



The 76th Term Business Report

April 1, 2015 ► March 31, 2016

To Our Shareholders



The JAMCO Commitment



JAMCO, a Technology Oriented Company with samurai values

- A Challenge, for realizing our DREAM
- A QUEST, for our customer's satisfaction and employee's motivation
- A COMMITMENT, to share responsibility to the world's ecology and to help build a better community

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Top Message

Q Can you summarize the business results for the fiscal year 2015?

A During the fiscal year 2015 (from April 1, 2015 through March 31, 2016), both net sales and operating income of JAMCO increased in comparison with the previous fiscal year. This was the second consecutive year consolidated operating income hit a new record high. In the aircraft interiors business, net sales rose due to increased sales of galleys, seats and spare parts, with partial contribution of the continued depreciation of the yen. On the other hand, ordinary income showed a slight decline due to a variety of reasons such as cost increase in the seat business, and losses on foreign exchange as a result of the sharp appreciation of the yen toward the end of the fiscal year. In the aircraft components business, despite last fiscal year's ordinary loss from decreased sales of defense-related products, in the fiscal year 2015, net sales rose and ordinary income finished in profit. In the aircraft maintenance business, net sales decreased due to a drop-off period in maintenance demands for defense-related airframes, with ordinary income showing a slight decline. As a result, on a consolidated basis, JAMCO posted net sales of ¥91,561 M [\$812 M] (up ¥14,616 M [\$129 M]), operating income of ¥8,793 M [\$78 M] (up ¥2,009 M [\$17 M]), ordinary income of ¥8,245 M [\$73 M] (up ¥417 M [\$3 M]), and net income attributable to shareholders of parent company of ¥5,169 M [\$45 M] (up ¥374 M [\$3 M]), representing an improvement over the previous fiscal year. With respect to the distribution of retained earnings for this term, JAMCO has decided to pay a record high annual dividend of ¥40 per share (a 20.8% consolidated dividend payout ratio).

Q What is your forecast for the business results for fiscal year 2016?

A With respect to the business results for the fiscal year from April 1, 2016 to March 31, 2017, we assume an exchange rate of ¥110 to US\$1. Since the exchange rate for the previous term was roughly ¥120 to US\$1, we believe that the appreciation in exchange rate assumed for the current term will be the main factor of the drop in both net sales and income in the aircraft interior business where net sales are mainly in U.S. dollars. Despite steady production of interior products for Boeing 787s, we expect net sales in the aircraft interiors business to slightly decrease due to appreciation of assumed dollar/yen exchange rate. In addition, we forecast a drop in net sales of galleys supplied on to the current Boeing 777 models, in the wake of their transition to the successor 777X. Nevertheless, we expect sales of passenger seats to grow about 50% from the fiscal year 2015. In the aircraft components business, we forecast a slight decrease in net sales of heat exchangers and other defense-related products, and CFRP structure parts under Advanced Pultrusion (ADP) manufacturing process. However, we expect overall sales to be on a par with the fiscal year 2015 thanks to increased sales of engine parts. We also expect aircraft maintenance business to generate net sales in line with the fiscal year 2015. In summary, we forecast the fiscal year ending March 31, 2017, net sales will fall to ¥88,123 M [\$781 M] (down ¥3,438 M [\$30 M]), operating income to ¥5,525 M [\$49 M] (down ¥3,269 M [\$29 M]), ordinary income to ¥5,265 M [\$46 M] (down ¥2,980 M [\$26 M]) and net income attributable to shareholders of parent company to ¥3,312 M [\$29 M] (down ¥1,857 M [\$16 M]) from the fiscal year 2015. In addition, we anticipate a dividend of ¥35 per share (a 28.3% consolidated dividend payout ratio) for the next fiscal year.

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Q Please tell us about the medium-term management plan.

A JAMCO's objective is to position itself as the foremost aircraft-related company in its field to focus its primary business on the aircraft interiors segment with capabilities in both component production and aircraft maintenance. This medium-term vision is consistent with the announcement from last fiscal year. Also, there have been no changes to our medium-term management indicators. In November of last year, we have decided on a new dividend policy that targets a consolidated dividend payout ratio of 20 to 30%.

JAMCO uses a rolling method in which we update our three-year management plan every fiscal year to reflect our latest business results and the changes in the business environment surrounding us. As mentioned above, we forecast a drop in JAMCO's net sales and operating income for the fiscal year 2016. In addition, our performance over the medium term is likely to come short compared to the plan made in the previous fiscal year due to the effects of the appreciating yen. Thus for the moment, we expect consolidated ordinary income to net sales ratio to drop down to 6%. However, we aim to reach the 8% level by the end of fiscal year 2018.

Although we forecast steady production of interiors for Boeing 787s, we cannot expect growth in net sales of interiors for Boeing 777s. In addition, since JAMCO's full-scale entry into the aircraft seat market in 2014, we have been receiving new inquiries and witnessed seat demand getting stronger, yet still not enough to run a surplus. We will make every effort to move the seat business into positive revenue as soon as possible. We expect that both net sales and operating income will increase, albeit moderately, for the aircraft components and aircraft maintenance businesses.

Thus, despite temporarily shrinking earnings, demands for aircrafts are expected to continue to be strong. Furthermore, JAMCO commits to addressing all kinds of management challenges for a bright future.

Q Finally, please convey your message to our shareholders.

A Last year, JAMCO achieved the listing on the First Section of the Tokyo Stock Exchange, which was a big step forward. I am humbled by the weighty responsibility of taking the helm at a time like this. Looking back over its 60 years of history, JAMCO has overcome countless hardships thanks to the concerted efforts of our predecessors, employees and business partners, as well as to the continued support of our customers and stakeholders. Particularly in the last ten years, consolidated net sales increased by 2.2 times, from ¥41,600 M [\$369 M] to ¥91,500 M [\$811 M], and ordinary income by 4 times, from ¥2,100 M [\$18 M] to ¥8,200 M [\$72 M]. We must ensure the continuing viability of JAMCO as a going concern and support its progress. We will put all our efforts into making JAMCO advance even further, as we receive the torch passed to us by our predecessors and continue their great race. I would like to ask our stakeholders for their continued support of JAMCO Group.

President & CEO

Harutoshi Okita

June 2016



Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Medium-Term Vision

JAMCO's objective is to position itself as the foremost aircraft-related company in its field to focus its primary business on the aircraft interiors segment with capabilities in both component production and aircraft maintenance.

Medium-Term Management Policy

- Implement business strategies to reach 1-billion dollar in net sales
- Enhance competitiveness by bringing innovative products to market, in response to further refining of our superior quality and technology
 - Strengthen cost reduction in production
- Integrate the manufacturing departments resulted from the group-wide organizational restructuring and build a base for the seat business
- Assume an exchange rate of ¥110 to US\$1 for the three-year management plan

- Medium-Term Management Indicators:
- Profitability: consolidated ordinary income ratio of 7% or more
 - Efficiency: consolidated ROA of 7% or more
 - Dividend policy: consolidated dividend payout ratio of 20 to 30%

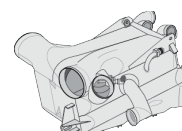
AIRCRAFT INTERIORS

- 1) Further enhance cost competitiveness by spurring manufacturing technology innovations
- 2) Further improve quality, cost and lead time by strengthening our supply chain
- 3) Maintain our No. 1 market share position worldwide by enhancing competitiveness through innovative technologies and products, and by further strengthening ties with customers
- 4) Accelerate cost reductions in all of the processes in the seat business: design, development, procurement and production



