

**Consolidated Financial Results
for the Fiscal Year 2023
Ended March 31, 2024
[Japanese GAAP]**



May 10, 2024

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
 URL: <https://www.jamco.co.jp/>
 Representative: Toshiyuki Abe, Representative Director, Chairman
 Contact: Takayuki Natsui, Executive Officer
 Phone: +81-42-503-9145
 Scheduled date of general meeting of shareholders held: June 26, 2024
 The start date of payout of dividend: —
 Submission date of securities report scheduled: June 26, 2024
 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 2023 (from April 1, 2023 to March 31, 2024)

(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, 2024	63,999	35.5	2,383	37.5	999	(11.3)	1,710	(21.3)
March 31, 2023	47,225	20.8	1,733	-	1,127	-	2,174	-

(Note) Comprehensive income: Year ended March 31, 2024: ¥2,078 million [(10.4)%]
 Year ended March 31, 2023: ¥2,319 million [-%]

	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, 2024	63.75	-	12.2	1.0	3.7
March 31, 2023	81.05	-	18.3	1.2	3.7

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2024: ¥94 million
 Year ended March 31, 2023: ¥30 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	108,216	15,071	13.9	561.57
As of March 31, 2023	100,794	13,383	12.9	485.37

(Reference) Equity: As of March 31, 2024: ¥15,071 million
 As of March 31, 2023: ¥13,019 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, 2024	1,403	(1,688)	(555)	6,766
March 31, 2023	87	(1,025)	(705)	6,958

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 2022	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year 2023	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year 2024 (Planned)	-	0.00	-	25.00	25.00		19.2	

3. Consolidated Financial Results Forecast for the Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(%: 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	86,900	35.8	7,810	227.7	5,280	428.1	3,490	104.0	130.03

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year 2023 (Changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of common shares issued
 - 1) Number of common shares issued (including the number of treasury stock):
 - As of March 31, 2024: 26,863,974 shares
 - As of March 31, 2023: 26,863,974 shares
 - 2) Number of treasury stock:
 - As of March 31, 2024: 24,852 shares
 - As of March 31, 2023: 39,089 shares
 - 3) Average number of common shares outstanding:
 - For the year ended March 31, 2024: 26,834,741 shares
 - For the year ended March 31, 2023: 26,824,969 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year 2023 (April 1, 2023 to March 31, 2024)

(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, 2024	57,760	36.4	1,229	(47.5)	559	(79.6)	1,433	(49.7)
March 31, 2023	42,354	15.7	2,340	-	2,739	-	2,849	-

	Net income per share	Diluted net income per share
For the year ended	Yen	Yen
March 31, 2024	53.41	-
March 31, 2023	106.21	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	102,001	14,917	14.6	555.82
As of March 31, 2023	93,758	13,445	14.3	501.24

(Reference) Equity: As of March 31, 2024: ¥14,917 million
As of March 31, 2023: ¥13,445 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 "1.(4) Future Outlook" on page 5 of the Attachment.

The Company intends to hold a briefing session for institutional investors on May 23, 2024. The materials distributed at the briefing session are scheduled to 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 2023, while the global economy was still on a recovery track, the situation remained uncertain due to volatile energy prices and rising raw material prices stemming from geopolitical risks in the Middle East and the prolonged situation in Ukraine, as well as the impacts of global monetary tightening and the economic slowdown in China. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥131 to ¥151 per US\$1.

In the air transportation industry, air passenger demand recovered as the COVID-19 pandemic quietened, and some airlines have begun to place a large order of new aircraft. Following this move, aircraft manufacturers are working on increasing aircraft production. Meanwhile, there is a shortage of human resources in the operation of aircraft and airport facilities, as well as the entire supply chain for aircraft manufacturing. As such, there is an urgent need to secure human resources.

Under these circumstances, JAMCO Corporation and its subsidiaries (collectively, the “Group”) established task teams to drive the three pillars for realizing JAMCO Vision 2030 that clarifies the ideals of the JAMCO Group in 2030, namely, JX: JAMCO Transformation (business reform), SX: Sustainability Transformation, and HRX: Human Resource Transformation. By doing so, we strengthened the promotion framework to resolve the fundamental challenges that face the Company’s business.

In the aircraft interiors business, the recovery in airline passenger demand has led to increased production by aircraft manufacturers and increased demand for spare parts from airlines. In response to these trends, we worked on strengthening our capacity to increase production. In the production process, to utilize the management resources of the entire Group effectively and to reinforce our business foundation by improving efficiency and streamlining, we decided to integrate domestic subsidiaries. We also worked on plans to expand the production capacity and functions of JAMCO PHILIPPINES and strengthened our supply chain both in Japan and overseas.

