

Consolidated Financial Results
for the First Quarter of the Fiscal Year 2024
Ending March 31, 2025
[Japanese GAAP]



August 9, 2024

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
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 The start date of payout of dividend: —
 Availability of supplementary briefing material on financial results: None
 Schedule of financial results briefing session: None

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

1. Consolidated Operating Results for the First Quarter of the Fiscal Year 2024 (from April 1, 2024 to June 30, 2024)

(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 first quarter of								
Fiscal year 2024	16,433	12.4	707	201.2	435	155.5	259	(33.7)
Fiscal year 2023	14,617	105.5	234	95.8	170	(19.4)	390	4.1

(Note) Comprehensive income: The first quarter of fiscal year 2024: ¥84 million [(84.7)%]
 The first quarter of fiscal year 2023: ¥554 million [(5.5)%]

	Net income per share	Diluted net income per share
For the first quarter of	Yen	Yen
Fiscal year 2024	9.65	-
Fiscal year 2023	14.57	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	112,976	15,156	13.4
As of March 31, 2024	108,216	15,071	13.9

(Reference) Equity: As of June 30, 2024: ¥15,156 million
 As of March 31, 2024: ¥15,071 million

2. Dividend distribution

	Dividend distribution per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year 2023	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year 2024	-				
Fiscal year 2024 (Planned)		0.00	-	25.00	25.00

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

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

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: 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 issued (including the number of treasury stock):

As of June 30, 2024: 26,863,974 shares

As of March 31, 2024: 26,863,974 shares

2) Number of treasury stock:

As of June 30, 2024: 24,852 shares

As of March 31, 2024: 24,852 shares

3) Average number of common shares outstanding:

1st quarter of FY 2024: 26,839,122 shares

1st quarter of FY 2023: 26,824,885 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. Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
- *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 first quarter of FY 2024, while the global economy continued to be on a recovery track, the situation remained uncertain due to factors such as the risk of rising interest rates caused by global inflation resulting mainly from increasing resource prices and raw material prices and growing tension around the world. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥151 to ¥161 per US\$1.

In the air transportation industry, air passenger demand as of February 2024 recovered from the decline caused by the COVID-19 pandemic for international flights in addition to domestic flights, exceeding the levels of 2019. Also, demand is expected to continue to show steady growth in FY 2024 and thereafter. On the other hand, the global supply chain which was damaged by a sharp decline in demand during the spread of the COVID-19 is still on the way to recovery, confronted with the major challenges of difficulty in supplying materials and parts as well as securing personnel for the industry as a whole. In addition, cost control is further growing in importance as a measure to deal with the surge in administrative expenses and parts costs resulting from inflation.

Under these circumstances, JAMCO Corporation and its subsidiaries (collectively, the “Group”) worked to enhance the capability to respond to demand in coping with a rapid recovery of air passenger demand while making an effort to “improve profitability and strengthen business fundamentals based on selection and concentration” with a view to achieving a recovery of the business fundamentals which was damaged by the COVID-19 pandemic.

In the aircraft interiors business, we worked on strengthening our capacity to increase production in response to increased production by aircraft manufacturers and increased demand for spare parts from airlines. We also pressed ahead with strengthening the capability to respond to demand and the supply chain, enhancing quality, and optimizing domestic manufacturing bases.

In the aircraft seat business, we temporarily suspended accepting orders involving development of the aircraft seat business in line with our “selection and concentration” strategy because of the rapid expansion of demand in the aircraft interiors business, and concentrated our development personnel and production capacity in the Company’s mainstay aircraft interiors business.

In the aircraft components business, we took initiatives to improve yield and the production process in preparation for increased production of CFRP structure parts and expansion of defense projects.

In the aircraft maintenance business, we continued with initiatives to ensure flight safety and improve quality, while also endeavoring to automate wheel maintenance and expand defense projects.

As a result, on a consolidated basis, during the first quarter of FY 2024, the Company posted net sales of ¥16,433 million (up ¥1,816 million compared to the same period of the previous fiscal year), operating income of ¥707 million (up ¥472 million compared to the same period of the previous fiscal year), ordinary income of ¥435 million (up ¥265 million compared to the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥259 million (down ¥131 million compared to the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥5,191 million for construction to be completed in or after the second quarter of FY 2024 was recognized as of June 30, 2024. The impact of this provision for loss on construction contracts on income (loss) for the first quarter of FY 2024 was a decrease of ¥17 million in cost of sales (provision for loss on construction contracts as of March 31, 2024 was ¥5,209 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 ¥2,663 million (an increase of ¥419 million compared to the same period of the previous fiscal year), due mainly to increases in personnel expenses and warranty repair costs.

The result for non-operating income (expenses) was a loss of ¥271 million (a loss of ¥64 million in the same period of the previous fiscal year), due to factors such as an increase in dollar-denominated interest expenses reflecting a weaker yen and a decrease in foreign exchange gains.