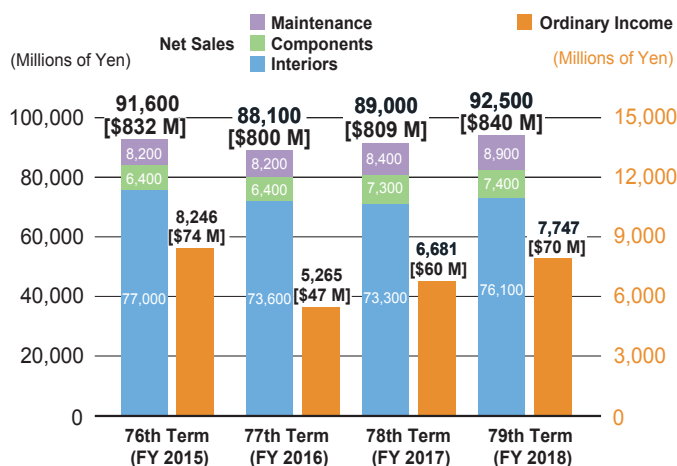
AIRCRAFT COMPONENTS

- 1) Improve profitability by enhancing quality and production efficiency including affiliated companies
- 2) Increase orders by developing new customers domestically and overseas
- 3) Capture orders for new products through participation in recent development projects and other initiatives
- 4) Apply manufacturing technologies such as CFRP molding to aircraft interiors



AIRCRAFT MAINTENANCE

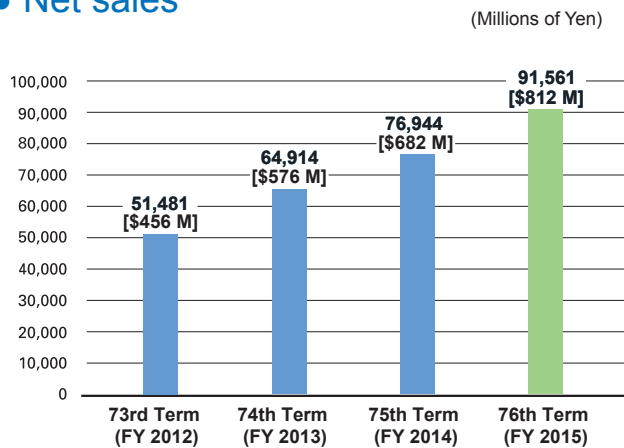
- 1) Ensure flight safety and steadily enhance our quality assurance system
- 2) Step up initiatives to establish new higher-value-added businesses
- 3) Expand business into overseas markets and promote closer partnership with manufacturers
- 4) Advance preparation for participating in the establishment of MRO Japan in Okinawa



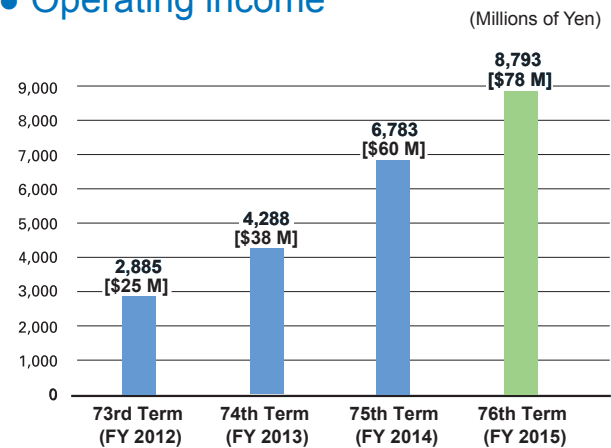
Note : Foreign exchange rate assumed for the Medium-Term Management Plan (77th-79th Term) : US\$1 = ¥110

Trend of Consolidated Business Results

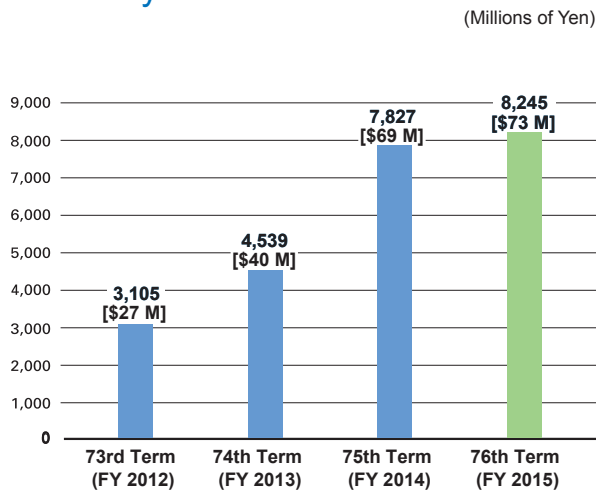
• Net sales



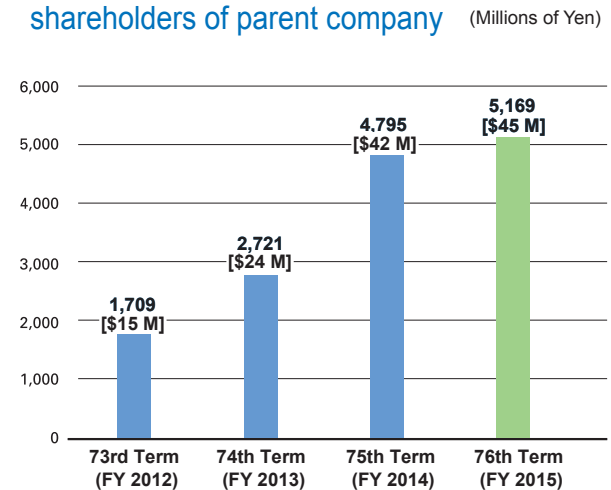
• Operating income



• Ordinary income



• Net income attributable to shareholders of parent company



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Second-Half FY 2015 - Main News

New Locations

Start of operations at the No. 2 Plant, Miyazaki JAMCO Corporation



- ① Seat assembly line
- ② Opening ceremony

JAMCO acquired the No. 2 Plant for Miyazaki JAMCO Corporation and started operations on December 1 of last year.

The No. 2 Plant is engaged in mass-assembly of the primary components of a seat—back shells and console units*. In order to improve productivity, the plant is proactively moving forward with the adoption of high tech features in production control, as well as the introduction of automated guided vehicles (AGV) for carrying parts and tools. Another distinctive feature of the plant is the reduction of the burden on operators by using the latest in production equipment, including work platforms with integrated electric lifters and fatigue-reducing mats.

*Parts surrounding a seat to equip an LCD monitor, a tray table, etc.

JAMCO Philippines Inc. Floor Panel First Delivery

On December 9 of last year, JAMCO Philippines, Inc. made its first delivery of floor panels for the Boeing 777 aircraft to the Boeing Company.

These floor panels were produced at the No. 2 Plant, which began its operation in May of last year. The concept of the plant was to leverage automation and high tech features, based on the technologies in manufacturing and processing honeycomb panels JAMCO had been cultivating over many years.



- ① Ceremony of the first delivery of floor panels
- ② First floor panels delivered

Presentation of the Premium Performance Award



① Scene from the award ceremony
② The Premium Performance Award plaque



At the supplier conference of Premium AEROTEC (Augsburg, Germany; hereafter PAG) held on February 17 of this year, JAMCO Corporation successfully overcame the impressive number of 939 contractors of PAG to be awarded the Premium Performance Award in one of conference's three award categories.

JAMCO Aircraft Components Company began exclusively supplying the upper deck floor cross beams for the Airbus A380 in 2003, and has been supplying PAG with cross beams since 2009. With this award, JAMCO has received a high evaluation of its sustainable delivery performance and outstanding quality.

