

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



February 9, 2023

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: February 10, 2023

The start date of payout of dividend: —

Availability of supplementary briefing material on quarterly financial results: None

Schedule of quarterly financial results briefing session: None

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

**1. Consolidated Operating Results for the Third Quarter of the Fiscal Year 2022 (from April 1, 2022 to December 31, 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 third quarter of								
Fiscal year 2022	31,873	18.7	1,577	-	1,328	-	1,231	-
Fiscal year 2021	26,842	(29.6)	(1,520)	-	(1,812)	-	(852)	-

(Note) Comprehensive income: The third quarter of fiscal year 2022: ¥1,484 million [-%]

The third quarter of fiscal year 2021: ¥(718) million [-%]

	Net income per share	Diluted net income per share
For the third quarter of	Yen	Yen
Fiscal year 2022	45.90	-
Fiscal year 2021	(31.78)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	97,567	12,579	12.5
As of March 31, 2022	93,651	11,095	11.5

(Reference) Equity: As of December 31, 2022: ¥12,189 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2021	-	0.00	-	0.00	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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	49,800	27.4	2,780	-	1,860	-	2,160	-	80.52

(Note) Revision to the forecast of consolidated financial results announced most recently: None

### \* 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 December 31, 2022: 26,863,974 shares

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

2) Number of treasury stock:

As of December 31, 2022: 39,041 shares

As of March 31, 2022: 38,964 shares

3) Average number of common shares outstanding:

3<sup>rd</sup> quarter of FY 2022: 26,824,989 shares

3<sup>rd</sup> 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.

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

### (1) Explanation of Operating Results

During the third 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 concerns about a recession resulting from global inflation, including soaring crude oil prices and rising raw material prices caused by the prolonged crisis in Ukraine. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥122 to ¥150 per US\$1.

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 place a large order of new aircrafts. Aircraft manufacturers, as well, are working on increasing production of aircrafts with the recovery of air passenger demand.

As air passenger demand shows 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 third quarter of FY 2022, the Company posted net sales of ¥31,873 million (up ¥5,030 million compared to the same period of the previous fiscal year), operating income of ¥1,577 million (an operating loss of ¥1,520 million in the same period of the previous fiscal year), ordinary income of ¥1,328 million (an ordinary loss of ¥1,812 million in the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥1,231 million (a net loss attributable to shareholders of parent company of ¥852 million in the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥4,414 million for construction to be completed in or after the quarterly fourth quarter of FY 2022 was recognized as of December 31, 2022. The impact of this provision for loss on construction contracts on income (loss) for the quarterly third quarter of FY 2022 was an increase of ¥581 million in cost of sales (provision for loss on construction contracts as of September 30, 2022 was ¥3,833 million) and, for the cumulative third quarter of FY 2022, an increase of ¥585 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 ¥6,041 million (an increase of ¥531 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 loss of ¥248 million (a loss of ¥292 million in the same period of the previous fiscal year), due to factors such as an increase in interest expenses mainly reflecting higher U.S. interest rates, despite an increase in foreign exchange gains as the yen value dropped on the foreign exchange market from the end of the previous fiscal year.

The result for extraordinary income (loss) was a gain of ¥478 million (a gain of ¥417 million in the same period of the previous fiscal year), which consisted mainly of ¥461 million of gain on transfer from sales of non-current assets held by JAMCO SINGAPORE PTE LTD., the Company's consolidated subsidiary.

Business performance by segment is as follows.

#### [Aircraft Interiors Business]

In the aircraft interiors business, net sales increased from the same period of the previous fiscal year due to increased sales of spare parts to airlines as the number of aircraft in operation grew. Meanwhile, ordinary income increased thanks to improvement in operational efficiency, and foreign exchange gains resulting from the depreciation of the yen, as well as the increase in net sales.

As a result, the aircraft interiors business posted net sales of ¥20,256 million (up ¥4,291 million compared to the same period of the previous fiscal year) and ordinary income of ¥2,807 million (up ¥2,741 million compared to the same period of the previous fiscal year).

#### [Aircraft Seat Business]

In the aircraft seat business, net sales increased from the same period of the previous fiscal year, as shipments of the Venture business class seat were started. On the other hand, 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 ¥2,279 million (up ¥127 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥1,537 million (ordinary loss of ¥1,705 million in the same period of the previous fiscal year).

