

To Our Shareholders



The 78th Term Interim Business Report

April 1, 2017 ▶ September 30, 2017

Stock Code: 7408

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Corporate
Philosophy

The JAMCO Commitment

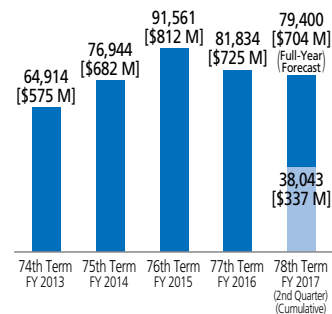
**JAMCO, a Technology Oriented Company
with samurai values**

- Rising to the eternal challenge to realize our aspirations.
- Bringing joy and satisfaction to our customers and employees.
- Striving for coexistence with nature, contributing to a prosperous and progressive society.

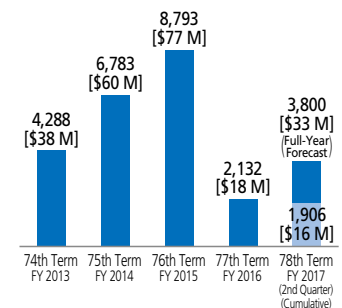


President & CEO Harutoshi Okita

Net sales (Millions of Yen)



Operating income (Millions of Yen)





Can you summarize the business results for the first half of fiscal year 2017 (from April 1, 2017 through September 30, 2017)?

A For the first half of fiscal year 2017 (from April 1, 2017 through September 30, 2017), although net sales decreased from the previous fiscal year, ordinary income increased.

In the air transportation industry, while fierce competition continues due to aggressive efforts of low-cost carriers (LCCs), growing global demand for air transportation and low crude oil prices have resulted in improved earnings for some major airlines, such as those in the U.S. and Japan. Backed by this rising air transportation demand, aircraft manufacturers have announced that demand for new commercial aircraft models

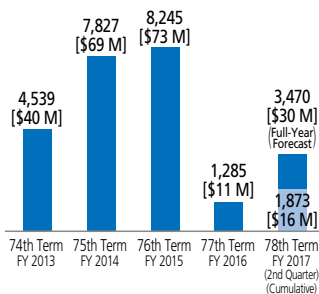
will likely exceed 40,000 over the next 20 years and, as order backlogs have maintained at a high level, the aircraft market is expected to remain robust. In addition, Boeing and Airbus have successively revealed plans to expand procurement from Japan, with Boeing indicating that it would increase its production of the Boeing 787 from the current 12 per month to 14 in 2019. Accordingly, order volume for aircraft-related manufacturers, including JAMCO, is expected to grow.

Under such circumstances, in the aircraft interiors business and the aircraft seat business, the JAMCO Group endeavored to improve production efficiency while promoting initiatives to reduce costs.

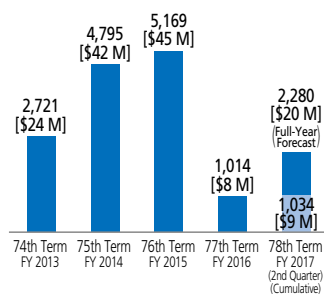
In the aircraft components business, we promoted efforts to improve productivity for CFRP structure parts and aircraft engine parts.

In the aircraft maintenance business, we took initiatives to

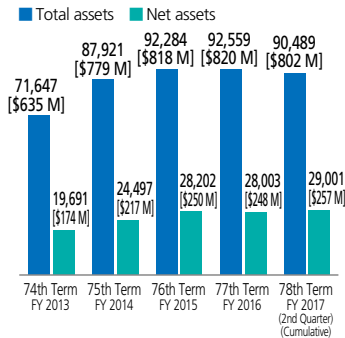
Ordinary income (Millions of Yen)



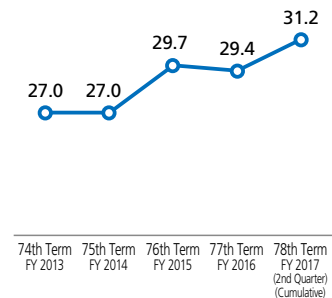
Net income attributable to shareholders of parent company (Millions of Yen)



Total assets/Net assets (Millions of Yen)



Equity ratio (%)



expand the range of services, promote order receipts for new products, and improve earnings while ensuring flight safety and enhancing quality.

As a result, on a consolidated basis, JAMCO posted net sales of ¥38,043 M [\$337 M] (down ¥2,205 M [\$19 M]), operating income of ¥1,906 M [\$16 M] (operating loss of ¥293 M [\$2 M] in the same period of the previous fiscal year), ordinary income of ¥1,873 M [\$16 M] (ordinary loss of ¥1,759 M [\$15 M] in the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥1,034 M [\$9 M] (net loss attributable to shareholders of parent company of ¥1,122 M [\$9 M] in the same period of the previous fiscal year).