JAMCO's First Female Aircraft Maintenance Technician Class I

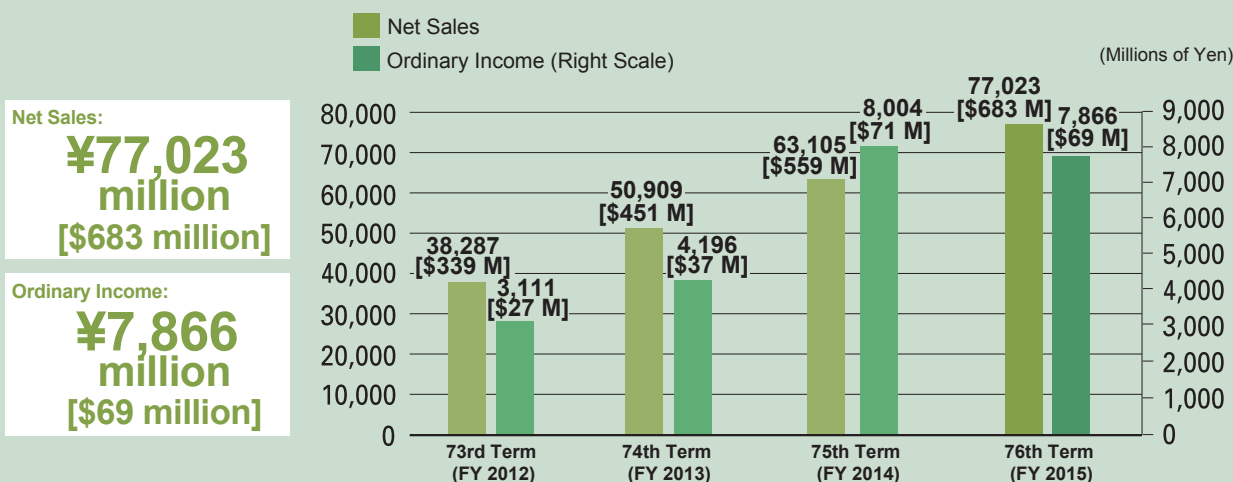
In July of last year, a female employee from our JAMCO Aircraft Maintenance Company's Aircraft Maintenance Center, Maintenance Control Office, of the Rotorcraft Section, successfully passed the practical test of Japan Civil Aviation Bureau (JCAB) and was qualified as first class aircraft maintenance technician for helicopters. This qualification involves a high degree of difficulty. JAMCO upholds a long tradition of aircraft maintenance, and it makes us even more proud to have the first female aircraft maintenance engineer class I as a member of our team.



Business Performance by Segment in FY 2015

Aircraft Interiors Business

Trend of Net Sales and Ordinary Income



Net Sales:
¥77,023 million
 [\$683 million]

Ordinary Income:
¥7,866 million
 [\$69 million]

Net Sales

Thanks to increased shipment of interior products for Boeing 787s and seats, increased sales of spare parts, as well as the continued depreciation of the yen, net sales rose in comparison with the previous year.

Ordinary Income

Ordinary income decreased in comparison with the previous year. This is partly attributable to increased costs related to the seat business and delay in reducing costs for interiors, as well as to losses on foreign exchange as a result of the sharp appreciation of the yen since February.

Summary

In order to meet orders for the interior products equipped on an aircraft, JAMCO has started manufacturing aircraft seats in addition to our core products, such as galleys and lavatories.

We currently provide total solutions, ranging from planning, design and manufacturing of interior products, to cabin alteration and certificate acquisition, for major airlines around the world and major aircraft manufacturers such as Boeing and Airbus.

In addition, JAMCO meets the needs of our customers across the world by fully utilizing the technologies accumulated in our domestic and overseas group companies, and as a result has secured one of the largest shares in the market.

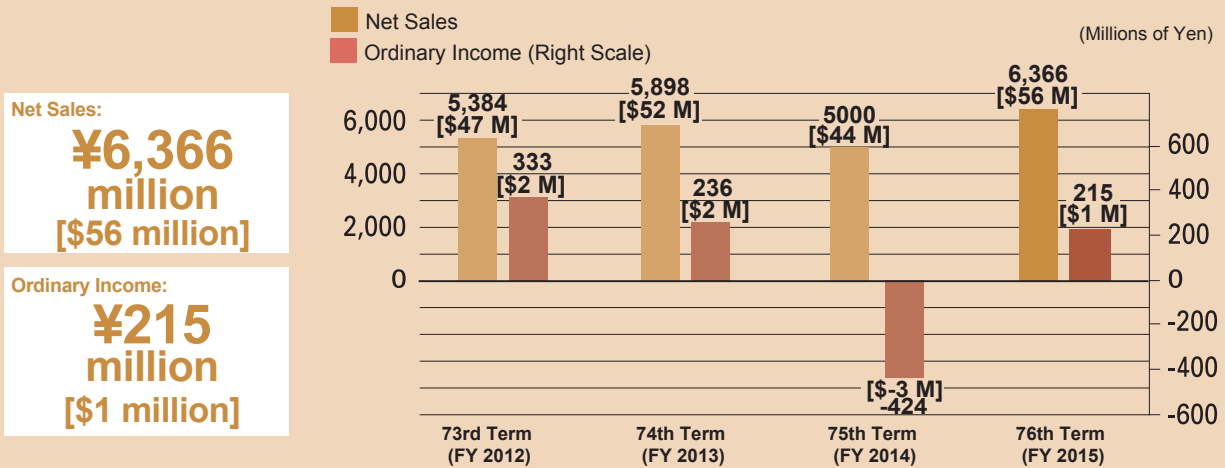


- ① DoveTail seat
- ② Galley X
- ③ JAMCO's booth at Aircraft Interiors Expo 2015

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Aircraft Components Business

● Trend of Net Sales and Ordinary Income



Net Sales:
¥6,366 million
[\$56 million]

Ordinary Income:
¥215 million
[\$1 million]

Net Sales

Thanks to increased sales of defense-related products, engine parts and CFRP structure parts under Advanced Pultrusion (ADP) manufacturing process, as well as the continued depreciation of the yen, net sales rose in comparison with the previous year.

Ordinary Income

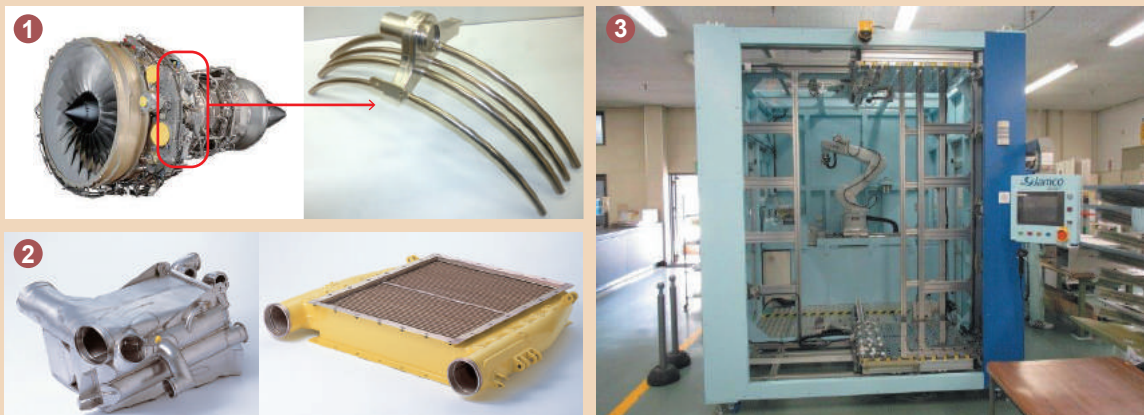
The recovery of defense-related and other core product sales managed to turn last year's ordinary loss into profit.

Summary

JAMCO manufactures various products in the aircraft components business, including heat exchangers equipped on defense-related aircraft for air-conditioning, ADP (CFRP structure parts) used for the vertical tails on all Airbus aircraft models as well as on the upper-deck floor cross beams of the A380, and jet engine parts.

JAMCO uses its accumulated and unique expertise for the production of defense-related products that require high-level skills, ADP that requires cutting-edge technologies, and various commercial aircraft engine parts.

