

Consolidated Financial Results
for the Second Quarter of the Fiscal Year 2022
Ending March 31, 2023
[Japanese GAAP]



November 8, 2022

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
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The date of filing quarterly securities report: November 9, 2022

The start date of payout of dividend: —

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors)

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

1. Consolidated Operating Results for the Second Quarter of the Fiscal Year 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (%: Changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the second quarter of								
Fiscal year 2022	17,042	(7.8)	281	-	354	-	655	-
Fiscal year 2021	18,477	(28.5)	(511)	-	(687)	-	(47)	-

(Note) Comprehensive income: The second quarter of fiscal year 2022: ¥933 million [-%]

The second quarter of fiscal year 2021: ¥41 million [-%]

	Net income per share	Diluted net income per share
	Yen	Yen
For the second quarter of		
Fiscal year 2022	24.42	-
Fiscal year 2021	(1.76)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	100,450	12,028	11.6
As of March 31, 2022	93,651	11,095	11.5

(Reference) Equity: As of September 30, 2022: ¥11,637 million

As of March 31, 2022: ¥10,763 million

2. Dividend distribution

	Dividend distribution per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year 2021	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year 2022	-	0.00			
Fiscal year 2022 (Planned)			-	0.00	0.00

(Note) Revision to the plan of dividend distribution announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year 2022 (from April 1, 2022 to March 31, 2023)

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	49,800	27.4	2,780	-	1,860	-	2,160	-	80.52

(Note) Revision to the forecast of consolidated financial results announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during this quarter of the fiscal year 2022: None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of common shares issued

1) Number of common shares outstanding (including the number of treasury stock):

As of September 30, 2022: 26,863,974 shares

As of March 31, 2022: 26,863,974 shares

2) Number of treasury stock:

As of September 30, 2022: 39,007 shares

As of March 31, 2022: 38,964 shares

3) Average number of common shares outstanding:

2nd quarter of FY 2022: 26,825,004 shares

2nd quarter of FY 2021: 26,825,010 shares

***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 quarterly financial results are outside the scope of quarterly review 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 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.

The Company intends to hold a briefing session for institutional investors on November 24, 2022. The materials distributed at the briefing session are scheduled to be posted on the Company's corporate website.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

During the second quarter of FY 2022, while the global economy showed signs of recovery from the effects of the COVID-19 pandemic, the situation remained uncertain due to the prolonged crisis in Ukraine, soaring crude oil prices, and rising raw material prices. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥122 to the upper half of ¥144 per US\$1 due to rapid exchange rate fluctuations resulting from monetary tightening in the U.S.

In the air transportation industry, in addition to recovery in domestic flight demand, a gradual recovery is seen in demand for international flights as countries ease or do away with entry restrictions, and some airlines have begun to return out-of-service aircraft to service and order new aircraft in anticipation of the post-COVID-19 era. Aircraft manufacturers, as well, are starting to see increased orders for some models with the recovery of air passenger demand.

As air passenger demand shows signs of recovery in these ways, the Group has sought to achieve readiness for the rebound in demand by transferring back employees seconded to companies outside the Group and beginning to recruit new graduates. In the production process, we continued activities to improve operational efficiency in preparation for further demand rebound, initiated plans to expand the capacity and functions of a factory in the Philippines, and to strengthen our supply chain both in Japan and overseas. In addition, we actively worked on sustainability initiatives.

In the aircraft interiors business, the recovery in airline passenger demand has led to an increase in demand for maintenance parts and cabin modification in order to utilize aircraft owned by airlines, and we strengthened efforts toward a stronger production organization to meet the demand. To ease the anxiety of passengers onboard, we carried out product development for ensuring a clean and hygienic cabin and conducted research and proposals with a view to expanding into galleys, lavatories, and seats.

In the aircraft seat business, we devoted efforts to readying versions of the highly profitable Venture business class seat for additional aircraft types, as well as to the development of the next generation Quest for Elegance business class seat.

In the aircraft components business, we took initiatives to improve productivity, and continued with development of lightweight aircraft components using thermoplastic CFRP and expansion in application of CFRP components into fields other than the aircraft sector.

In the aircraft maintenance business, we aimed to strengthen a business base capable of generating stable profits by continuing with initiatives to ensure flight safety and enhance quality, while also endeavoring to acquire orders for aircraft maintenance for airlines and for government and municipal offices.

