

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



November 8, 2024

Company name: JAMCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Stock Exchange Code: 7408
 URL: <https://www.jamco.co.jp/>
 Representative: Koichi Tsunematsu, President & CEO
 Contact: Takayuki Natsui, Executive Officer
 Phone: +81-42-503-9145
 Scheduled date to file semi-annual securities report: November 11, 2024
 The start date of payout of dividend: —
 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 Second Cumulative Quarter of the Fiscal Year 2024 (from April 1, 2024 to September 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 second cumulative quarter of | | | | | | | | |
| Fiscal year 2024 | 36,486 | 33.9 | 2,023 | 159.3 | 1,112 | 140.0 | 931 | (3.0) |
| Fiscal year 2023 | 27,243 | 59.9 | 780 | 177.4 | 463 | 30.6 | 960 | 46.6 |

(Note) Comprehensive income: The second cumulative quarter of fiscal year 2024: ¥724 million [(40.4)%]
 The second cumulative quarter of fiscal year 2023: ¥1,215 million [30.3%]

| | Net income per share | Diluted net income per share |
|--------------------------------------|----------------------|------------------------------|
| For the second cumulative quarter of | Yen | Yen |
| Fiscal year 2024 | 34.71 | - |
| Fiscal year 2023 | 35.80 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|--------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of September 30, 2024 | 116,325 | 15,821 | 13.6 |
| As of March 31, 2024 | 108,216 | 15,071 | 13.9 |

(Reference) Equity: As of September 30, 2024: ¥15,821 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 |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year 2023 | - | 0.00 | - | 0.00 | 0.00 |
| Fiscal year 2024 | - | 0.00 | | | |
| Fiscal year 2024 (Planned) | | | - | 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 semi-annual 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: Yes

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 September 30, 2024: 26,863,974 shares

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

2) Number of treasury stock:

As of September 30, 2024: 7,944 shares

As of March 31, 2024: 24,852 shares

3) Average number of common shares outstanding:

2nd cumulative quarter of FY 2024: 26,846,368 shares

2nd cumulative quarter of FY 2023: 26,830,987 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 semi-annual financial results are outside the scope of 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 20, 2024. The materials distributed at the briefing session are scheduled to be posted on the Company's corporate website.

Table of Contents

| | |
|--|----|
| 1. Qualitative Information on Semi-annual Financial Results for the Period under Review | 2 |
| (1) Explanation of Operating Results..... | 2 |
| (2) Explanation of Financial Position | 4 |
| (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information . | 4 |
| 2. Semi-annual Consolidated Financial Statements and Primary Notes..... | 6 |
| (1) Semi-annual Consolidated Balance Sheets | 6 |
| (2) Semi-annual Consolidated Statements of Income and Comprehensive Income | 8 |
| Semi-annual Consolidated Statements of Income..... | 8 |
| Semi-annual Consolidated Statements of Comprehensive Income..... | 9 |
| (3) Semi-annual Consolidated Statements of Cash Flows | 10 |
| (4) Notes to Semi-annual Consolidated Financial Statements | 11 |
| (Notes on going concern assumption) | 11 |
| (Notes in the case of significant changes in shareholders' equity)..... | 11 |
| (Changes in accounting policies)..... | 11 |
| (Segment information, etc.)..... | 12 |

1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation of Operating Results

During the second cumulative 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 economic downturn in China and growing tension around the world, as high interest rates continued despite rate cuts in parts of Europe and the Americas due to concerns about an economic downturn. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥161 to ¥140 per US\$1. The yen appreciated rapidly during the latter half of the period due to the effects of a rate hike by the Bank of Japan's monetary policy, despite having depreciated in the first half.