#### [Aircraft Components Business]

In the aircraft components business, net sales decreased from the same period of the previous fiscal year as shipments of heat exchangers or other equipment, chiefly defense-related ones, were postponed to the fourth quarter of FY 2022 or later, despite an increase in shipments of CFRP structure parts for commercial aircraft products. On the other hand, despite the decrease in net sales, ordinary loss improved thanks to initiatives taken to improve profitability.

As a result, the aircraft components business posted net sales of ¥3,109 million (down ¥74 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥68 million (ordinary loss of ¥273 million in the same period of the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, net sales increased from the same period of the previous fiscal year due to an increase of construction to be completed for some programs in parts maintenance. Meanwhile, ordinary income increased due to an increase in net sales.

As a result, the aircraft maintenance business posted net sales of ¥6,225 million (up ¥684 million compared to the same period of the previous fiscal year) and an ordinary income of ¥127 million (up ¥8 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 loss of ¥0 million (ordinary loss of ¥19 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Assets, Liabilities, and Equity)

Total assets as of December 31, 2022 amounted to ¥ 97,567 million, up ¥3,916 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥4,235 million from the end of the previous fiscal year, as despite the decline in notes and accounts receivable - trade, and contract assets by ¥4,155 million, work in process increased by ¥6,495 million, and raw materials and supplies increased by ¥2,910 million from the end of the previous fiscal year. Total non-current assets decreased by ¥319 million from the end of the previous fiscal year, as property, plant and equipment decreased by ¥588 million and intangible assets increased by ¥313 million from the end of the previous fiscal year. Total liabilities amounted to ¥84,987 million, up ¥2,431 million from the end of the previous fiscal year. The main factor was a rise in short-term loans payable by ¥1,773 million and an increase in advances received by ¥1,689 million from the end of the previous fiscal year.

Total net assets amounted to ¥12,579 million, up ¥1,484 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 12.5%.

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

The consolidated financial results forecast for FY 2022 remains unchanged from the revised forecast announced on November 8, 2022.

The exchange rate assumed for the consolidated financial results forecast for the quarterly fourth quarter of FY 2022 remains unchanged at ¥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 December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	9,276,034	8,847,173
Notes and accounts receivable - trade, and contract assets	19,199,303	15,044,158
Merchandise and finished goods	2,431,164	1,575,862
Work in process	20,162,684	26,657,712
Raw materials and supplies	18,152,211	21,062,373
Other	2,169,978	2,434,778
Allowance for doubtful accounts	(120,235)	(114,920)
Total current assets	71,271,141	75,507,138
Non-current assets		
Property, plant and equipment	12,425,792	11,837,782
Intangible assets	1,282,559	1,596,365
Investments and other assets	8,671,614	8,626,085
Total non-current assets	22,379,965	22,060,232
Total assets	93,651,107	97,567,371
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,248,801	4,220,234
Electronically recorded obligations - operating	2,665,270	2,442,790
Short-term loans payable	48,156,430	49,929,700
Current portion of long-term loans payable	960,000	1,060,000
Income taxes payable	117,705	478,864
Advances received	6,241,231	7,930,650
Accrued expense-salary	852,915	634,497
Provision for loss on construction contracts	3,828,854	4,414,425
Other	3,836,978	3,572,559
Total current liabilities	70,908,187	74,683,722
Non-current liabilities		
Long-term loans payable	2,310,000	1,280,000
Liability for employee retirement benefits	6,540,444	6,537,082
Provision for loss on compensation	912,645	989,363
Provision for product warranties	1,166,789	1,166,789
Other	717,953	330,594
Total non-current liabilities	11,647,831	10,303,830
Total liabilities	82,556,019	84,987,552



(Thousand yen)

	As of March 31, 2022	As of December 31, 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	1,876,843
Treasury stock	(31,205)	(31,319)
Total shareholders' equity	10,293,277	11,524,342
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	169,773	161,017
Deferred gains or losses on hedges	-	31,348
Foreign currency translation adjustment	198,082	390,632
Accumulated adjustment for employee retirement benefits	102,624	82,497
Total accumulated other comprehensive income	470,480	665,495
Non-controlling interests	331,330	389,980
Total net assets	11,095,088	12,579,818
Total liabilities and net assets	93,651,107	97,567,371

