,054

(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 2018	Fiscal year 2019
Reportable segments total	85,638,500	92,280,038
Net sales of Others	108,670	109,548
Eliminations of inter-segment transactions	(1,679,002)	(854,226)
Net sales in the Consolidated Financial Statements	84,068,168	91,535,360

(Thousand yen)

Income	Fiscal year 2018	Fiscal year 2019
Reportable segments total	3,291,265	1,182,471
Loss of Others	(908)	(4,402)
Ordinary income in the Consolidated Financial Statements	3,290,356	1,178,069

(Thousand yen)

Assets	Fiscal year 2018	Fiscal year 2019
Reportable segments total	102,948,323	120,147,471
Assets of Others	32,529	37,074
Total assets in the Consolidated Financial Statements	102,980,852	120,184,545

(Thousand yen)

Other items	Reportable segments total		Others		Adjustments		Amounts in the Consolidated Financial Statements	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Depreciation	2,280,576	2,821,169	-		-		2,280,576	2,821,169
Increase in property, plant and equipment, intangible assets, and long-term prepaid expenses	2,009,385	2,387,054	-		-		2,009,385	2,387,054

[Related information]

For fiscal year 2018 (from April 1, 2018 to March 31, 2019)

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		
20,241,274	35,706,941	34,954,784	20,249,391	11,406,829	7,870,561	84,068,168

(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
11,055,411	2,209,541	723,368	-	13,988,321

3. Information by major customers

(Thousand yen)

Name of customer	Net sales	Related segment
MITSUBISHI INTERNATIONAL CORP.	30,529,092	Aircraft interiors business
ITOCHU Singapore Pte, Ltd.	8,971,307	Aircraft interiors business, Aircraft seat business

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

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		
21,963,709	39,906,292	39,151,817	15,307,167	7,888,193	14,358,190	91,535,360

(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
10,685,644	2,217,399	862,995	-	13,766,040

3. Information by major customers

(Thousand yen)

Name of customer	Net sales	Related segment
MITSUBISHI INTERNATIONAL CORP.	35,420,279	Aircraft interiors business
ITOCHU Singapore Pte, Ltd.	5,701,707	Aircraft interiors business, Aircraft seat business

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

For fiscal year 2018 (from April 1, 2018 to March 31, 2019)

(Thousand yen)

	Reportable segment					Others	Total
	Aircraft Interiors Business	Aircraft Seat Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Impairment loss	42,674	-	-	40,142	82,817	-	82,817

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

(Thousand yen)

	Reportable segment					Others	Total
	Aircraft Interiors Business	Aircraft Seat Business	Aircraft Components Business	Aircraft Maintenance Business	Total		
Impairment loss	-	-	-	15,125	15,125	-	15,125

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

For fiscal year 2018 (from April 1, 2018 to March 31, 2019)

There is no relevant information.

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

There is no relevant information.

[Information on gain on bargain purchase by reportable segment]

For fiscal year 2018 (from April 1, 2018 to March 31, 2019)

There is no relevant information.

For fiscal year 2019 (from April 1, 2019 to March 31, 2020)

There is no relevant information.

(Per share information)

	Fiscal year 2018 (from April 1, 2018 to March 31, 2019)	Fiscal year 2019 (from April 1, 2019 to March 31, 2020)
Net assets per share	1,124.82 yen	1,112.58 yen
Net income per share	71.23 yen	22.58 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 2018 (from April 1, 2018 to March 31, 2019)	Fiscal year 2019 (from April 1, 2019 to March 31, 2020)
Net income attributable to shareholders of parent company (thousand yen)	1,910,717	605,832
Amount not attributable to common shareholders (thousand yen)	-	-
Net income attributable to shareholders of parent company related to common shares (thousand yen)	1,910,717	605,832
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 2018 (as of March 31, 2019)	Fiscal year 2019 (as of March 31, 2020)
Total net assets (thousand yen)	30,715,475	30,373,500
Amount deducted from total net assets (thousand yen)	541,951	528,529
[including non-controlling interests (thousand yen)]	[541,951]	[528,529]
Year-end net assets related to common shares (thousand yen)	30,173,524	29,844,970
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.