In the air transportation industry, air passenger demand recovered from the decline caused by the COVID-19 pandemic for international flights in addition to domestic flights, and demand is expected to continue to show steady growth going forward. On the other hand, the global supply chain which was damaged by a sharp decline in demand during the COVID-19 pandemic 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 second cumulative quarter of FY 2024, the Company posted net sales of ¥36,486 million (up ¥9,243 million compared to the same period of the previous fiscal year), operating income of ¥2,023 million (up ¥1,243 million compared to the same period of the previous fiscal year), ordinary income of ¥1,112 million (up ¥648 million compared to the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥931 million (down ¥28 million compared to the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥5,620 million for construction to be completed in or after the third quarter of FY 2024 was recognized as of September 30, 2024. The impact of this provision for loss on construction contracts on income (loss) was an increase of ¥428 million in cost of sales for the second quarter of FY 2024 (provision for loss on construction contracts as of June 30, 2024 was ¥5,191 million), and, for the second cumulative quarter of FY 2024, an increase of ¥410 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 ¥5,441 million (an increase of ¥974 million compared to the same period of the previous fiscal year), due mainly to increases in warranty repair costs, personnel expenses, sales commissions and outsourcing costs.

The result for non-operating income (expenses) was a loss of ¥911 million (a loss of ¥317 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 ¥14 million (a loss of ¥12 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 due to an increase in provision for loss on construction contracts caused by the yen's appreciation during the latter half of the period, reaction to additional sales resulting from changes in customer specifications recognized in the same period of the previous fiscal year, as well as an increase in selling, general and administrative expenses mainly reflecting increased personnel expenses. Additionally, there was a decrease in foreign exchange gains and an increase in interest expenses under non-operating income (expenses).

As a result, the aircraft interiors business posted net sales of ¥23,131 million (up ¥5,762 million compared to the same period of the previous fiscal year) and ordinary income of ¥1,171 million (down ¥2,030 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, due mainly to shipments of programs that were carried over from the previous fiscal year. Meanwhile, although an ordinary loss was posted, 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 ¥4,871 million (up ¥920 million compared to the same period of the previous fiscal year) and ordinary loss of ¥137 million (ordinary loss of ¥2,690 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 mainly to increased shipments of CFRP structure parts for commercial aircraft. 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 ¥2,608 million (up ¥403 million compared to the same period of the previous fiscal year) and ordinary loss of ¥84 million (ordinary loss of ¥151 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 ¥5,873 million (up ¥2,157 million compared to the same period of the previous fiscal year) and ordinary income of ¥160 million (up ¥57 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 ¥0 million compared to the same period of the previous fiscal year) and ordinary income of ¥1 million (up ¥1 million compared to the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Assets, Liabilities, and Equity)

Total assets as of September 30, 2024 amounted to ¥116,325 million, up ¥8,108 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥7,592 million from the end of the previous fiscal year, as cash and deposits increased by ¥8,378 million, despite the decline in notes and accounts receivable - trade, and contract assets by ¥2,874 million from the end of the previous fiscal year. Total non-current assets increased by ¥516 million from the end of the previous fiscal year, as intangible assets increased by ¥443 million from the end of the previous fiscal year. Total liabilities amounted to ¥100,504 million, up ¥7,359 million from the end of the previous fiscal year. The main factors were an increase in advances received of ¥1,780 million, a rise in current portion of long-term loans payable of ¥1,000 million, an increase in long-term loans payable of ¥670 million, and an increase in electronically recorded obligations - operating by ¥608 million from the end of the previous fiscal year.

Total net assets amounted to ¥15,821 million, up ¥749 million from the end of the previous fiscal year. As a result, the equity ratio stood at 13.6%.

(Cash flows)

Cash and cash equivalents as of September 30, 2024, as a result of the cash flows described below, saw a cash inflow of ¥8,378 million.

[Cash flows from operating activities]

Operating activities during the second cumulative quarter of FY 2024 saw a cash inflow of ¥5,408 million. The main factors were acceleration in the collection of notes and accounts receivable - trade through the promotion of cash flow improvement measures, an increase in advances received and income before taxes, despite an increase in inventories.

[Cash flows from investing activities]

Investing activities during the second cumulative quarter of FY 2024 saw a cash outflow of ¥468 million, due mainly to expenditures for purchase of property, plant and equipment.

[Cash flows from financing activities]

Financing activities during the second cumulative quarter of FY 2024 saw a cash inflow of ¥ 3,232 million. The main factors were borrowings from financial institutions.