What is your forecast of the full-year business results for fiscal year 2017?

A For the first half of the current fiscal year, although the aircraft seat business recorded an ordinary loss due to higher initial costs of new programs, the aircraft interiors business recorded an increase in ordinary income. Therefore, the overall results of the JAMCO Group did not deviate significantly from the forecast figures for the first half of the current fiscal year (the fiscal year ending March 31, 2018) announced on May 10, 2017. Accordingly, no revisions will

be made to the full-year forecast of the current fiscal year announced on the same date. Also, no changes have been made to the assumption of an exchange rate of ¥110 to US\$1.

With regard to dividends, as has been initially planned, we will not pay interim dividends and will pay dividends in accordance with the business results as of the end of the current fiscal year. We plan to pay dividends of ¥20 per share.



Finally, please convey your message to our shareholders.

A Despite uncertainty over the anti-globalization movement and geopolitical risks, the aircraft industry which JAMCO belongs to is expected to expand in the medium to long term. In particular, the Asian region, including China, is driving the growth and the focus of the market is shifting from the West to the East. Based on JAMCO's outstanding technology proven by its track record since its establishment, we will develop high-quality products and make unflagging efforts in cost reduction to improve our competitiveness so as to reap the benefits of the regional market's growth as a company based in Asia. I would like to ask our stakeholders for their continued support to the JAMCO Group.

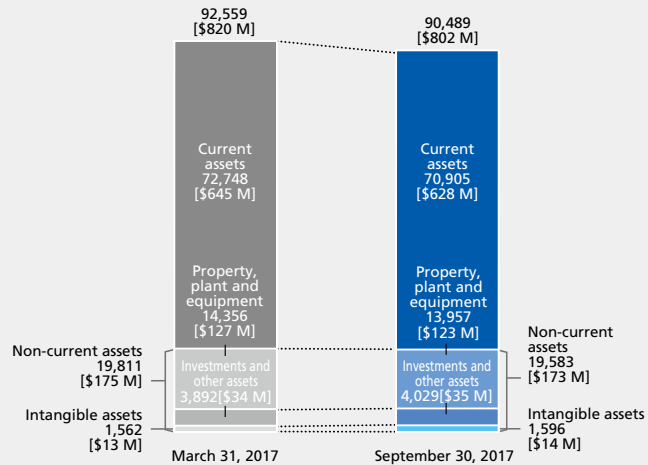
Note: US Dollar figures are translated, for convenience only, at the rate of ¥112.74 to US\$1.00, the effective rate of exchange prevailing on September 29, 2017.

Consolidated Financial Information

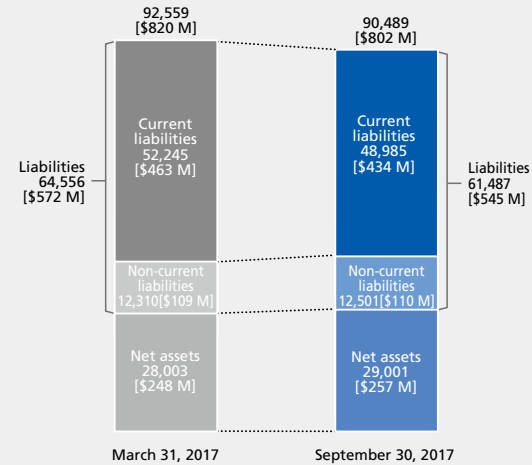
Consolidated Balance Sheets (Summary)

(Millions of Yen)

ASSETS



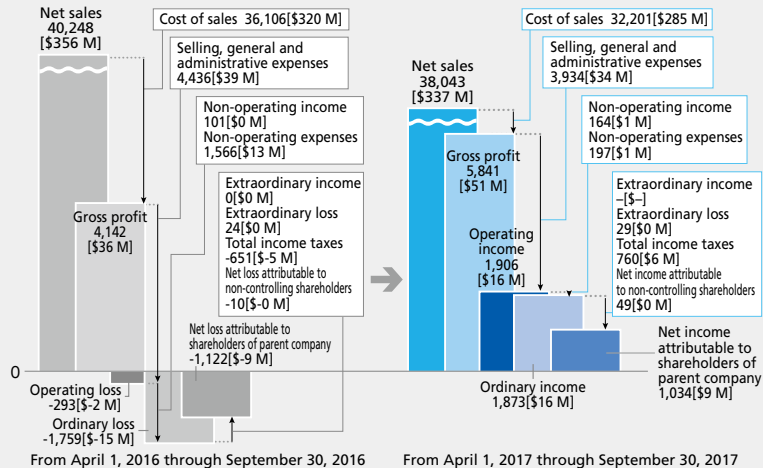
LIABILITIES/NET ASSETS



Consolidated Statement of Income (Summary)