In the aircraft seat business, given the plan to increase production of new aircraft by aircraft manufacturers and the rapidly expanding demand for interior modifications of existing aircrafts operated by airlines, we temporarily suspended accepting orders involving development of the aircraft seat business included in the aircraft seat segment, in line with our “selection and concentration” strategy, and decided to concentrate our development personnel and production capacity in the Company’s mainstay aircraft interiors business.

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 thermosetting CFRP components into fields other than the aircraft sector.

In the aircraft maintenance business, we aimed to strengthen the 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. Further, we launched initiatives in new business fields such as supporting the operation of drones.

As a result, on a consolidated basis, during FY 2023, the Company posted higher sales and income, with net sales of ¥63,999 million (up ¥16,773 million compared to the previous fiscal year), operating income of ¥2,383 million (up ¥649 million compared to the previous fiscal year); however, ordinary income was ¥999 million (down ¥127 million compared to the previous fiscal year), due to factors such as a decrease in foreign exchange gains and an increase in interest burden, and net income attributable to shareholders of parent company was ¥1,710 million (down ¥463 million compared to the previous fiscal year).

Provision for loss on construction contracts of ¥5,209 million for construction to be completed in or after the next fiscal year was recognized at the end of FY 2023. The impact of this provision for loss on construction contracts on income (loss) for the quarterly fourth quarter of FY 2023 was an increase of ¥900 million in cost of sales (provision for loss on construction contracts as of December 31, 2023 was ¥4,308 million) and, for FY 2023, an increase of ¥929 million in cost of sales (provision for loss on construction contracts at the end of the previous fiscal year was ¥4,280 million).

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

Selling, general and administrative expenses were ¥9,541 million (an increase of ¥1,202 million compared to the previous fiscal year), due mainly to increases in personnel expenses, warranty repair costs, and sales commissions.

The result for non-operating income (expenses) was a loss of ¥1,383 million (a loss of ¥606 million in the previous fiscal year), due to factors such as a decrease in foreign exchange gains and an increase in interest expenses mainly reflecting higher U.S. dollar interest rates.

The result for extraordinary income (loss) was a loss of ¥412 million (a gain of ¥467 million in the previous fiscal year), which consisted mainly of impairment loss on non-current assets of ¥317 million resulting from the temporary suspension of accepting orders involving development of the aircraft seat business and compensation for damage of ¥303 million based on the indemnity clause with customers in the aircraft interiors segment recognized as extraordinary loss, despite recognizing gain on liquidation of subsidiaries and affiliates of ¥141 million with the liquidation of consolidated subsidiary JAMCO SINGAPORE PTE LTD. as an extraordinary income.

Income taxes - deferred amounted to ¥(1,330) million (¥(1,186) million in the previous fiscal year), after recognition of deferred tax assets as a result of carefully considering their recoverability.

Business performance by segment is as follows.

[Aircraft Interiors Business]

In the aircraft interiors business, net sales increased from the previous fiscal year mainly due to resumption of shipments for Boeing 787 and the increased sales of spare parts to airlines as the number of aircraft in operation grew. Meanwhile, ordinary income increased mainly due to increased sales of spare parts as well as the effect of a weaker yen on foreign currency-denominated net sales, despite the impact of higher costs.

As a result, the aircraft interiors business posted net sales of ¥40,986 million (up ¥11,371 million compared to the previous fiscal year) and ordinary income of ¥4,970 million (up ¥1,383 million compared to the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, net sales increased from the previous fiscal year, as further shipments of the Venture business class seat for Boeing 777 were made. On the other hand, an ordinary loss was posted due mainly to an increase in initial costs involved in adapting the seat for other aircraft types as well as the increase in dollar-denominated costs caused by the inflation in the U.S. and the depreciation of the yen.

As a result, the aircraft seat business posted net sales of ¥9,208 million (up ¥5,338 million compared to the previous fiscal year) and an ordinary loss of ¥4,015 million (ordinary loss of ¥2,708 million in the previous fiscal year).

[Aircraft Components Business]

In the aircraft components business, net sales increased from the previous fiscal year, due mainly to increased shipments of CFRP structure parts for commercial aircraft. On the other hand, ordinary loss was posted due mainly to the impact of higher costs.