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

With regard to the results during the second cumulative quarter of FY 2024, sales of spare parts to airlines in the aircraft interiors business were strong. However, due to delayed shipments of some materials and parts, as

well as production schedule delays for the Boeing 777 and delays in production increase plan for the Boeing 787 caused by quality issues and a strike at Boeing, net sales are trending lower than the full-year consolidated financial results forecast announced on May 10, 2024. On the other hand, although net sales to Boeing decreased, profits and losses are progressing as planned, supported by the yen trending weaker in the foreign exchange market than expected and strong sales of spare parts to airlines.

Currently, there are concerns about delays in the schedule for new aircraft production due to ongoing uncertainties, including the impact of the strike at Boeing. However, the full-year consolidated financial results forecast announced on May 10, 2024 remains unchanged, as demand for modifications of existing aircrafts for airlines and spare parts sales remains strong, and we plan to ship highly profitable products in the second half of the year.

We are evaluating the impact of the Boeing strike and other situations, and if we determine that a revision to our financial results forecast is necessary, we will promptly disclose the update. The exchange rate assumed for the consolidated financial results forecast remains unchanged at ¥140 per US\$1.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,766,761 | 15,145,402 |
| Notes and accounts receivable - trade, and contract assets | 20,317,566 | 17,442,996 |
| Merchandise and finished goods | 3,041,281 | 4,368,874 |
| Work in process | 28,476,150 | 27,683,608 |
| Raw materials and supplies | 20,348,479 | 22,561,119 |
| Other | 3,953,664 | 3,289,954 |
| Allowance for doubtful accounts | (18,921) | (14,780) |
| Total current assets | 82,884,980 | 90,477,176 |
| Non-current assets | | |
| Property, plant and equipment | 11,437,090 | 11,418,189 |
| Intangible assets | 2,106,641 | 2,550,080 |
| Investments and other assets | 11,788,239 | 11,880,401 |
| Total non-current assets | 25,331,970 | 25,848,671 |
| Total assets | 108,216,951 | 116,325,847 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 6,951,860 | 6,754,673 |
| Electronically recorded obligations - operating | 5,036,497 | 5,645,277 |
| Short-term loans payable | 52,697,000 | 52,796,100 |
| Current portion of long-term loans payable | 660,000 | 1,660,000 |
| Income taxes payable | 183,670 | 652,834 |
| Advances received | 7,735,063 | 9,515,702 |
| Accrued expense-salary | 1,348,913 | 1,699,597 |
| Provision for loss on construction contracts | 5,209,396 | 5,620,012 |
| Other | 4,301,144 | 5,397,781 |
| Total current liabilities | 84,123,546 | 89,741,978 |
| Non-current liabilities | | |
| Long-term loans payable | 590,000 | 1,260,000 |
| Liability for employee retirement benefits | 6,295,078 | 6,330,589 |
| Provision for loss on compensation | 1,130,485 | 1,066,419 |
| Provision for product warranties | 572,073 | 483,712 |
| Other | 433,784 | 1,621,608 |
| Total non-current liabilities | 9,021,421 | 10,762,329 |
| Total liabilities | 93,144,967 | 100,504,308 |

(Thousand yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 5,359,893 | 5,359,893 |
| Capital surplus | 4,328,358 | 4,340,049 |
| Retained earnings | 4,530,558 | 5,462,524 |
| Treasury stock | (19,966) | (6,418) |
| Total shareholders' equity | 14,198,844 | 15,156,049 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 194,339 | 52,913 |
| Deferred gains or losses on hedges | - | 39,172 |
| Foreign currency translation adjustment | 536,216 | 432,627 |
| Accumulated adjustment for employee retirement benefits | 142,583 | 140,776 |
| Total accumulated other comprehensive income | 873,139 | 665,490 |
| Total net assets | 15,071,983 | 15,821,539 |
| Total liabilities and net assets | 108,216,951 | 116,325,847 |