The result for extraordinary income (loss) was income of ¥27 million (a loss of ¥1 million in the same period of the previous fiscal year) as a result of recognizing gain on sales of investment securities of ¥221 million due to the sale of a portion of investment securities while recognizing an increase in employee retirement benefit obligations of ¥195 million as retirement benefit expenses as a result of changing the accounting method for retirement benefit obligations at consolidated subsidiaries that integrated management from the simplified method to the principle method.

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 mainly due to the increased sales of spare parts to airlines as the number of aircraft in operation grew. On the other hand, ordinary income decreased from the same period of the previous fiscal year in reaction to additional sales resulting from changes in customer specifications recognized in the same period of the previous fiscal year as well as due to the increase in selling, general and administrative expenses mainly reflecting increased personnel expenses.

As a result, the aircraft interiors business posted net sales of ¥10,123 million (up ¥366 million compared to the same period of the previous fiscal year) and ordinary income of ¥928 million (down ¥1,001 million compared to the same period of the previous fiscal year).

[Aircraft Seat Business]

In the aircraft seat business, net sales remained flat over the same period of the previous fiscal year. On the other hand, although an ordinary loss was posted due mainly to the increase in dollar-denominated costs caused by the depreciation of the yen, an improvement was seen mainly as a result of the decrease in provision of allowance for loss on construction contracts caused by the decrease in unprofitable programs and reduction of development costs due to the temporary suspension of accepting orders involving new development.

As a result, the aircraft seat business posted net sales of ¥1,851 million (down ¥20 million compared to the same period of the previous fiscal year) and ordinary loss of ¥538 million (ordinary loss of ¥1,765 million in the same period of the previous fiscal year).

[Aircraft Components Business]

In the aircraft components business, net sales remained flat over the same period of the previous fiscal year. On the other hand, ordinary loss was posted but results improved due mainly to initiatives taken to improve profitability.

As a result, the aircraft components business posted net sales of ¥1,176 million (down ¥9 million compared to the same period of the previous fiscal year) and ordinary loss of ¥27 million (ordinary loss of ¥40 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 mainly to shipments of programs that were carried over from the previous fiscal year in parts maintenance. Meanwhile, ordinary income increased from the same period of the previous fiscal year due mainly to increased net sales.

As a result, the aircraft maintenance business posted net sales of ¥3,281 million (up ¥1,480 million compared to the same period of the previous fiscal year) and ordinary income of ¥73 million (up ¥26 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 ¥0 million (up ¥0 million compared to the same period of the previous fiscal year) and ordinary income of ¥0 million (ordinary loss of ¥0 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Assets, Liabilities, and Equity)

Total assets as of June 30, 2024 amounted to ¥112,976 million, up ¥4,759 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥3,756 million from the end of the previous fiscal year, as cash and deposits increased by ¥1,742 million, and raw materials and supplies increased by ¥1,797 million, despite the decline in notes and accounts receivable - trade, and contract assets by ¥938 million from the end of the previous fiscal year. Total non-current assets increased by ¥1,003 million from the end of the previous fiscal year, as property, plant and equipment increased by ¥495 million and intangible assets increased by ¥490 million from the end of the previous fiscal year. Total liabilities amounted to ¥97,819 million, up ¥4,674 million from the end of the previous fiscal year. The main factors were a rise in short-term loans payable of ¥1,022 million resulting from the depreciation of the yen, an increase in accrued expense-salary by ¥833 million, and an increase in electronically recorded obligations - operating by ¥644 million from the end of the previous fiscal year.

Total net assets amounted to ¥15,156 million, up ¥84 million from the end of the previous fiscal year. As a result, the equity ratio stood at 13.4%.

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

Profits for the first quarter of FY 2024 exceeded the consolidated financial results forecast announced on May 10, 2024 due mainly to the yen trending weaker in the foreign exchange market.

The exchange rate assumed for the consolidated financial results forecast remains unchanged at ¥140 per US\$1 at this time, and the consolidated financial results forecast for FY 2024 remains the same.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	6,766,761	8,509,301
Notes and accounts receivable - trade, and contract assets	20,317,566	19,378,652
Merchandise and finished goods	3,041,281	3,626,315
Work in process	28,476,150	29,299,345
Raw materials and supplies	20,348,479	22,145,913
Other	3,953,664	3,696,976
Allowance for doubtful accounts	(18,921)	(15,418)
Total current assets	82,884,980	86,641,086
Non-current assets		
Property, plant and equipment	11,437,090	11,932,910
Intangible assets	2,106,641	2,596,760
Investments and other assets	11,788,239	11,805,920
Total non-current assets	25,331,970	26,335,591
Total assets	108,216,951	112,976,677
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,951,860	6,866,048
Electronically recorded obligations - operating	5,036,497	5,680,586
Short-term loans payable	52,697,000	53,719,700
Current portion of long-term loans payable	660,000	660,000
Income taxes payable	183,670	381,224
Advances received	7,735,063	7,503,915
Accrued expense-salary	1,348,913	2,182,618
Provision for loss on construction contracts	5,209,396	5,191,742
Other	4,301,144	5,142,553
Total current liabilities	84,123,546	87,328,389
Non-current liabilities		
Long-term loans payable	590,000	590,000
Liability for employee retirement benefits	6,295,078	6,459,987
Provision for loss on compensation	1,130,485	1,203,212
Provision for product warranties	572,073	495,503
Other	433,784	1,742,666
Total non-current liabilities	9,021,421	10,491,371
Total liabilities	93,144,967	97,819,761