As a result, the aircraft components business posted net sales of ¥5,566 million (up ¥490 million compared to the previous fiscal year) and an ordinary loss of ¥159 million (ordinary income of ¥85 million in the previous fiscal year).

[Aircraft Maintenance Business]

In the aircraft maintenance business, net sales decreased from the previous fiscal year, due mainly to

shipments of some programs in parts maintenance deferred to the next fiscal year. Meanwhile, ordinary income increased due to improved profitability as aircraft maintenance progressed steadily.

As a result, the aircraft maintenance business posted net sales of ¥8,235 million (down ¥427 million compared to the previous fiscal year) and an ordinary income of ¥211 million (up ¥40 million compared to 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.

The Others segment posted net sales of ¥2 million (up ¥0 million compared to the previous fiscal year) and ordinary loss of ¥6 million (ordinary loss of ¥6 million in the previous fiscal year).

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

(Assets, Liabilities, and Equity)

Total assets as of March 31, 2024 amounted to ¥108,216 million, up ¥7,422 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥5,563 million from the end of the previous fiscal year, as notes and accounts receivable - trade, and contract assets increased by ¥2,702 million, and work in process increased by ¥2,244 million from the end of the previous fiscal year. Total non-current assets increased by ¥1,859 million from the end of the previous fiscal year, as investments and other assets increased by ¥1,713 million from the end of the previous fiscal year. Total liabilities amounted to ¥93,144 million, up ¥5,733 million from the end of the previous fiscal year. The main factors were increases in notes and accounts payable - trade by ¥2,232 million and in electronically recorded obligations - operating by ¥2,039 million from the end of the previous fiscal year.

Total net assets amounted to ¥15,071 million, up ¥1,688 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 13.9%.

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

Cash and cash equivalents as of March 31, 2024, as a result of the cash flows described below, saw a cash outflow of ¥192 million.

[Cash flows from operating activities]

Operating activities during FY 2023 saw a cash inflow of ¥1,403 million. The main factor was increases in notes and accounts payable - trade, depreciation and income before taxes, despite increases in notes and accounts receivable - trade and inventories.

[Cash flows from investing activities]

Investing activities during FY 2023 saw a cash outflow of ¥1,688 million, due mainly to expenditures for purchase of non-current assets.

[Cash flows from financing activities]

Financing activities during FY 2023 saw a cash outflow of ¥555 million. The main factor was long-term loan repayments to financial institutions.

(4) Future Outlook

In the air transportation industry in which the Group is involved, demand for aircraft is increasing due to rise in the number of air passengers both in Japan and overseas. Owing to this trend, medium- to large- scale aircrafts, which the Company is concentrating its efforts on, are expected to increase both in the number of aircraft in operation and in new aircraft production.

For the Group, the increase in the number of operating aircraft has resulted in demand by airlines for spare parts exceeding pre-COVID-19 levels. Amid these circumstances, we will therefore strengthen our spare parts supply capability to ensure capturing income. To recover the capability to respond to demand according to the plan to increase new aircraft production and respond to higher costs reflecting inflation, we will carry out business process reforms on a company-wide level by concentrating the resources of the aircraft seat business in aircraft interiors, and enhance the efficiency of our production system, aiming to improve quality and profitability.

In light of these circumstances, the outlook for consolidated operating results in FY 2024 is for net sales of ¥86,900 million, operating income of ¥7,810 million, ordinary income of ¥5,280 million, and net income attributable to shareholders of parent company of ¥3,490 million. The exchange rate assumed for the outlook is ¥140 to US\$1.

The Company's basic policy for dividends to shareholders is to provide stable and continuous returns to shareholders by striving for efficient management and improving profits, and to determine the amount of dividends with a target consolidated payout ratio of 20-30%. Based on comprehensive consideration of such factors as our financial results forecast and finances, we plan to pay dividends of ¥25 per share for FY 2024 (resumption of dividend payments).