From April 1, 2017 through September 30, 2017

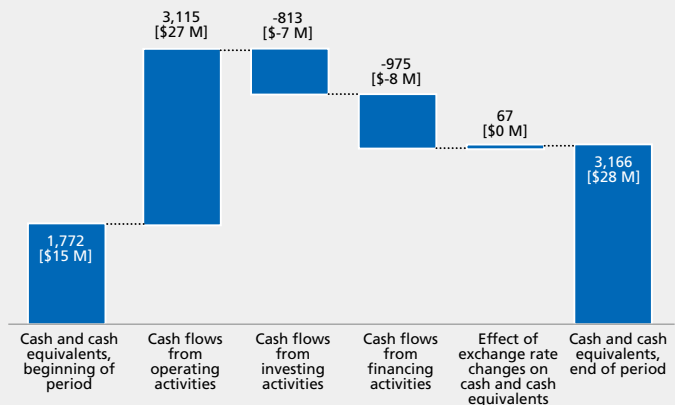
(Millions of Yen)



Consolidated Statement of Cash Flows (Summary)

From April 1, 2017 through September 30, 2017

(Millions of Yen)



Aircraft Interiors Business

2nd Quarter

Net Sales:

¥25,846 million
[\$229 million]

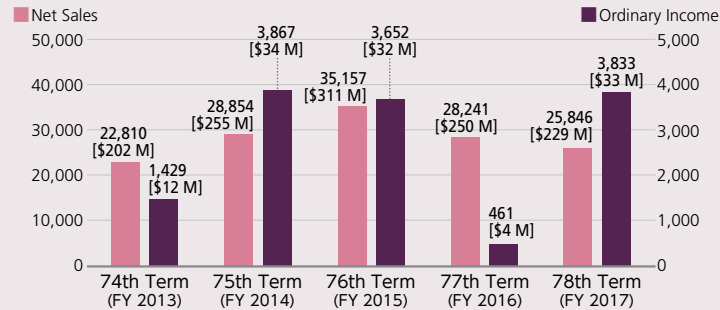
Ordinary Income:

¥3,833 million
[\$33 million]



Next-generation lavatory Space X

Trend of Net Sales and Ordinary Income in the 2nd Quarter (Millions of Yen)



*Operating results of the aircraft seat business are included in the figures from FY 2013 through FY 2015.

Summary of the Current Period

Although U.S. dollar-denominated net sales were higher than expected due to the weaker yen in the foreign exchange market compared to the same period of the previous fiscal year, total net sales decreased from the same period of the previous fiscal year. This decline was attributable to factors including a decrease in shipments of galleys and lavatories for the current Boeing 777s that are being replaced by the Boeing 777X, which is under development by Boeing. Meanwhile, although ordinary income was somewhat impacted by the decrease in net sales, it increased from the same period of the previous fiscal year owing to the higher-than-expected net sales denominated in U.S. dollars due to the weaker yen, lower costs achieved through cost reduction measures and a decline in provision for loss on construction contracts.

As a result, the aircraft interiors business posted net sales of ¥25,846 M [\$229 M] (down ¥2,394 M [\$21 M] compared to the same period of the previous fiscal year) and ordinary income of ¥3,833 M [\$33 M] (up ¥3,372 M [\$29 M] compared to the same period of the previous fiscal year).

Aircraft Seat Business

2nd Quarter

Net Sales:

¥6,274 million
[\$55 million]

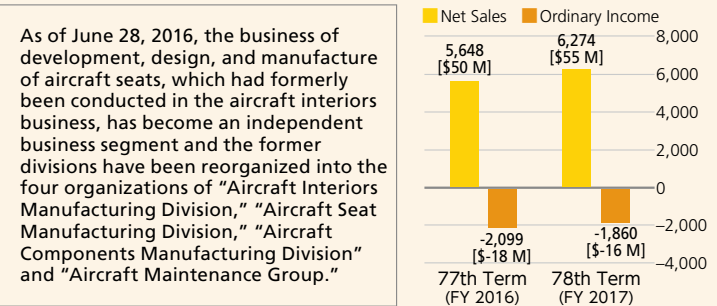
Ordinary Loss:

¥-1,860 million
[\$-16 million]



Business class seats of the A380 for Singapore Airlines (Photo courtesy of Singapore Airlines)

Trend of Net Sales and Ordinary Income in the 2nd Quarter (Millions of Yen)



As of June 28, 2016, the business of development, design, and manufacture of aircraft seats, which had formerly been conducted in the aircraft interiors business, has become an independent business segment and the former divisions have been reorganized into the four organizations of "Aircraft Interiors Manufacturing Division," "Aircraft Seat Manufacturing Division," "Aircraft Components Manufacturing Division" and "Aircraft Maintenance Group."