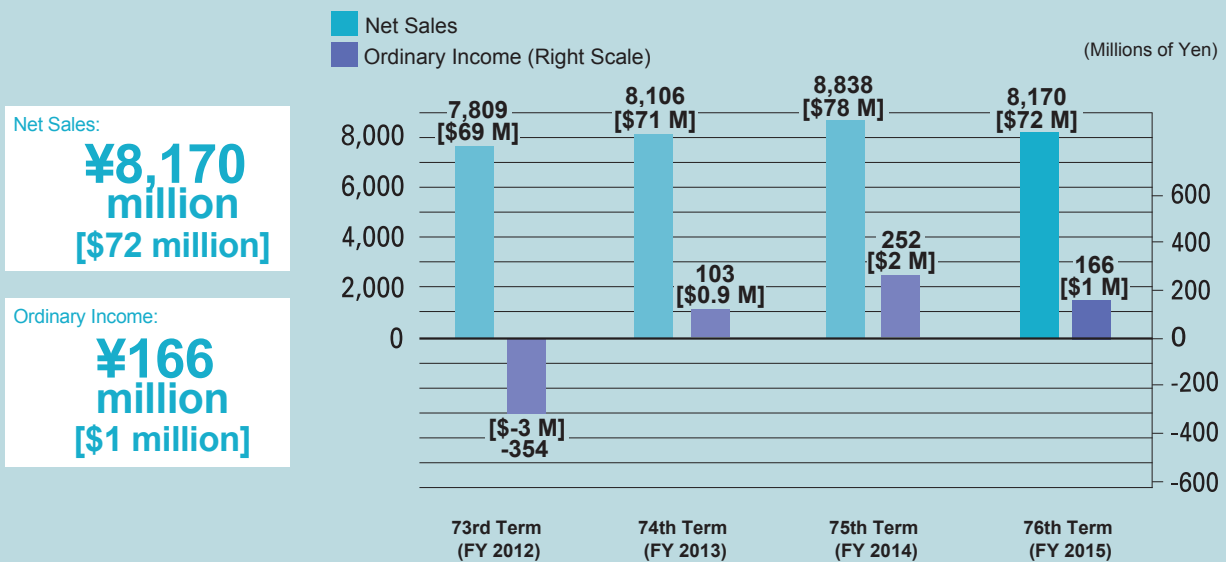
- ① Parts used for aircraft engine cooling systems
- ② Various types of heat exchangers equipped on aircraft
- ③ Development and delivery of sealing robots



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Aircraft Maintenance Business

● Trend of Net Sales and Ordinary Income



Net Sales

Net sales decreased in comparison with the previous year. This is partly attributable to a drop-off period in maintenance demands for defense-related airframes.

Ordinary Income

Along with net sales, ordinary income also decreased in comparison with the previous year.

Summary

Since its foundation in 1955, the aircraft maintenance business has maintained the legitimacy of JAMCO as an aircraft maintenance company.

JAMCO aircraft maintenance business has received orders for the maintenance and alteration of small and middle size aircraft, helicopters, and their various accessories. These accessories include wheels and brakes from domestic airlines and public agencies including the Ministry of Defense, Japan Coast Guard, and Civil Aviation College.

Placing top priority on flight safety and quality enhancement, we will continue to provide prompt and reliable service to our customers.

1 Sikorsky S76D



2 3 Rescue hoist

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Consolidated Financial Statements

Consolidated Balance Sheets

(Unit: Thousands)

| | As of Mar. 31, 2015 | | As of Mar. 31, 2016 | |
|--|---------------------|----------------|---------------------|----------------|
| | (¥) | (\$) | (¥) | (\$) |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and deposits | 3,050,112 | 27,066 | 3,479,003 | 30,872 |
| Notes and accounts receivable - trade | 20,677,111 | 183,486 | 20,232,940 | 179,545 |
| Merchandise and finished goods | 1,057,875 | 9,387 | 580,002 | 5,146 |
| Work in process | 19,188,415 | 170,276 | 22,938,144 | 203,550 |
| Raw materials and supplies | 17,138,642 | 152,086 | 18,691,439 | 165,865 |
| Consumption taxes receivable | 3,037,996 | 26,958 | 1,002,592 | 8,896 |
| Deferred tax assets | 2,320,340 | 20,590 | 2,470,038 | 21,918 |
| Other | 2,266,750 | 20,114 | 3,241,917 | 28,768 |
| Allowance for doubtful accounts | (4,753) | (42) | (4,501) | (39) |
| Total current assets | 68,732,492 | 609,925 | 72,631,578 | 644,525 |
| Non-current assets | | | | |
| Property, plant and equipment | | | | |
| Buildings and structures | 17,781,259 | 157,789 | 18,660,830 | 165,594 |
| Accumulated depreciation | (10,055,650) | (89,232) | (10,574,169) | (93,834) |
| Buildings and structures (net) | 7,725,608 | 68,556 | 8,086,660 | 71,760 |
| Machinery, equipment and vehicles | 8,611,341 | 76,416 | 9,246,108 | 82,049 |
| Accumulated depreciation | (7,180,352) | (63,717) | (7,519,796) | (66,729) |
| Machinery, equipment and vehicles (net) | 1,430,988 | 12,698 | 1,726,311 | 15,319 |
| Land | 3,230,361 | 28,665 | 3,486,100 | 30,935 |
| Leased assets | 381,820 | 3,388 | 414,836 | 3,681 |
| Accumulated depreciation | (185,624) | (1,647) | (249,281) | (2,212) |
| Leased assets (net) | 196,196 | 1,741 | 165,554 | 1,469 |
| Construction in progress | 255,014 | 2,262 | 296,161 | 2,628 |
| Other | 5,409,766 | 48,005 | 5,807,229 | 51,532 |
| Accumulated depreciation | (4,555,175) | (40,422) | (5,071,644) | (45,005) |
| Other (net) | 854,590 | 7,583 | 735,584 | 6,527 |
| Total property, plant and equipment | 13,692,759 | 121,508 | 14,496,373 | 128,639 |
| Intangible assets | | | | |
| Leased assets | 385,955 | 3,424 | 261,223 | 2,318 |
| Other | 831,197 | 7,375 | 952,661 | 8,453 |
| Total intangible assets | 1,217,153 | 10,800 | 1,213,884 | 10,771 |
| Investments and other assets | | | | |
| Investment securities | 463,721 | 4,115 | 459,014 | 4,073 |
| Long-term prepaid expenses | 127,563 | 1,131 | 125,267 | 1,111 |
| Guarantee deposits | 95,238 | 845 | 108,601 | 963 |
| Deferred tax assets | 3,558,255 | 31,575 | 3,218,451 | 28,560 |
| Other | 116,684 | 1,035 | 31,167 | 276 |
| Allowance for doubtful accounts | (81,970) | (727) | — | — |
| Total investments and other assets | 4,279,492 | 37,975 | 3,942,502 | 34,985 |
| Total non-current assets | 19,189,406 | 170,284 | 19,652,760 | 174,396 |
| Total assets | 87,921,898 | 780,210 | 92,284,339 | 818,922 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Consolidated Balance Sheets

(Unit: Thousands)

| | As of Mar. 31, 2015 | | As of Mar. 31, 2016 | |
|--|---------------------|----------------|---------------------|----------------|
| | (¥) | (\$) | (¥) | (\$) |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Notes and accounts payable - trade | 14,103,013 | 125,148 | 15,216,137 | 135,026 |
| Short-term loans payable | 24,246,573 | 215,161 | 22,374,049 | 198,545 |
| Lease obligations | 203,563 | 1,806 | 200,757 | 1,781 |
| Accrued expenses | 1,193,800 | 10,593 | 1,131,173 | 10,037 |
| Income taxes payable | 2,364,663 | 20,983 | 1,598,026 | 14,180 |
| Accrued consumption taxes | 216,170 | 1,918 | 132,664 | 1,177 |
| Advances received | 4,536,787 | 40,259 | 5,423,070 | 48,123 |
| Accrued expense-salary | 1,759,125 | 15,610 | 1,894,715 | 16,813 |
| Reserve for estimated loss on construction in progress | 1,057,986 | 9,388 | 1,827,438 | 16,216 |
| Other | 3,272,405 | 29,039 | 1,944,882 | 17,258 |
| Total current liabilities | 52,954,090 | 469,909 | 51,742,914 | 459,161 |
| Non-current liabilities | | | | |
| Long-term loans payable | 3,357,854 | 29,797 | 5,100,000 | 45,256 |
| Lease obligations | 263,021 | 2,334 | 151,484 | 1,344 |
| Reserve for directors' and auditors' retirement benefits | 221,920 | 1,969 | 154,939 | 1,374 |
| Reserve for executive officers' retirement benefits | 71,127 | 631 | 80,869 | 717 |
| Liability for employee retirement benefits | 6,432,737 | 57,083 | 6,738,093 | 59,793 |
| Reserve for environmental measures | 7,089 | 62 | 6,887 | 61 |
| Deferred tax liabilities | 86,290 | 765 | 71,909 | 638 |
| Other | 30,000 | 266 | 34,923 | 309 |
| Total non-current liabilities | 10,470,040 | 92,910 | 12,339,105 | 109,496 |
| Total liabilities | 63,424,130 | 562,819 | 64,082,020 | 568,657 |