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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,334,303	6,766,761
Notes and accounts receivable - trade, and contract assets	17,615,106	20,317,566
Merchandise and finished goods	1,611,483	3,041,281
Work in process	26,231,269	28,476,150
Raw materials and supplies	20,890,021	20,348,479
Consumption taxes receivable	497,136	1,015,877
Other	2,184,707	2,937,786
Allowance for doubtful accounts	(42,366)	(18,921)
Total current assets	77,321,661	82,884,980
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,484,994	18,886,392
Accumulated depreciation	(13,000,213)	(13,628,172)
Buildings and structures, net	5,484,781	5,258,220
Machinery, equipment and vehicles	10,759,684	10,430,382
Accumulated depreciation	(9,001,505)	(9,069,289)
Machinery, equipment and vehicles, net	1,758,179	1,361,092
Land	3,508,809	3,580,497
Leased assets	974,643	1,130,116
Accumulated depreciation	(728,506)	(762,954)
Leased assets, net	246,136	367,161
Construction in progress	215,615	461,037
Other	8,155,165	8,083,317
Accumulated depreciation	(7,778,123)	(7,674,237)
Other, net	377,042	409,079
Total property, plant and equipment	11,590,565	11,437,090
Intangible assets		
Software	751,128	889,310
Leased assets	162,631	118,174
Other	893,921	1,099,156
Total intangible assets	1,807,682	2,106,641
Investments and other assets		
Investment securities	692,694	1,203,097
Long-term prepaid expenses	118,100	98,238
Guarantee deposits	76,147	75,559
Deferred tax assets	9,130,937	10,359,446
Other	56,829	51,896
Total investments and other assets	10,074,709	11,788,239
Total non-current assets	23,472,956	25,331,970
Total assets	100,794,618	108,216,951

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,719,765	6,951,860
Electronically recorded obligations - operating	2,997,441	5,036,497
Short-term loans payable	50,022,940	52,697,000
Current portion of long-term loans payable	1,060,000	660,000
Lease obligations	258,437	191,829
Accrued expenses	1,014,295	1,052,924
Income taxes payable	700,808	183,670
Accrued consumption taxes	150,762	238,494
Advances received	8,374,234	7,735,063
Accrued expense-salary	1,237,674	1,348,913
Provision for loss on construction contracts	4,280,336	5,209,396
Other	2,215,399	2,817,895
Total current liabilities	77,032,097	84,123,546
Non-current liabilities		
Long-term loans payable	1,250,000	590,000
Lease obligations	184,913	335,090
Liability for employee retirement benefits	6,702,461	6,295,078
Long-term accounts payable - other	98,694	98,694
Provision for loss on compensation	972,797	1,130,485
Provision for product warranties	1,166,789	572,073
Deferred tax liabilities	3,289	-
Total non-current liabilities	10,378,944	9,021,421
Total liabilities	87,411,041	93,144,967
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,318,925	4,328,358
Retained earnings	2,819,869	4,530,558
Treasury stock	(31,405)	(19,966)
Total shareholders' equity	12,467,283	14,198,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	176,474	194,339
Foreign currency translation adjustment	424,767	536,216
Accumulated adjustment for employee retirement benefits	(48,564)	142,583
Total accumulated other comprehensive income	552,677	873,139
Non-controlling interests	363,616	-
Total net assets	13,383,576	15,071,983
Total liabilities and net assets	100,794,618	108,216,951

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

(Thousand yen)

	FY 2022 From April 1, 2022 to March 31, 2023	FY 2023 From April 1, 2023 to March 31, 2024
Net sales	47,225,426	63,999,188
Cost of sales	37,152,464	52,074,650
Gross profit	10,072,961	11,924,538
Selling, general and administrative expenses	8,339,293	9,541,309
Operating income	1,733,668	2,383,228
Non-operating income		
Interest income	55,141	57,289
Dividend income	3,664	4,220
Foreign exchange gains	654,236	164,209
Share of profit of entities accounted for using equity method	30,688	94,145
Insurance income	16,245	35,200
Subsidy income	75,980	152,045
Other	56,422	35,576
Total non-operating income	892,377	542,687
Non-operating expenses		
Interest expenses	1,194,589	1,600,149
Loss on transfer of accounts receivable	152,989	213,857
Compensation expenses	32,837	83,327
Other	118,300	28,723
Total non-operating expenses	1,498,717	1,926,057
Ordinary income	1,127,327	999,858
Extraordinary income		
Gain on sales of non-current assets	463,111	3,515
Subsidy income	120,106	-
Gain on liquidation of subsidiaries and affiliates	-	141,342
Gain on sales of investment securities	-	75,529
Total extraordinary income	583,217	220,387
Extraordinary loss		
Loss on disposal of non-current assets	9,076	12,416
Loss related to COVID-19	107,089	-
Impairment loss	-	317,241
Compensation for damage	-	303,319
Total extraordinary loss	116,165	632,978
Income before taxes	1,594,379	587,267
Income taxes - current	573,461	202,734
Income taxes - deferred	(1,186,103)	(1,330,295)
Total income taxes	(612,641)	(1,127,560)
Net income	2,207,020	1,714,828
Net income attributable to non-controlling interests	32,815	4,138
Net income attributable to shareholders of parent company	2,174,205	1,710,689