Summary of the Current Period

Net sales increased from the same period of the previous fiscal year. This increase was attributable to product shipments from new programs and increased sales of spare parts for seats. However, with regard to ordinary profit or loss, although we sought to improve profitability through measures that included the improvement of production efficiency, an increase in the initial costs of development and manufacturing of new programs and other factors resulted in an ordinary loss.

As a result, the aircraft seat business posted net sales of ¥6,274 M [\$55 M] (up ¥625 M [\$5 M] compared to the same period of the previous fiscal year) and ordinary loss of ¥1,860 M [\$16 M] (ordinary loss of ¥2,099 M [\$18 M] in the same period of the previous fiscal year).

Aircraft Components Business

2nd Quarter

Net Sales:

¥2,799 million
[\$24 million]

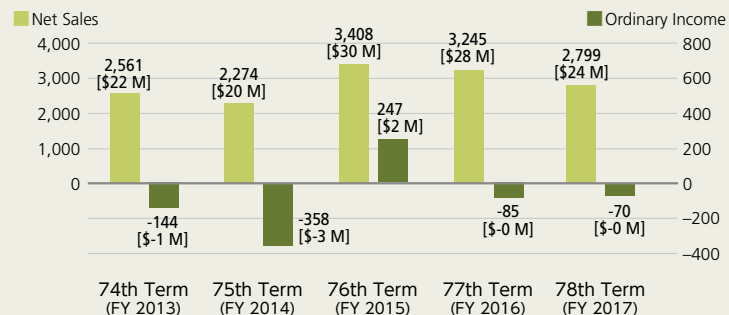
Ordinary Loss:

¥-70 million
[\$-0 million]



Lower Frame Work for A350XWB cargo bay
(Photo courtesy of Premium AEROTEC GmbH)

Trend of Net Sales and Ordinary Income in the 2nd Quarter (Millions of Yen)



Summary of the Current Period

Net sales decreased from the same period of the previous fiscal year. This was primarily because, although the production of aircraft engine parts rose, there was a decline in the production of CFRP structure parts (ADP) owing to the impact of a cutback in monthly production of the Airbus A380 and also because of the decreased shipments of heat exchangers and other defense-related components. With regard to ordinary profit or loss, despite reductions in the cost of new products for CFRP structure parts and an improvement in production efficiency for aircraft engine parts, an ordinary loss was reported, largely caused by the decrease in net sales of heat exchangers and other defense-related components. As a result, the aircraft components business posted net sales of ¥2,799 M [\$24 M] (down ¥445 M [\$3 M] compared to the same period of the previous fiscal year) and ordinary loss of ¥70 M [\$0 M] (ordinary loss of ¥85 M [\$0 M] in the same period of the previous year).

Aircraft Maintenance Business

2nd Quarter

Net Sales:

¥3,122 million
[\$27 million]

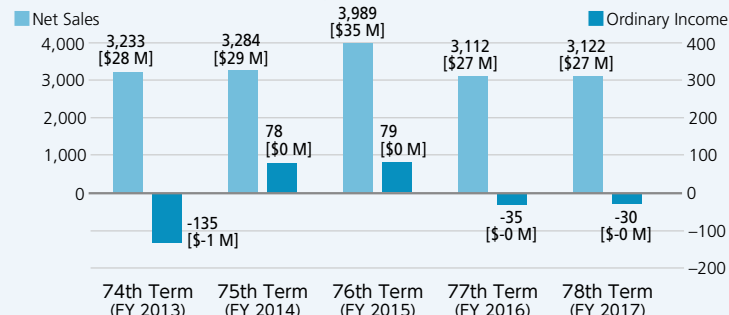
Ordinary Loss:

¥-30 million
[\$-0 million]



Bombardier aircraft taking off with the hangar of Aircraft Maintenance Center (Sendai) in the background (Photo courtesy of IBEX Airlines Co., Ltd.)