As a result, on a consolidated basis, during the second quarter of FY 2022, the Company posted net sales of ¥17,042 million (down ¥1,435 million compared to the same period of the previous fiscal year), operating income of ¥281 million (an operating loss of ¥511 million in the same period of the previous fiscal year), ordinary income of ¥354 million (an ordinary loss of ¥687 million in the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥655 million (a net loss attributable to shareholders of parent company of ¥47 million in the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥3,833 million for construction to be completed in or after the quarterly third quarter of FY 2022 was recognized as of September 30, 2022. The impact of this provision for loss on construction contracts on income (loss) for the quarterly second quarter of FY 2022 was an increase of ¥135 million in cost of sales (provision for loss on construction contracts as of June 30, 2022 was ¥3,698 million) and, for the cumulative second quarter of FY 2022, an increase of ¥4 million in cost of sales (provision for loss on construction contracts as of March 31, 2022 was ¥3,828 million).

For the entire Group, selling, general and administrative expenses, non-operating income (expenses), and extraordinary income (loss) are as follows:

Selling, general and administrative expenses were ¥3,793 million (an increase of ¥142 million compared to the same period of the previous fiscal year), due mainly to increases in personnel expenses and sales commissions.

The result for non-operating income (expenses) was a gain of ¥73 million (a loss of ¥175 million in the same period of the previous fiscal year), due to factors such as an increase in foreign exchange gains as the yen value dropped on the foreign exchange market from the end of the previous fiscal year, despite an increase in interest expenses mainly reflecting higher U.S. interest rates.

The result for extraordinary income (loss) was a gain of ¥37 million (a gain of ¥300 million in the same period of the previous fiscal year). The main extraordinary loss was a COVID-19-related loss of ¥75 million consisting of running costs including fixed costs resulting from the temporary leave of employees, and extraordinary income consisted mainly of subsidy income of ¥117 million including subsidies for the purpose of maintaining employment in the U.S.

Business performance by segment is as follows.

[Aircraft Interiors Business]

In the aircraft interiors business, net sales decreased from the same period of the previous fiscal year due to the absence of additional sales resulting from specification change requests from customers that were recorded in the cumulative first quarter of FY 2021, and a drop in shipments of galleys and lavatories along with cutbacks in production of the Boeing 787 aircraft. On the other hand, despite the decrease in net sales, ordinary income increased thanks to increased sales of spare parts to airlines as the number of aircraft in operation grew, improvement in operational efficiency, and foreign exchange gains resulting from the depreciation of the yen.

As a result, the aircraft interiors business posted net sales of ¥10,809 million (down ¥1,080 million compared to the same period of the previous fiscal year) and ordinary income of ¥2,098 million (up ¥1,246 million compared to the same period of the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, net sales decreased from the same period of the previous fiscal year, as shipments of the Venture business class seat were postponed to the following quarter or later, along with cutbacks in production of the Boeing 787 aircraft. Meanwhile, an ordinary loss was posted due mainly to the increase in dollar-denominated costs caused by the depreciation of the yen.

As a result, the aircraft seat business posted net sales of ¥461 million (down ¥452 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥1,696 million (ordinary loss of ¥1,390 million in the same period of the previous fiscal year).

[Aircraft Components Business]

In the aircraft components business, net sales increased from the same period of the previous fiscal year due to an increase in shipments of CFRP structure parts and aircraft engine parts for commercial aircraft products. Meanwhile, with the increase in net sales, ordinary loss improved.

As a result, the aircraft components business posted net sales of ¥2,164 million (up ¥220 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥101 million (ordinary loss of ¥247 million in the same period of the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, net sales decreased due to the reaction to the concentration of construction to be completed for some programs in the same period of the previous fiscal year in aircraft maintenance. Meanwhile, ordinary income decreased due to a decrease in net sales.

As a result, the aircraft maintenance business posted net sales of ¥3,606 million (down ¥123 million compared to the same period of the previous fiscal year) and an ordinary income of ¥52 million (down ¥60 million compared to the same period of the previous fiscal year).

[Others]

The Others segment includes the businesses of consolidated subsidiary Orange JAMCO Corporation. The focus is on inter-segment transactions, including cleaning and assistance work in the Company's facilities.