(Thousand yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,328,358	4,328,358
Retained earnings	4,530,558	4,789,591
Treasury stock	(19,966)	(19,966)
Total shareholders' equity	14,198,844	14,457,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,339	33,610
Deferred gains or losses on hedges	-	(119,359)
Foreign currency translation adjustment	536,216	643,107
Accumulated adjustment for employee retirement benefits	142,583	141,680
Total accumulated other comprehensive income	873,139	699,039
Total net assets	15,071,983	15,156,916
Total liabilities and net assets	108,216,951	112,976,677

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

(Thousand yen)

	First quarter of FY 2023	First quarter of FY 2024
Net sales	14,617,264	16,433,483
Cost of sales	12,138,311	13,062,323
Gross profit	2,478,953	3,371,160
Selling, general and administrative expenses	2,243,974	2,663,473
Operating income	234,978	707,687
Non-operating income		
Interest income	16,013	22,094
Dividend income	1,980	4,220
Foreign exchange gains	281,875	226,892
Share of profit of entities accounted for using equity method	47,213	-
Insurance income	14,493	-
Subsidy income	32,866	28,756
Other	6,161	5,255
Total non-operating income	400,605	287,219
Non-operating expenses		
Interest expenses	383,955	449,367
Share of loss of entities accounted for using equity method	-	19,117
Loss on transfer of accounts receivable	43,496	68,565
Compensation expenses	26,991	21,767
Other	10,543	242
Total non-operating expenses	464,987	559,060
Ordinary income	170,596	435,846
Extraordinary income		
Gain on sales of non-current assets	-	1,223
Gain on sales of investment securities	-	221,582
Total extraordinary income	-	222,806
Extraordinary loss		
Loss on disposal of non-current assets	1,034	-
Retirement benefit expenses	-	195,678
Total extraordinary loss	1,034	195,678
Income before taxes	169,561	462,974
Income taxes - current	178,703	320,321
Income taxes - deferred	(402,516)	(116,379)
Total income taxes	(223,813)	203,941
Net income	393,374	259,033
Net income attributable to non-controlling interests	2,448	-
Net income attributable to shareholders of parent company	390,926	259,033

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

(Thousand yen)

	First quarter of FY 2023	First quarter of FY 2024
Net income	393,374	259,033
Other comprehensive income		
Valuation difference on available-for-sale securities	30,623	(160,728)
Deferred gains or losses on hedges	(60,349)	(119,359)
Foreign currency translation adjustment	190,037	81,192
Adjustment for employee retirement benefits	628	(903)
Share of other comprehensive income of entities accounted for using equity method	-	25,698
Total other comprehensive income	160,939	(174,100)
Comprehensive income	554,314	84,933
Comprehensive income attributable to shareholders of parent company	521,099	84,933
Comprehensive income attributable to non-controlling interests	33,215	-

(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 first quarter of FY 2023 (from April 1, 2023 to June 30, 2023)

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	9,757,615	1,871,990	1,185,507	1,801,489	14,616,602	662	14,617,264
Inter-segment net sales or transfers	86,586	-	307	12,177	99,071	32,055	131,127
Total	9,844,201	1,871,990	1,185,815	1,813,667	14,715,674	32,717	14,748,392
Segment income (loss)	1,929,835	(1,765,084)	(40,668)	46,975	171,057	(460)	170,596

(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.

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	171,057
Income of Others	(460)
Ordinary income in the Quarterly Consolidated Statement of Income	170,596

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

There is no relevant information.

II. For the first quarter of FY 2024 (from April 1, 2024 to June 30, 2024)

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	10,123,813	1,851,183	1,176,114	3,281,556	16,432,668	815	16,433,483
Inter-segment net sales or transfers	42,912	-	4,327	13,731	60,971	37,123	98,095
Total	10,166,725	1,851,183	1,180,442	3,295,288	16,493,639	37,938	16,531,578
Segment income (loss)	928,004	(538,164)	(27,732)	73,148	435,256	590	435,846

(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.

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	435,256
Income of Others	590
Ordinary income in the Quarterly Consolidated Statement of Income	435,846

3. Information on impairment loss on non-current assets and goodwill by reportable segment
There is no relevant information.

(Notes to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the first quarter of FY 2024 have not been prepared. Depreciation for the first quarter of the fiscal year (including amortization of intangible assets excluding goodwill) is as follows.

(Thousand yen)

	First quarter of FY 2023	First quarter of FY 2024
Depreciation	433,172	502,543