Consolidated Statements of Comprehensive Income

(Thousand yen)

	FY 2022 From April 1, 2022 to March 31, 2023	FY 2023 From April 1, 2023 to March 31, 2024
Net income	2,207,020	1,714,828
Other comprehensive income		
Valuation difference on available-for-sale securities	6,701	17,864
Foreign currency translation adjustment	257,446	149,896
Adjustment for employee retirement benefits	(151,189)	191,148
Share of other comprehensive income of entities accounted for using equity method	-	5,073
Total other comprehensive income	112,957	363,983
Comprehensive income	2,319,978	2,078,811
Comprehensive income attributable to shareholders of parent company	2,256,401	2,031,151
Comprehensive income attributable to non-controlling interests	63,577	47,659

(3) Consolidated Statements of Changes in Equity
For fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,318,925	645,664	(31,205)	10,293,277
Changes in items during period					
Dividends of surplus			-		-
Net income attributable to shareholders of parent company			2,174,205		2,174,205
Purchase of treasury stock				(199)	(199)
Disposal of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,174,205	(199)	2,174,005
Balance at the end of period	5,359,893	4,318,925	2,819,869	(31,405)	12,467,283

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	169,773	198,082	102,624	470,480	331,330	11,095,088
Changes in items during period						
Dividends of surplus						-
Net income attributable to shareholders of parent company						2,174,205
Purchase of treasury stock						(199)
Disposal of treasury stock						
Net changes of items other than shareholders' equity	6,701	226,685	(151,189)	82,196	32,286	114,482
Total changes of items during period	6,701	226,685	(151,189)	82,196	32,286	2,288,488
Balance at the end of period	176,474	424,767	(48,564)	552,677	363,616	13,383,576

For fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,359,893	4,318,925	2,819,869	(31,405)	12,467,283
Changes in items during period					
Dividends of surplus			-		-
Net income attributable to shareholders of parent company			1,710,689		1,710,689
Purchase of treasury stock				-	-
Disposal of treasury stock		9,433		11,438	20,871
Net changes of items other than shareholders' equity					
Total changes of items during period	-	9,433	1,710,689	11,438	1,731,560
Balance at the end of period	5,359,893	4,328,358	4,530,558	(19,966)	14,198,844

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated adjustment for employee retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	176,474	424,767	(48,564)	552,677	363,616	13,383,576
Changes in items during period						
Dividends of surplus						-
Net income attributable to shareholders of parent company						1,710,689
Purchase of treasury stock						-
Disposal of treasury stock						20,871
Net changes of items other than shareholders' equity	17,864	111,448	191,148	320,462	(363,616)	(43,154)
Total changes of items during period	17,864	111,448	191,148	320,462	(363,616)	1,688,406
Balance at the end of period	194,339	536,216	142,583	873,139	-	15,071,983

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY 2022 From April 1, 2022 to March 31, 2023	FY 2023 From April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Income before taxes	1,594,379	587,267
Depreciation	2,108,602	1,777,573
Impairment loss	-	317,241
Increase (decrease) in allowance for doubtful accounts	(79,791)	(14,013)
Increase (decrease) in accrued expense - salary	384,759	111,238
Increase (decrease) in provision for loss on construction contracts	451,482	929,059
Increase (decrease) in liability for employee retirement benefits	(128,957)	(124,527)
Increase (decrease) in provision for product warranties	-	(594,716)
Increase (decrease) in provision for loss on compensation	60,152	157,687
Interest and dividend income	(58,805)	(61,510)
Interest expenses	1,194,589	1,600,149
Foreign exchange losses (gains)	298,280	478,865
Share of loss (profit) of entities accounted for using equity method	(30,688)	(94,145)
Loss (gain) on sale and retirement of non-current assets	(454,035)	8,901
Loss related to COVID-19	107,089	-
Subsidy income	(120,106)	-
Loss (gain) on liquidation of subsidiaries and affiliates	-	(141,342)
Loss (gain) on sale of investment securities	-	(75,529)
Other non-operating expenses (income)	155,480	103,085
Decrease (increase) in notes and accounts receivable - trade	1,788,454	(2,573,347)
Decrease (increase) in inventories	(7,406,462)	(2,264,900)
Increase (decrease) in notes and accounts payable - trade	729,009	4,146,078
Increase (decrease) in advances received	1,885,080	191,501
Other	(1,152,105)	(703,576)
Subtotal	1,326,408	3,761,040
Interest and dividend income received	58,772	59,784
Interest expenses paid	(1,273,997)	(1,663,114)
Income taxes paid	(32,498)	(753,875)
Income taxes refund	8,585	-
Net cash provided by (used in) operating activities	87,271	1,403,835