As a result, the Others segment posted net sales of ¥1 million (up ¥1 million compared to the same period of the previous fiscal year) and ordinary income of ¥2 million (ordinary loss of ¥14 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Assets, Liabilities, and Equity)

Total assets as of September 30, 2022 amounted to ¥100,450 million, up ¥6,799 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥5,887 million from the end of the previous fiscal year, as despite the decline in notes and accounts receivable - trade, and contract assets by ¥4,309 million, work in process increased by ¥5,978 million, and raw materials and supplies increased by ¥2,951 million from the end of the previous fiscal year. Total non-current assets also increased by ¥911 million from the end of the previous fiscal year, as property, plant and equipment increased by ¥264 million and intangible assets increased by ¥181 million from the end of the previous fiscal year. Total liabilities amounted to ¥88,421 million, up ¥5,865 million from the end of the previous fiscal year. The main factor was a rise in short-term loans payable by ¥5,817 million from the end of the previous fiscal year.

Total net assets amounted to ¥12,028 million, up ¥933 million from the end of the previous fiscal year. The main factor was an increase in retained earnings resulting from net income attributable to shareholders of parent company. As a result, the equity ratio stood at 11.6%.

(Cash flows)

During the second quarter of FY 2022, cash and cash equivalents on a consolidated basis amounted to a cash inflow of ¥1,476 million, as a result of the cash flows described below.

[Cash flows from operating activities]

During the second quarter of FY 2022, net cash used in operating activities amounted to a cash outflow of ¥1,097 million. This was due mainly to an increase in inventories.

[Cash flows from investing activities]

During the second quarter of FY 2022, net cash used in investing activities amounted to a cash outflow of ¥673 million. This was due mainly to purchase of property, plant and equipment.

[Cash flows from financing activities]

During the second quarter of FY 2022, net cash provided by financing activities amounted to a cash inflow of ¥2,525 million. This was due mainly to loans payable to financial institutions.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

A decrease in net sales is expected for the aircraft interiors business and the aircraft seat business due to the resumption of shipments for the Boeing 787 aircraft and some cabin modification programs being delayed more than originally planned.

On the other hand, in terms of profits, although net sales are forecasted to decline, the consolidated financial results forecast for the full year has been revised due to increased sales of spare parts to airlines as the number of

aircraft in operation grew, the effect of cost reduction measures by the improvement in operational efficiency, and the yen depreciating more than expected.

As described in the “Notice Concerning the Recording of Extraordinary Income Associated with the Transfer of a Non-Current Asset of a Consolidated Subsidiary” (in Japanese only) published on September 30, 2022, approximately ¥446 million of gain on transfer of non-current assets is included in extraordinary income in the quarterly third quarter of FY 2022.

Meanwhile, the exchange rate assumed for the consolidated financial results forecast for the full year after the quarterly third quarter of FY 2022 has been changed from ¥115 per US\$1 to ¥130 per US\$1.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	9,276,034	11,099,353
Notes and accounts receivable - trade, and contract assets	19,199,303	14,889,539
Merchandise and finished goods	2,431,164	1,757,436
Work in process	20,162,684	26,141,321
Raw materials and supplies	18,152,211	21,103,520
Other	2,169,978	2,310,946
Allowance for doubtful accounts	(120,235)	(143,105)
Total current assets	71,271,141	77,159,014
Non-current assets		
Property, plant and equipment	12,425,792	12,690,532
Intangible assets	1,282,559	1,464,434
Investments and other assets	8,671,614	9,136,129
Total non-current assets	22,379,965	23,291,095
Total assets	93,651,107	100,450,110
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,248,801	4,797,782
Electronically recorded obligations - operating	2,665,270	2,234,389
Short-term loans payable	48,156,430	53,973,910
Current portion of long-term loans payable	960,000	1,360,000
Income taxes payable	117,705	277,337
Advances received	6,241,231	6,688,073
Accrued expense-salary	852,915	962,492
Provision for loss on construction contracts	3,828,854	3,833,402
Other	3,836,978	3,624,694
Total current liabilities	70,908,187	77,752,082
Non-current liabilities		
Long-term loans payable	2,310,000	1,280,000
Liability for employee retirement benefits	6,540,444	6,538,799
Provision for loss on compensation	912,645	1,079,651
Provision for product warranties	1,166,789	1,166,789
Other	717,953	604,383
Total non-current liabilities	11,647,831	10,669,624
Total liabilities	82,556,019	88,421,707

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,318,925	4,318,925
Retained earnings	645,664	1,300,833
Treasury stock	(31,205)	(31,262)
Total shareholders' equity	10,293,277	10,948,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	169,773	156,481
Foreign currency translation adjustment	198,082	442,960
Accumulated adjustment for employee retirement benefits	102,624	89,206
Total accumulated other comprehensive income	470,480	688,648
Non-controlling interests	331,330	391,364
Total net assets	11,095,088	12,028,403
Total liabilities and net assets	93,651,107	100,450,110