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Thousand yen)

| | Second cumulative quarter of FY 2023 | Second cumulative quarter of FY 2024 |
|---|---|---|
| Net sales | 27,243,025 | 36,486,924 |
| Cost of sales | 21,995,174 | 29,021,346 |
| Gross profit | 5,247,850 | 7,465,578 |
| Selling, general and administrative expenses | 4,467,419 | 5,441,743 |
| Operating income | 780,430 | 2,023,835 |
| Non-operating income | | |
| Interest income | 50,501 | 49,402 |
| Dividend income | 2,346 | 4,605 |
| Foreign exchange gains | 403,331 | 136,292 |
| Share of profit of entities accounted for using equity method | 40,738 | - |
| Insurance income | 30,521 | 4,363 |
| Subsidy income | 57,711 | 57,411 |
| Other | 22,762 | 35,861 |
| Total non-operating income | 607,912 | 287,936 |
| Non-operating expenses | | |
| Interest expenses | 779,754 | 922,766 |
| Share of loss of entities accounted for using equity method | - | 39,405 |
| Loss on transfer of accounts receivable | 91,016 | 188,780 |
| Compensation expenses | 27,062 | 35,677 |
| Other | 27,161 | 13,031 |
| Total non-operating expenses | 924,995 | 1,199,661 |
| Ordinary income | 463,348 | 1,112,110 |
| Extraordinary income | | |
| Gain on sales of non-current assets | - | 6,809 |
| Gain on sales of investment securities | - | 221,582 |
| Total extraordinary income | - | 228,391 |
| Extraordinary loss | | |
| Loss on disposal of non-current assets | 12,051 | 18,143 |
| Retirement benefit expenses | - | 195,678 |
| Total extraordinary loss | 12,051 | 213,822 |
| Income before taxes | 451,296 | 1,126,679 |
| Income taxes - current | 153,892 | 523,477 |
| Income taxes - deferred | (666,925) | (328,764) |
| Total income taxes | (513,032) | 194,713 |
| Net income | 964,329 | 931,966 |
| Net income attributable to non-controlling interests | 3,711 | - |
| Net income attributable to shareholders of parent company | 960,617 | 931,966 |

Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

| | Second cumulative quarter of FY 2023 | Second cumulative quarter of FY 2024 |
|--|---|---|
| Net income | 964,329 | 931,966 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,017) | (141,426) |
| Deferred gains or losses on hedges | (15,915) | 39,172 |
| Foreign currency translation adjustment | 267,256 | (80,609) |
| Adjustment for employee retirement benefits | 1,257 | (1,807) |
| Share of other comprehensive income of entities accounted for using equity method | - | (22,978) |
| Total other comprehensive income | 251,581 | (207,649) |
| Comprehensive income | 1,215,910 | 724,316 |
| Comprehensive income attributable to shareholders of parent company | 1,169,050 | 724,316 |
| Comprehensive income attributable to non-controlling interests | 46,860 | - |

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

| | Second cumulative quarter of FY 2023 | Second cumulative quarter of FY 2024 |
|--|---|---|
| Cash flows from operating activities | | |
| Income before taxes | 451,296 | 1,126,679 |
| Depreciation | 862,671 | 1,026,468 |
| Increase (decrease) in liability for employee retirement benefits | (62,275) | 21,266 |
| Increase (decrease) in provisions | 392,075 | 605,120 |
| Interest and dividend income | (52,847) | (54,007) |
| Interest expenses | 779,754 | 922,766 |
| Foreign exchange losses (gains) | 366,485 | (361,260) |
| Share of loss (profit) of entities accounted for using equity method | (40,738) | 39,405 |
| Loss (gain) on sale of investment securities | - | (221,582) |
| Decrease (increase) in notes and accounts receivable - trade | 2,418,964 | 2,696,862 |
| Decrease (increase) in inventories | (4,404,689) | (3,078,641) |
| Increase (decrease) in notes and accounts payable - trade | 2,252,714 | 495,634 |
| Increase (decrease) in advances received | (603,088) | 1,853,298 |
| Other | (285,255) | 1,250,911 |
| Subtotal | 2,075,068 | 6,322,922 |
| Interest and dividend income received | 52,408 | 55,806 |
| Interest expenses paid | (776,350) | (969,747) |
| Income taxes paid | (576,651) | (711) |
| Net cash provided by (used in) operating activities | 774,475 | 5,408,269 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (324,713) | (574,819) |
| Proceeds from sales of property, plant and equipment | 466 | 8,433 |
| Purchase of intangible assets | (458,499) | (138,398) |
| Purchase of investment securities | (610) | (626) |
| Proceeds from sales of investment securities | - | 247,012 |
| Collection of loans receivable | 2,441 | 1,427 |
| Decrease (increase) in time deposits | 42,300 | - |
| Other | (6,725) | (11,345) |
| Net cash provided by (used in) investing activities | (745,340) | (468,315) |
| Cash flows from financing activities | | |
| Increase in short-term loans payable | 34,412,480 | 76,002,340 |
| Decrease in short-term loans payable | (34,073,980) | (75,002,340) |
| Proceeds from long-term loans payable | - | 1,700,000 |
| Repayments of long-term loans payable | (1,030,000) | (30,000) |
| Repayments of lease obligations | (124,499) | (277,557) |
| Purchase of treasury stock | - | (73) |
| Cash dividends paid | (25) | - |
| Proceeds from sale and leaseback transactions | - | 839,692 |
| Net cash provided by (used in) financing activities | (816,024) | 3,232,061 |
| Effect of exchange rate changes on cash and cash equivalents | 592,563 | 206,626 |
| Net increase (decrease) in cash and cash equivalents | (194,326) | 8,378,641 |
| Cash and cash equivalents, beginning of period | 6,958,841 | 6,766,761 |
| Cash and cash equivalents, end of period | 6,764,515 | 15,145,402 |