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Third Quarter of the Fiscal Year (from April 1 to December 31)

(Thousand yen)

	The third quarter of FY 2021	The third quarter of FY 2022
Net sales	26,842,790	31,873,038
Cost of sales	22,852,835	24,253,723
Gross profit	3,989,955	7,619,315
Selling, general and administrative expenses	5,510,139	6,041,967
Operating income (loss)	(1,520,183)	1,577,348
Non-operating income		
Interest income	9,803	29,717
Dividend income	2,580	3,664
Foreign exchange gains	130,189	704,078
Share of profit of entities accounted for using equity method	58,782	-
Insurance income	47,292	11,911
Subsidy income	27,991	53,750
Other	67,568	31,176
Total non-operating income	344,210	834,299
Non-operating expenses		
Interest expenses	403,079	944,558
Share of loss of entities accounted for using equity method	-	17,132
Compensation expenses	181,933	9,550
Other	51,863	111,562
Total non-operating expenses	636,876	1,082,804
Ordinary income (loss)	(1,812,850)	1,328,842
Extraordinary income		
Gain on sales of non-current assets	-	461,890
Subsidy income	675,925	120,041
Reversal of extra retirement payments	1,444	-
Reversal of provision for loss on compensation	140,616	-
Total extraordinary income	817,986	581,931
Extraordinary loss		
Loss on disposal of non-current assets	31,747	6,086
Loss related to COVID-19	255,471	96,935
Extra retirement payments	10,987	-
Loss on liquidation of business	102,544	-
Total extraordinary loss	400,751	103,022
Income (loss) before taxes	(1,395,615)	1,807,751
Income taxes – current	56,248	400,519
Income taxes – refund	(52,602)	-
Income taxes – deferred	(547,020)	145,375
Total income taxes	(543,374)	545,894
Net income (loss)	(852,240)	1,261,856
Net income attributable to non-controlling interests	344	30,677
Net income (loss) attributable to shareholders of parent company	(852,585)	1,231,178

Quarterly Consolidated Statements of Comprehensive Income  
 Third Quarter of the Fiscal Year (from April 1 to December 31)

(Thousand yen)

	The third quarter of FY 2021	The third quarter of FY 2022
Net income (loss)	(852,240)	1,261,856
Other comprehensive income		
Valuation difference on available-for-sale securities	31,108	(8,756)
Deferred gains or losses on hedges	(21,302)	31,348
Foreign currency translation adjustment	104,221	220,522
Adjustment for employee retirement benefits	20,021	(20,127)
Total other comprehensive income	134,049	222,987
Comprehensive income	(718,191)	1,484,844
Comprehensive income attributable to shareholders of parent company	(730,059)	1,426,193
Comprehensive income attributable to non-controlling interests	11,868	58,650

(3) 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 third 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	15,965,633	2,152,719	3,183,706	5,540,621	26,842,679	111	26,842,790
Inter-segment net sales or transfers	334,193	-	5,331	11,864	351,390	52,761	404,152
Total	16,299,827	2,152,719	3,189,038	5,552,485	27,194,070	52,872	27,246,943
Segment income (loss)	66,101	(1,705,572)	(273,054)	118,867	(1,793,657)	(19,192)	(1,812,850)

(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	(1,793,657)
Income of Others	(19,192)
Ordinary income in the Quarterly Consolidated Statement of Income	(1,812,850)

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

There is no relevant information.

II. For the third 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	20,256,837	2,279,785	3,109,531	6,225,083	31,871,237	1,800	31,873,038
Inter-segment net sales or transfers	293,838	-	2,887	27,889	324,615	89,067	413,682
Total	20,550,675	2,279,785	3,112,418	6,252,972	32,195,853	90,867	32,286,721
Segment income (loss)	2,807,530	(1,537,452)	(68,138)	127,406	1,329,346	(504)	1,328,842

(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	1,329,346
Income of Others	(504)
Ordinary income in the Quarterly Consolidated Statement of Income	1,328,842

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

There is no relevant information.

### 3. Others

There is no relevant information.