| | As of Mar. 31, 2015 | | As of Mar. 31, 2016 | |
|---|---------------------|----------------|---------------------|----------------|
| | (¥) | (\$) | (¥) | (\$) |
| NET ASSETS | | | | |
| Shareholders' equity | | | | |
| Capital stock | 5,359,893 | 47,563 | 5,359,893 | 47,563 |
| Capital surplus | 4,367,993 | 38,761 | 4,367,993 | 38,761 |
| Retained earnings | 13,453,776 | 119,387 | 17,684,729 | 156,932 |
| Treasury stock | (30,070) | (266) | (30,452) | (270) |
| Total shareholders' equity | 23,151,592 | 205,444 | 27,382,163 | 242,986 |
| Accumulated other comprehensive income | | | | |
| Valuation difference on available-for-sale securities | 100,799 | 894 | 87,484 | 776 |
| Foreign currency translation adjustment | 500,127 | 4,438 | 214,971 | 1,907 |
| Accumulated adjustment for employee retirement benefits | (19,101) | (169) | (320,734) | (2,846) |
| Total accumulated other comprehensive income | 581,826 | 5,163 | (18,278) | (162) |
| Non-controlling interests | 764,349 | 6,782 | 838,434 | 7,440 |
| Total net assets | 24,497,768 | 217,390 | 28,202,319 | 250,264 |
| Total liabilities and net assets | 87,921,898 | 780,210 | 92,284,339 | 818,922 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Consolidated Statement of Income

(Unit: Thousands)

| | Apr. 1, 2014 - Mar. 31, 2015 | | Apr. 1, 2015 - Mar. 31, 2016 | |
|---|---------------------------------|---------|---------------------------------|---------|
| | (¥) | (\$) | (¥) | (\$) |
| Net sales | 76,944,422 | 682,797 | 91,561,076 | 812,504 |
| Cost of sales | 61,353,448 | 544,444 | 72,644,200 | 644,637 |
| Gross profit | 15,590,974 | 138,352 | 18,916,876 | 167,866 |
| Selling, general and administrative expenses | 8,807,090 | 78,153 | 10,123,232 | 89,832 |
| Operating income | 6,783,883 | 60,199 | 8,793,644 | 78,033 |
| Non-operating income | | | | |
| Interest income | 1,100 | 9 | 1,540 | 13 |
| Dividend income | 3,114 | 27 | 4,166 | 36 |
| Foreign exchange gains | 1,125,975 | 9,991 | — | — |
| Share of profit of entities accounted for using equity method | 36,652 | 325 | 43,925 | 389 |
| Commission for insurance office work | 9,449 | 83 | 16,166 | 143 |
| Dividend income of insurance | 8,588 | 76 | 7,689 | 68 |
| Subsidy income | 450 | 3 | 102,643 | 910 |
| Other | 167,332 | 1,484 | 29,897 | 265 |
| Total non-operating income | 1,352,663 | 12,003 | 206,028 | 1,828 |
| Non-operating expenses | | | | |
| Interest expenses | 256,627 | 2,277 | 286,498 | 2,542 |
| Foreign exchange losses | — | — | 423,994 | 3,762 |
| Other | 51,941 | 460 | 43,488 | 385 |
| Total non-operating expenses | 308,569 | 2,738 | 753,980 | 6,690 |
| Ordinary income | 7,827,976 | 69,464 | 8,245,691 | 73,171 |
| Extraordinary income | | | | |
| Gain on sales of non-current assets | 2,533 | 22 | 1,774 | 15 |
| Gain on sales of investment securities | 137,615 | 1,221 | — | — |
| Gain on step acquisitions of equity method entity | 259,210 | 2,300 | — | — |
| Total extraordinary income | 399,359 | 3,543 | 1,774 | 15 |
| Extraordinary loss | | | | |
| Loss on disposal of non-current assets | 12,020 | 106 | 15,023 | 133 |
| Plant transfer expenses | 62,359 | 553 | — | — |
| Other | — | — | 1,522 | 13 |
| Total extraordinary loss | 74,379 | 660 | 16,546 | 146 |
| Income before taxes | 8,152,956 | 72,348 | 8,230,919 | 73,040 |
| Income taxes – current | 3,455,029 | 30,659 | 2,721,919 | 24,154 |
| Income taxes – deferred | (124,991) | (1,109) | 205,725 | 1,825 |
| Total income taxes | 3,330,038 | 29,550 | 2,927,645 | 25,979 |
| Net income | 4,822,917 | 42,798 | 5,303,274 | 47,060 |
| Net income attributable to non-controlling shareholders | 27,786 | 246 | 133,431 | 1,184 |
| Net income attributable to shareholders of parent company | 4,795,131 | 42,551 | 5,169,843 | 45,876 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Consolidated Statement of Cash Flows

(Unit: Thousands)