(4) Notes to Semi-annual 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.

(Changes in accounting policies)

Second cumulative quarter of FY 2024
(from April 1, 2024 to September 30, 2024)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereafter referred to as the "2022 Revised Accounting Standard"), etc. from the beginning of the second cumulative quarter of FY 2024.

With regard to the revision related to the recognition of current income taxes (taxation on other comprehensive income), the Company has followed the transitional treatments provided for in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This change in the accounting policies has no impact on the semi-annual consolidated financial statements.

In addition, with regard to the revision related to the accounting treatment for the consolidated financial statements when gain or loss on sale of shares in subsidiaries, etc., resulting from transactions between consolidated companies were deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the second cumulative quarter of FY 2024. This change in the accounting policies has been retrospectively applied, and the consolidated financial statements for the second cumulative quarter of FY 2023 and consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the consolidated financial statements for the second cumulative quarter of FY 2023 and consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment information]

I. For the second cumulative quarter of FY 2023 (from April 1, 2023 to September 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 | 17,369,593 | 3,950,872 | 2,205,285 | 3,715,948 | 27,241,699 | 1,326 | 27,243,025 |
| Inter-segment net sales or transfers | 139,629 | - | 307 | 19,867 | 159,804 | 67,053 | 226,858 |
| Total | 17,509,222 | 3,950,872 | 2,205,593 | 3,735,815 | 27,401,503 | 68,379 | 27,469,883 |
| Segment income (loss) | 3,202,282 | (2,690,641) | (151,567) | 102,967 | 463,041 | 307 | 463,348 |

(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 Semi-annual Consolidated Statement of Income and the major details of such differences

(Matters relating to adjustment of differences)

(Thousand yen)

| Income | Amount |
|--|---------|
| Reportable segments total | 463,041 |
| Income of Others | 307 |
| Ordinary income in the Semi-annual Consolidated Statement of Income | 463,348 |

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

There is no relevant information.

II. For the second cumulative quarter of FY 2024 (from April 1, 2024 to September 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 | 23,131,800 | 4,871,556 | 2,608,403 | 5,873,538 | 36,485,298 | 1,626 | 36,486,924 |
| Inter-segment net sales or transfers | 88,849 | - | 6,144 | 34,595 | 129,588 | 76,896 | 206,485 |
| Total | 23,220,649 | 4,871,556 | 2,614,547 | 5,908,133 | 36,614,887 | 78,523 | 36,693,410 |
| Segment income (loss) | 1,171,602 | (137,188) | (84,396) | 160,445 | 1,110,463 | 1,646 | 1,112,110 |

(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 Semi-annual Consolidated Statement of Income and the major details of such differences
(Matters relating to adjustment of differences)

(Thousand yen)

| Income | Amount |
|--|-----------|
| Reportable segments total | 1,110,463 |
| Income of Others | 1,646 |
| Ordinary income in the Semi-annual Consolidated Statement of Income | 1,112,110 |

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