(Thousand yen)

	FY 2022 From April 1, 2022 to March 31, 2023	FY 2023 From April 1, 2023 to March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(885,991)	(504,707)
Proceeds from sales of property, plant and equipment	791,557	30,153
Purchase of intangible assets	(606,840)	(1,009,351)
Purchase of investment securities	(1,080)	(1,227)
Payments of loans receivable	(1,990)	-
Collection of loans receivable	5,058	4,677
Decrease (increase) in time deposits	(176,111)	43,386
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-	(222,799)
Other payments	(158,260)	(38,372)
Other proceeds	8,189	9,713
Net cash provided by (used in) investing activities	(1,025,469)	(1,688,527)
Cash flows from financing activities		
Increase in short-term loans payable	71,421,930	90,201,070
Decrease in short-term loans payable	(70,790,850)	(89,439,570)
Repayments of long-term loans payable	(960,000)	(1,060,000)
Repayments of lease obligations	(345,018)	(229,913)
Purchase of treasury stock	(199)	-
Cash dividends paid	(60)	(25)
Cash dividends paid to non-controlling interests	(31,290)	(27,067)
Net cash provided by (used in) financing activities	(705,488)	(555,506)
Effect of exchange rate changes on cash and cash equivalents	428,183	648,118
Net increase (decrease) in cash and cash equivalents	(1,215,502)	(192,080)
Cash and cash equivalents, beginning of period	8,174,344	6,958,841
Cash and cash equivalents, end of period	6,958,841	6,766,761

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of the Group are determined from those that 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 three divisions (Aircraft Interiors Division, Aircraft Components Manufacturing Division, and Aircraft Maintenance Group), each of which conducts business activities by developing independent management strategies for the 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 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 aerospace equipment and products including 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) 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 and income (loss) by reportable segment

For fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(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	29,614,594	3,869,393	5,075,831	8,663,179	47,222,999	2,427	47,225,426
Inter-segment net sales or transfers	344,903	-	3,184	36,522	384,610	118,292	502,903
Total	29,959,498	3,869,393	5,079,016	8,699,701	47,607,609	120,720	47,728,329
Segment income (loss)	3,586,243	(2,708,451)	85,663	170,403	1,133,859	(6,531)	1,127,327

(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 as part of our corporate social responsibilities, and mainly provides cleaning and assistance work in the Company's facilities.

For fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(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	40,986,594	9,208,058	5,566,621	8,235,269	63,996,544	2,644	63,999,188
Inter-segment net sales or transfers	319,187	-	499	41,297	360,984	134,000	494,985
Total	41,305,782	9,208,058	5,567,121	8,276,567	64,357,529	136,645	64,494,174
Segment income (loss)	4,970,015	(4,015,052)	(159,943)	211,365	1,006,386	(6,527)	999,858

(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 as part of our corporate social responsibilities, and mainly provides cleaning and assistance work in the Company's facilities.

(Per share information)

	Fiscal year 2022 (from April 1, 2022 to March 31, 2023)	Fiscal year 2023 (from April 1, 2023 to March 31, 2024)
Net assets per share	485.37 yen	561.57 yen
Net income per share	81.05 yen	63.75 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 2022 (from April 1, 2022 to March 31, 2023)	Fiscal year 2023 (from April 1, 2023 to March 31, 2024)
Net income attributable to shareholders of parent company (thousand yen)	2,174,205	1,710,689
Amount not attributable to common shareholders (thousand yen)	-	-
Net income attributable to shareholders of parent company related to common shares (thousand yen)	2,174,205	1,710,689
Average number of common shares (thousand shares)	26,824	26,834

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

	Fiscal year 2022 (as of March 31, 2023)	Fiscal year 2023 (as of March 31, 2024)
Total net assets (thousand yen)	13,383,576	15,071,983
Amount deducted from total net assets (thousand yen)	363,616	-
[including non-controlling interests (thousand yen)]	[363,616]	[-]
Year-end net assets related to common shares (thousand yen)	13,019,960	15,071,983
Number of common shares at year-end used to calculate net assets per share (thousand shares)	26,824	26,839

(Significant subsequent events)

There is no relevant information.