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Second Quarter of the Fiscal Year (from April 1 to September 30)

(Thousand yen)

	The second quarter of FY 2021	The second quarter of FY 2022
Net sales	18,477,909	17,042,796
Cost of sales	15,338,073	12,967,715
Gross profit	3,139,835	4,075,081
Selling, general and administrative expenses	3,651,587	3,793,750
Operating income (loss)	(511,751)	281,330
Non-operating income		
Interest income	3,962	13,984
Dividend income	1,140	2,009
Foreign exchange gains	114,980	627,198
Share of profit of entities accounted for using equity method	41,276	-
Insurance income	38,065	7,932
Subsidy income	16,293	34,126
Other	55,041	24,435
Total non-operating income	270,761	709,686
Non-operating expenses		
Interest expenses	245,709	491,981
Share of loss of entities accounted for using equity method	-	35,207
Compensation expenses	168,280	8,765
Other	32,494	100,165
Total non-operating expenses	446,485	636,120
Ordinary income (loss)	(687,475)	354,897
Extraordinary income		
Subsidy income	511,339	117,092
Reversal of extra retirement payments	1,444	-
Reversal of provision for loss on compensation	137,791	-
Total extraordinary income	650,575	117,092
Extraordinary loss		
Loss on disposal of non-current assets	26,652	4,120
Loss related to COVID-19	213,476	75,165
Extra retirement payments	10,876	-
Loss on liquidation of business	99,294	-
Total extraordinary loss	350,300	79,286
Income (loss) before taxes	(387,200)	392,703
Income taxes – current	61,821	194,843
Income taxes – refund	(51,987)	-
Income taxes – deferred	(350,322)	(458,475)
Total income taxes	(340,488)	(263,631)
Net income (loss)	(46,711)	656,335
Net income attributable to non-controlling interests	497	1,166
Net income (loss) attributable to shareholders of parent company	(47,208)	655,169

Quarterly Consolidated Statements of Comprehensive Income
 Second Quarter of the Fiscal Year (from April 1 to September 30)

(Thousand yen)

	The second quarter of FY 2021	The second quarter of FY 2022
Net income (loss)	(46,711)	656,335
Other comprehensive income		
Valuation difference on available-for-sale securities	50,609	(13,291)
Foreign currency translation adjustment	24,098	303,746
Adjustment for employee retirement benefits	13,347	(13,418)
Total other comprehensive income	88,056	277,036
Comprehensive income	41,344	933,371
Comprehensive income attributable to shareholders of parent company	37,850	873,337
Comprehensive income attributable to non-controlling interests	3,493	60,034

(3) Quarterly Consolidated Statements of Cash Flows
 Second Quarter of the Fiscal Year (from April 1 to September 30)

(Thousand yen)

	The second quarter of FY 2021	The second quarter of FY 2022
Cash flows from operating activities		
Income (loss) before taxes	(387,200)	392,703
Depreciation	1,010,563	1,048,318
Increase (decrease) in liability for employee retirement benefits	(208,395)	(96,925)
Increase (decrease) in provisions	214,687	300,303
Interest and dividend income	(5,102)	(15,993)
Interest expenses	245,709	491,981
Foreign exchange losses (gains)	30,981	453,458
Share of loss (profit) of entities accounted for using equity method	(41,276)	35,207
Loss related to COVID-19	213,476	75,165
Subsidy income	(511,339)	(117,092)
Decrease (increase) in notes and accounts receivable - trade	5,051,967	4,751,723
Decrease (increase) in inventories	(227,643)	(6,764,398)
Increase (decrease) in notes and accounts payable - trade	(671,844)	(48,421)
Increase (decrease) in advances received	1,844,182	(302,291)
Decrease/increase in consumption taxes receivable/payable	(24,584)	(132,144)
Other	193,762	(723,823)
Subtotal	6,727,944	(652,229)
Interest and dividend income received	5,075	15,923
Interest expenses paid	(238,060)	(455,927)
Income taxes paid	(34,647)	(11,587)
Income taxes refund	85,393	5,841
Net cash provided by (used in) operating activities	6,545,704	(1,097,979)
Cash flows from investing activities		
Purchase of property, plant and equipment	(273,167)	(393,365)
Proceeds from sales of property, plant and equipment	6,706	2,454
Purchase of investment securities	(300)	(537)
Payments of loans receivable	(8,640)	(1,840)
Collection of loans receivable	410	2,326
Decrease (increase) in time deposits	219,600	(133,970)
Other	(58,058)	(148,264)
Net cash provided by (used in) investing activities	(113,448)	(673,197)
Cash flows from financing activities		
Increase in short-term loans payable	40,197,120	40,815,810
Decrease in short-term loans payable	(41,604,120)	(37,484,730)
Proceeds from long-term loans payable	300,000	-
Repayments of long-term loans payable	(1,000,000)	(630,000)
Repayments of lease obligations	(181,992)	(175,873)
Purchase of treasury stock	-	(56)
Cash dividends paid	(1,270)	(9)
Net cash provided by (used in) financing activities	(2,290,263)	2,525,140
Effect of exchange rate changes on cash and cash equivalents	65,741	722,946
Net increase (decrease) in cash and cash equivalents	4,207,734	1,476,909
Cash and cash equivalents, beginning of period	3,946,665	8,174,344
Cash and cash equivalents, end of period	8,154,399	9,651,253