| | Apr. 1, 2014 - Mar. 31, 2015 | | Apr. 1, 2015 - Mar. 31, 2016 | |
|--|---------------------------------|-----------|---------------------------------|-----------|
| | (¥) | (\$) | (¥) | (\$) |
| Net cash provided by (used in) operating activities | | | | |
| Income before taxes | 8,152,956 | 72,348 | 8,230,919 | 73,040 |
| Depreciation | 2,184,671 | 19,386 | 2,546,061 | 22,593 |
| Amortization of goodwill | 147,310 | 1,307 | 137,971 | 1,224 |
| Increase (decrease) in allowance for doubtful accounts | (8,001) | (71) | (81,858) | (726) |
| Increase (decrease) in accrued expense-salary | 374,268 | 3,321 | 135,590 | 1,203 |
| Increase (decrease) in liability for employee retirement benefits | (24,584) | (218) | (184,457) | (1,636) |
| Increase (decrease) in reserve for estimated loss on construction in progress | 563,818 | 5,003 | 769,451 | 6,828 |
| Interest and dividend income | (4,215) | (37) | (5,707) | (50) |
| Interest expenses | 256,627 | 2,277 | 286,498 | 2,542 |
| Foreign exchange losses (gains) | 223,580 | 1,984 | (206,041) | (1,828) |
| Share of (profit) loss of entities accounted for using equity method | (36,652) | (325) | (43,925) | (389) |
| Loss (gain) on sales of non-current assets | (2,533) | (22) | (1,774) | (15) |
| Loss on retirement of non-current assets | 12,020 | 106 | 15,023 | 133 |
| Loss (gain) on sales of investment securities | (137,615) | (1,221) | — | — |
| Loss (gain) on step acquisitions | (259,210) | 2,300 | — | — |
| Other non-operating expenses (income) | (133,879) | (1,188) | (112,907) | (1,001) |
| Other extraordinary loss (income) | 62,359 | 553 | 1,522 | 13 |
| Decrease (increase) in notes and accounts receivable - trade | 72,447 | 642 | 14,390 | 127 |
| Decrease (increase) in inventories | (6,538,888) | (58,025) | (5,509,228) | (48,888) |
| Increase (decrease) in notes and accounts payable - trade | 2,602,383 | 23,093 | 1,392,883 | 12,360 |
| Increase (decrease) in advances received | (183,791) | (1,630) | 1,029,426 | 9,135 |
| Other | (1,370,793) | (12,164) | 36,940 | 327 |
| Subtotal | 5,952,280 | 52,819 | 8,450,779 | 74,991 |
| Interest and dividend income received | 4,220 | 37 | 27,572 | 244 |
| Interest expenses paid | (260,239) | (2,309) | (287,566) | (2,551) |
| Other revenue | 170,577 | 1,513 | 134,758 | 1,195 |
| Other payments | (88,198) | (7,829) | (12,225) | (108) |
| Income taxes paid | (2,831,735) | (25,128) | (3,623,597) | (32,155) |
| Net cash provided by (used in) operating activities | 2,946,905 | 26,150 | 4,689,721 | 41,616 |
| Net cash provided by (used in) investing activities | | | | |
| Purchase of property, plant and equipment | (2,661,095) | (23,614) | (3,035,024) | (26,932) |
| Proceeds from sales of property, plant and equipment | 7,975 | 70 | 6,262 | 55 |
| Purchase of investment securities | (2,763) | (24) | (2,896) | (25) |
| Proceeds from sales of investment securities | 183,845 | 1,631 | — | — |
| Payments of loans receivable | (7,947) | (70) | (3,184) | (28) |
| Collection of loans receivable | 6,170 | 54 | 8,022 | 71 |
| Payments for transfer of business | — | — | (375,000) | (3,327) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (727,382) | (6,454) | — | — |
| Other payments | (481,217) | (4,270) | (465,350) | (4,129) |
| Other revenue | 15,269 | 135 | 9,534 | 84 |
| Net cash provided by (used in) investing activities | (3,667,146) | (32,541) | (3,857,636) | (34,232) |
| Net cash provided by (used in) financing activities | | | | |
| Increase in short-term loans payable | 48,334,146 | 428,912 | 42,523,522 | 377,349 |
| Decrease in short-term loans payable | (45,698,901) | (405,527) | (41,802,930) | (370,955) |
| Proceeds from long-term loans payable | 2,500,000 | 22,184 | 1,900,000 | 16,860 |
| Repayments of long-term loans payable | (2,205,781) | (19,573) | (1,714,343) | (15,212) |
| Repayments of lease obligations | (247,005) | (2,191) | (199,982) | (1,774) |
| Purchase of treasury stock | (233) | (2) | (382) | (3) |
| Cash dividends paid | (401,320) | (3,561) | (938,791) | (8,330) |
| Cash dividends paid to non-controlling shareholders | (100,296) | (890) | (9,258) | (82) |
| Net cash provided by (used in) financing activities | 2,180,608 | 19,350 | (242,165) | (2,148) |
| Effect of exchange rate changes on cash and cash equivalents | 310 | 2 | (161,028) | (1,428) |
| Net increase (decrease) in cash and cash equivalents | 1,460,677 | 12,961 | 428,891 | 3,805 |
| Cash and cash equivalents, beginning of period | 1,589,435 | 14,104 | 3,050,112 | 27,066 |
| Cash and cash equivalents, end of period | 3,050,112 | 27,066 | 3,479,003 | 30,872 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Consolidated Statement of Changes in Equity

(Unit: Thousands)

| Apr. 1, 2015 - Mar. 31, 2016 | Shareholders' equity | | | | | | | | | |
|---|----------------------|--------|-----------------|--------|-------------------|---------|----------------|-------|----------------------------|---------|
| | Capital stock | | Capital surplus | | Retained earnings | | Treasury stock | | Total shareholders' equity | |
| | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) |
| Balance at the beginning of period | 5,359,893 | 47,563 | 4,367,993 | 38,761 | 13,453,776 | 119,387 | (30,070) | (266) | 23,151,592 | 205,444 |
| Changes in items during period | | | | | | | | | | |
| Dividends of surplus | | | | | (938,889) | (8,331) | | | (938,889) | (8,331) |
| Net income attributable to shareholders of parent company | | | | | 5,169,843 | 45,876 | | | 5,169,843 | 45,876 |
| Purchase of treasury stock | | | | | | | (382) | (3) | (382) | (3) |
| Net changes of items other than shareholders' equity | | | | | | | | | | |
| Total changes of items during period | | | | | 4,230,953 | 37,545 | (382) | (3) | 4,230,570 | 37,541 |
| Balance at the end of period | 5,359,893 | 47,563 | 4,367,993 | 38,761 | 17,684,729 | 156,932 | (30,452) | (270) | 27,382,163 | 242,986 |

| Apr. 1, 2015 - Mar. 31, 2016 | Accumulated other comprehensive income | | | | | | | |
|---|---|-------|---|---------|---|---------|--|---------|
| | 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 | 100,799 | 894 | 500,127 | 4,438 | (19,101) | (169) | 581,826 | 5,163 |
| Changes in items during period | | | | | | | | |
| Dividends of surplus | | | | | | | | |
| Net income attributable to shareholders of parent company | | | | | | | | |
| Purchase of treasury stock | | | | | | | | |
| Net changes of items other than shareholders' equity | (13,315) | (118) | (285,156) | (2,530) | (301,632) | (2,676) | (600,105) | (5,325) |
| Total changes of items during period | (13,315) | (118) | (285,156) | (2,530) | (301,632) | (2,676) | (600,105) | (5,325) |
| Balance at the end of period | 87,484 | 776 | 214,971 | 1,907 | (320,734) | (2,846) | (18,278) | (162) |

| Apr. 1, 2015 - Mar. 31, 2016 | Non-controlling interests | | Total net assets | |
|---|---------------------------|-------|------------------|---------|
| | (¥) | (\$) | (¥) | (\$) |
| Balance at the beginning of period | 764,349 | 6,782 | 24,497,768 | 217,390 |
| Changes in items during period | | | | |
| Dividends of surplus | | | (938,889) | (8,331) |
| Net income attributable to shareholders of parent company | | | 5,169,843 | 45,876 |
| Purchase of treasury stock | | | (382) | (3) |
| Net changes of items other than shareholders' equity | 74,084 | 657 | (526,020) | (4,667) |
| Total changes of items during period | 74,084 | 657 | 3,704,550 | 32,873 |
| Balance at the end of period | 838,434 | 7,440 | 28,202,319 | 250,264 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Unit: Thousands)

| | As of Mar. 31, 2015 | | As of Mar. 31, 2016 | |
|---|---------------------|---------|---------------------|---------|
| | (¥) | (\$) | (¥) | (\$) |
| ASSETS | | | | |
| Total current assets | 53,655,120 | 476,130 | 54,559,874 | 484,158 |
| Non-current assets | | | | |
| Property, plant and equipment | 8,819,326 | 78,261 | 9,470,351 | 84,038 |
| Intangible assets | 1,062,068 | 9,424 | 1,101,263 | 9,772 |
| Investments and other assets | 7,174,091 | 63,662 | 7,378,476 | 65,475 |
| Total non-current assets | 17,055,486 | 151,348 | 17,950,092 | 159,287 |
| Total assets | 70,710,607 | 627,478 | 72,509,966 | 643,446 |
| LIABILITIES | | | | |
| Total current liabilities | 38,593,706 | 342,476 | 35,665,515 | 316,492 |
| Total non-current liabilities | 9,150,386 | 81,199 | 10,691,537 | 94,875 |
| Total liabilities | 47,744,093 | 423,676 | 46,357,052 | 411,367 |
| NET ASSETS | | | | |
| Capital stock | 5,359,893 | 47,563 | 5,359,893 | 47,563 |
| Capital surplus | 4,367,993 | 38,761 | 4,367,993 | 38,761 |
| Retained earnings | 13,167,897 | 116,850 | 16,367,996 | 145,247 |
| Treasury stock | (30,070) | (266) | (30,452) | (270) |
| Total shareholders' equity | 22,865,713 | 202,908 | 26,065,430 | 231,302 |
| Valuation difference on available-for-sale securities | 100,799 | 894 | 87,484 | 776 |
| Total net assets | 22,966,513 | 203,802 | 26,152,914 | 232,078 |
| Total liabilities and net assets | 70,710,607 | 627,478 | 72,509,966 | 643,446 |

Non-Consolidated Statement of Income

(Unit: Thousands)

| | As of Mar. 31, 2015 | | As of Mar. 31, 2016 | |
|--|---------------------|---------|---------------------|---------|
| | (¥) | (\$) | (¥) | (\$) |
| Net sales | 68,610,585 | 608,843 | 78,948,834 | 700,584 |
| Cost of sales | 55,598,051 | 493,371 | 64,129,069 | 569,075 |
| Gross profit | 13,012,533 | 115,471 | 14,819,765 | 131,509 |
| Selling, general and administrative expenses | 6,823,717 | 60,552 | 7,574,432 | 67,214 |
| Operating income | 6,188,816 | 54,918 | 7,245,332 | 64,294 |
| Non-operating income | 1,695,811 | 15,048 | 197,259 | 1,750 |
| Non-operating expenses | 201,195 | 1,785 | 892,770 | 7,922 |
| Ordinary income | 7,683,432 | 68,182 | 6,549,822 | 58,122 |
| Extraordinary income | 172,563 | 1,531 | — | — |
| Extraordinary loss | 73,048 | 648 | 15,832 | 140 |
| Income before taxes | 7,782,948 | 69,065 | 6,533,989 | 57,981 |
| Income taxes – current | 3,213,366 | 28,515 | 2,426,130 | 21,529 |
| Income taxes – deferred | (191,137) | (1,696) | (31,130) | (276) |
| Total income taxes | 3,022,228 | 26,818 | 2,394,999 | 21,252 |
| Net income | 4,760,719 | 42,246 | 4,138,989 | 36,728 |

Non-Consolidated Statement of Changes in Equity

(Unit: Thousands)

| Apr. 1, 2015 - Mar. 31, 2016 | Shareholders' equity | | | | | |
|--|----------------------|--------|-----------------------|--------|-----------------------|--------|
| | Capital stock | | Capital surplus | | | |
| | | | Legal capital surplus | | Total capital surplus | |
| | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) |
| Balance at the beginning of period | 5,359,893 | 47,563 | 4,367,993 | 38,761 | 4,367,993 | 38,761 |
| Changes in items during period | | | | | | |
| Net changes of items other than shareholders' equity | | | | | | |
| Total changes of items during period | — | — | — | — | — | — |
| Balance at the end of period | 5,359,893 | 47,563 | 4,367,993 | 38,761 | 4,367,993 | 38,761 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Non-Consolidated Statement of Changes in Equity

(Unit: Thousands)

| Apr. 1, 2015 - Mar. 31, 2016 | Shareholders' equity | | | | | | | |
|--|-------------------------|-------|-------------------------|--------|-----------------------------------|---------|-------------------------|---------|
| | Retained earnings | | | | | | | |
| | Legal retained earnings | | Other retained earnings | | | | Total retained earnings | |
| | | | General reserve | | Retained earnings brought forward | | | |
| (¥) | (\$) | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) | |
| Balance at the beginning of period | 318,000 | 2,821 | 1,920,000 | 17,037 | 10,929,897 | 96,990 | 13,167,897 | 116,850 |
| Changes in items during period | | | | | | | | |
| Dividends of surplus | | | | | (938,889) | (8,331) | (938,889) | (8,331) |
| Net income | | | | | 4,138,989 | 36,728 | 4,138,989 | 36,728 |
| Purchase of treasury stock | | | | | | | | |
| Net changes of items other than shareholders' equity | | | | | | | | |
| Total changes of items during period | — | — | — | — | 3,200,099 | 28,397 | 3,200,099 | 28,397 |
| Balance at the end of period | 318,000 | 2,821 | 1,920,000 | 17,037 | 14,129,996 | 125,388 | 16,367,996 | 145,247 |

| Apr. 1, 2015 - Mar. 31, 2016 | Shareholders' equity | | | |
|--|----------------------|-------|----------------------------|---------|
| | Treasury stock | | Total shareholders' equity | |
| | (¥) | (\$) | (¥) | (\$) |
| Balance at the beginning of period | (30,070) | (266) | 22,865,713 | 202,908 |
| Changes in items during period | | | | |
| Dividends of surplus | | | (938,889) | (8,331) |
| Net income | | | 4,138,989 | 36,728 |
| Purchase of treasury stock | (382) | (3) | (382) | (3) |
| Net changes of items other than shareholders' equity | | | | |
| Total changes of items during period | (382) | (3) | 3,199,717 | 28,393 |
| Balance at the end of period | (30,452) | (270) | 26,065,430 | 231,302 |

| Apr. 1, 2015 - Mar. 31, 2016 | Valuation and translation adjustments | | | | Total net assets | |
|--|---|-------|---|-------|------------------|---------|
| | Valuation difference on available-for-sale securities | | Total valuation and translation adjustments | | | |
| | (¥) | (\$) | (¥) | (\$) | (¥) | (\$) |
| Balance at the beginning of period | 100,799 | 894 | 100,799 | 894 | 22,966,513 | 203,802 |
| Changes in items during period | | | | | | |
| Dividends of surplus | | | | | (938,889) | (8,331) |
| Net income | | | | | 4,138,989 | 36,728 |
| Purchase of treasury stock | | | | | (382) | (3) |
| Net changes of items other than shareholders' equity | (13,315) | (118) | (13,315) | (118) | (13,315) | (118) |
| Total changes of items during period | (13,315) | (118) | (13,315) | (118) | 3,186,401 | 28,275 |
| Balance at the end of period | 87,484 | 776 | 87,484 | 776 | 26,152,914 | 232,078 |

Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.69 to US\$1.00, the effective rate of exchange prevailing on March 31, 2016.

Corporate Profile (As of the end of March 2016)

■ Corporate Data

| | |
|-------------------------------|---|
| Corporate Name | JAMCO Corporation |
| Head Office | 6-11-25, Osawa, Mitaka-shi, Tokyo, Japan* |
| Date Established | March 15, 1949 |
| Date Founded | September 1, 1955 |
| Principal Business Activities | Aircraft Interiors Company Manufacturing of galleys, lavatories, seats and various galley insert products Aircraft Components Company Manufacturing of heat exchangers, CFRP aircraft structure parts, commercial aircraft engine parts Aircraft Maintenance Company Maintenance and alteration of airframes, cabins and onboard accessories |
| Capital | ¥5,359,893,000 |
| Number of Employees | Consolidated: 3,109 Non-consolidated:1,209 |

* Relocated to 1-100 Takamatsu-cho, Tachikawa, Tokyo on June 6, 2016.