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Segment information, etc.)

[Segment information]

I. For the second quarter of FY 2021

1. Information on net sales and income (loss) by reportable segment

(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	11,890,088	913,789	1,943,876	3,730,154	18,477,909	-	18,477,909
Inter-segment net sales or transfers	191,467	-	2,480	5,665	199,612	32,006	231,618
Total	12,081,556	913,789	1,946,356	3,735,820	18,677,522	32,006	18,709,528
Segment income (loss)	851,134	(1,390,465)	(247,168)	113,728	(672,770)	(14,704)	(687,475)

(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 cleaning and assistance work in the Company's facilities, which is one of the corporate social responsibilities.

2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences

(Matters relating to adjustment of differences)

(Thousand yen)

Income	Amount
Reportable segments total	(672,770)
Income of Others	(14,704)
Ordinary income in the Quarterly Consolidated Statement of Income	(687,475)

3. Information on impairment loss on non-current assets and goodwill by reportable segment

There is no relevant information.

II. For the second quarter of FY 2022

1. Information on net sales and income (loss) by reportable segment

(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	10,809,352	461,069	2,164,574	3,606,595	17,041,591	1,205	17,042,796
Inter-segment net sales or transfers	187,059	-	1,788	18,538	207,385	59,744	267,129
Total	10,996,411	461,069	2,166,362	3,625,133	17,248,977	60,949	17,309,926
Segment income (loss)	2,098,008	(1,696,903)	(101,497)	52,786	352,393	2,503	354,897

(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 cleaning and assistance work in the Company's facilities, which is one of the corporate social responsibilities.

2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences
(Matters relating to adjustment of differences)

(Thousand yen)

Income	Amount
Reportable segments total	352,393
Income of Others	2,503
Ordinary income in the Quarterly Consolidated Statement of Income	354,897

3. Information on impairment loss on non-current assets and goodwill by reportable segment

There is no relevant information.

(Significant subsequent events)

(Transfer of non-current asset)

A non-current asset held by JAMCO SINGAPORE PTE LTD., the Company's consolidated subsidiary, was transferred and extraordinary income (gain on sales of non-current assets) was recorded in the cumulative third quarter of FY 2022.

1. Reasons for the transfer

At the meeting of the Board of Directors held on September 25, 2020, the Company resolved to dissolve and liquidate JAMCO SINGAPORE PTE LTD., a consolidated subsidiary, and during the liquidation process, the following non-current asset owned by the subsidiary was transferred.

2. Details of transferred asset

Details of asset and location	Transfer price	Book value	Gain on transfer (*2)
Building No. 8 Loyang Lane, Singapore 508915	(*1)	(*1)	Approximately ¥446 million

*1: The transfer price and book value will not be disclosed at the request of the transferee, but the transfer price is an appropriate value that reflects the market price.

*2: The gain on transfer is the approximate amount obtained by deducting the book value and various expenses related to the transfer from the transfer price, converted into yen at the rate of ¥95 per SG\$1.

3. Overview of transferee

Information regarding the transferee will not be disclosed at the request of the transferee. There are no capital ties, human relationships, business relationships, or related parties to be noted between the transferee and the Company.

4. Date of transfer

October 5, 2022

5. Impact on business performance of the Company

As a result of the transfer of the non-current asset, the Company expects to record approximately ¥446 million in extraordinary income as gain on sales of non-current assets in the cumulative third quarter of FY 2022.

3. Others

There is no relevant information.