■ Directors and Executive Officers (As of June 28, 2016)

| | |
|---|--------------------|
| Representative Director, President & CEO | Harutoshi Okita |
| Representative Director & EVP | Toshiharu Okura |
| Representative Director & EVP | Katsuhiko Ogami |
| Representative Director & Senior Managing Executive Officer | Yasuo Sekikawa |
| Director & Senior Managing Executive Officer | Toshikazu Kimura |
| Director & Managing Executive Officer | Yasushige Aoki |
| Director & Managing Executive Officer | Toshihisa Kasuya |
| Director & Managing Executive Officer | Masamichi Kato |
| Director & Managing Executive Officer | Kentaro Goto |
| Outside Director | Naoya Osaki |
| Outside Director | Toshiaki Kobori |
| Outside Director | Shinichi Suzuki |
| Outside Director | Juichi Watanabe |
| Audit & Supervisory Board Member | Masashi Wada |
| Audit & Supervisory Board Member | Noriyoshi Isogami |
| Outside Audit & Supervisory Board Member | Kanji Kawamura |
| Outside Audit & Supervisory Board Member | Yoshitsugu Kisu |
| Managing Executive Officer | Kazuyoshi Ichihara |
| Managing Executive Officer | Tsutomu Tadokoro |
| Managing Executive Officer | Kazuo Nishimiya |
| Executive Officer | Masato Suzuki |
| Executive Officer | Yukio Ida |
| Executive Officer | Hiroshi Uchijo |
| Executive Officer | Toshio Toyofuku |
| Executive Officer | Norikazu Natsume |
| Executive Officer | Yukio Abe |
| Executive Officer | Tsutomu Kondo |
| Executive Officer | Eiji Akiba |

■ Share Data

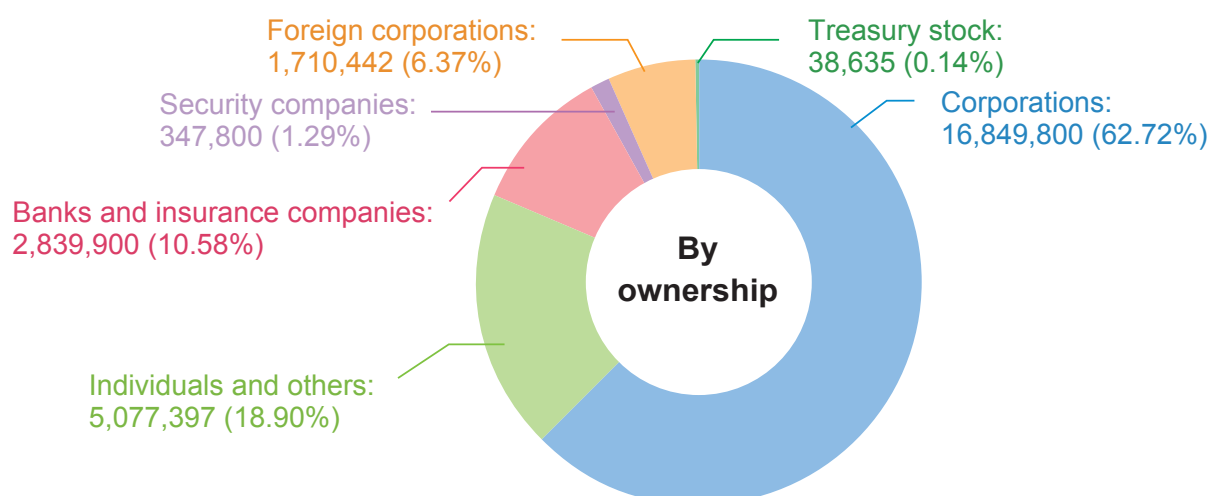
| | |
|----------------------------|---|
| Authorized | 80,000,000 shares |
| Issued | 26,863,974 shares |
| Shareholders | 7,244 |
| Listed securities exchange | Tokyo Stock Exchange Section 1 (Code: 7408) |

■ List of Major Shareholders (Top 10)

| Name of Shareholder | Shares Held (Thousands) | Ratio of Shareholding (%) |
|--|-------------------------|---------------------------|
| ITOCHU Corporation | 8,956 | 33.38 |
| ANA HOLDINGS INC. | 5,373 | 20.03 |
| Showa Aircraft Industry Co., Ltd. | 2,003 | 7.46 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 502 | 1.87 |
| JAMCO Employees' Stock Holding Association | 425 | 1.58 |
| The Bank of New York Mellon SANV10 | 312 | 1.16 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 260 | 0.97 |
| The Dai-ichi Life Insurance Company, Limited | 234 | 0.87 |
| Mitsubishi Corporation | 221 | 0.82 |
| Mizuho Bank, Ltd. | 200 | 0.74 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 200 | 0.74 |

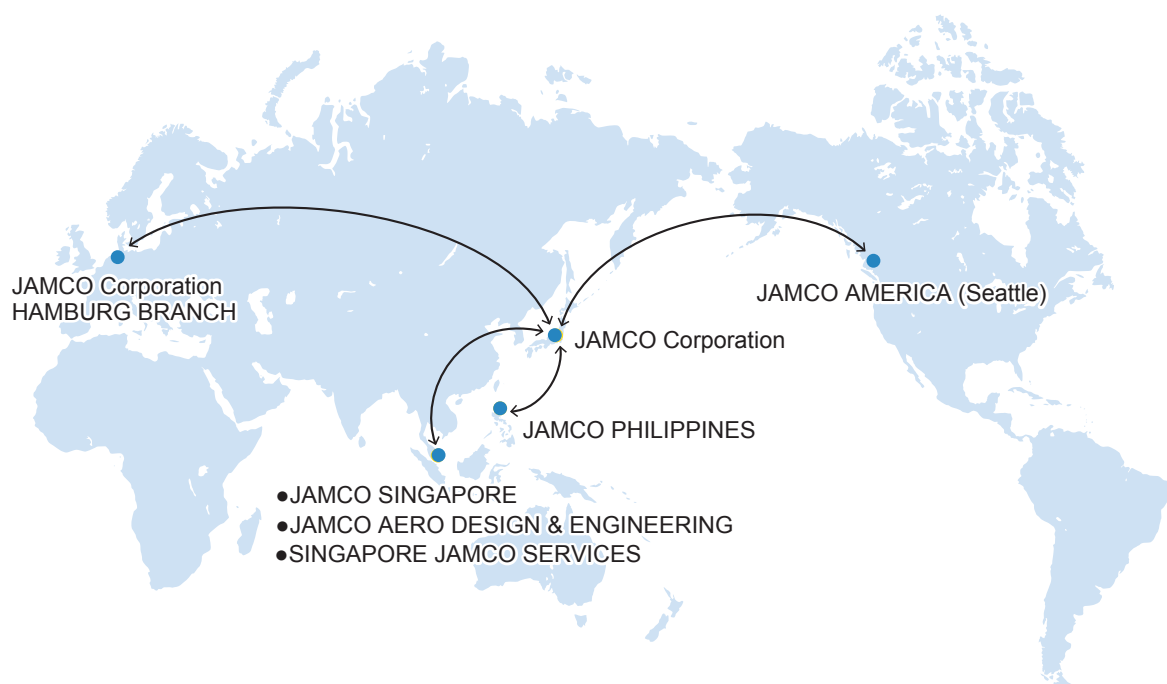
Note: The percentage of shares is calculated after deducting treasury stock (38,635 shares).

■ Distribution of Shareholders



Major Subsidiaries and Affiliates

- Niigata JAMCO Corporation
- Miyazaki JAMCO Corporation
- Tokushima JAMCO Corporation
- JAMCO AEROTECH CO., LTD.
- Orange JAMCO Corporation
- JAMCO AEROMANUFACTURING CO., LTD.
- Nakajo JAMCO Corporation
- JAMCO AMERICA, INC.
- JAMCO SINGAPORE PTE LTD.
- JAMCO AERO DESIGN & ENGINEERING PTE LTD.
- JAMCO PHILIPPINES, INC.
- SINGAPORE JAMCO SERVICES PTE LTD.



Business Locations (As of April 1, 2016)

List of Offices and Factories

Head Office

Mitaka-shi, Tokyo, Japan*

Aircraft Interiors Company

- Aircraft Interiors Factory
Tachikawa-shi, Tokyo, Japan

Aircraft Components Company

- Aircraft Components Factory
Chofu-shi, Tokyo, Japan

Aircraft Maintenance Company

- Aircraft Maintenance Center
Iwanuma-shi, Miyagi, Japan

● Accessory Maintenance Center

Narita-shi, Chiba, Japan
Ota-ku, Tokyo, Japan
Chofu-shi, Tokyo, Japan

Obihiro Branch Office

Obihiro-shi, Hokkaido, Japan

Chubu Maintenance Center

Tokoname-shi, Aichi, Japan

Miyazaki Maintenance Center

Miyazaki-shi, Miyazaki, Japan

* Relocated to Tachikawa, Tokyo on June 6, 2016.