Trend of Net Sales and Ordinary Income in the 2nd Quarter (Millions of Yen)



Summary of the Current Period

Although we strengthened our operations in the field of maintenance of regional jets through the conclusion of a partnership agreement with IBEX Airlines Co., Ltd., completed work for aircraft maintenance decreased due to factors such as the termination of our contract for regular inspection and maintenance of Civil Aviation Bureau flight inspection aircraft. However, total net sales increased and the ordinary loss was reduced compared to the same period of the previous fiscal year due to continued solid incoming orders for onboard accessory maintenance.

As a result, the aircraft maintenance business posted net sales of ¥3,122 M [\$27 M] (up ¥9 M [\$0 M] compared to the same period of the previous fiscal year) and ordinary loss of ¥30 M [\$0 M] (ordinary loss of ¥35 M [\$0 M] in the same period of the previous year).



JAMCO announces two premium business class seating products for Boeing 787 Dreamliner family

On April 4, JAMCO Group announced two new types of premium class seats for the Boeing 787 family. Created through close cooperation between JAMCO and Boeing, the seats are products that tie in beautifully with the space and structure of the 787's aircraft cabin concept "Boeing Sky Interior."

JAMCO Group supplies galleys, lavatories, flight deck linings, console and stowages, as well as the cockpit doors and bulkhead for the Boeing 787. This announcement serves to further strengthen our long-standing partnership with Boeing and embodies the Group's vision of delivering outstanding products to customers.



JAMCO Receives Airbus Supplier Support Rating 2016 Award

JAMCO received the Airbus Supplier Support Rating 2016 Award from Airbus at the Aircraft Interiors Expo 2017, held in Hamburg, Germany from April 4 to 6.

JAMCO Group supplies galleys and galley inserts for Airbus aircraft. This year, out of numerous suppliers, JAMCO was selected in recognition of our ability to continuously provide reliable products, associated technical support, and customer support and for making notable contributions to improving customer satisfaction in 2016. JAMCO ranked second among suppliers overall and first among monument suppliers, receiving the award for the second year in a row.



JAMCO concludes Partnership Agreement in Aircraft Maintenance with IBEX Airlines

On April 7, JAMCO concluded a "Partnership Agreement" with IBEX Airlines Co., Ltd. (hereinafter "IBEX"). The agreement aims to strengthen the cooperative relationship between the two companies and to further revitalize the regional economy centering on Sendai Airport, which is JAMCO's aircraft maintenance location and IBEX's flight operating location.

Based on this agreement, we will further strengthen JAMCO's long-standing win-win relationship with IBEX and aim to create a new business model of a regional airlines' maintenance business centering on Sendai Airport.



JAMCO Receives Zero Concession Award from Airbus

On June 26, JAMCO Group received the Zero Concession Award from Airbus in Getafe, Spain.

Using the Advanced Pultrusion (ADP) manufacturing method, JAMCO Group manufactures and supplies vertical tail structural components of Airbus aircraft and upper-deck floor cross beams for the A380, the world's first double-deck, wide-body aircraft. JAMCO was selected for the award in recognition of the ADP manufacturing method's characteristics of extremely stable interior quality and the high level of dimensional accuracy, enabling a consistently high level of performance in the supply of products.

JAMCO Group will continue to actively engage in the research and development of CFRP structure parts in anticipation of further increases of their usage in aircraft, while simultaneously working to maintain and improve our product quality levels.



Introducing JAMCO Group's CSR Activities

JAMCO promotes CSR in active support of its management philosophy, stressing the importance of the bonds of trust with its stakeholders, while contributing to the building of a truly sustainable society.

JAMCO Group has always made efforts to address issues including environmental conservation, compliance, fair transactions, information security, protection of personal information, and interaction with regional societies in an honest manner. To meet higher societal demands and expectations with respect to promoting CSR, JAMCO established a system to promote CSR activities by forming a CSR Committee in April, 2017. In line with this, from the previous fiscal year, we began gathering information and conducting research on CSR, acquiring knowledge on CSR comprehensively. In addition, we also considered the promotion structure and promotion method in our preparation process. We spent half a year conducting an analysis of the gap between our current

situation and the requirements of the ISO 26000 standard, distinguishing between what we were already implementing and what we needed to work on, to determine the issues and tasks we had. We set the goals of this fiscal year's activities as resolving the issues identified from the process and are promoting CSR activities accordingly.

Regarding the CSR activities promotion structure, the CSR Promotion Committee will lead the implementation of activities aimed at alleviating each problem. The CSR Promotion Committee consists of CSR Promotion Committee members chosen from each department and is headed by the officer in charge of CSR.

CSR Basic Policy

- Our commitment to compliance is marked by our "samurai values" in which pride and faithfulness are the cornerstone of our actions as a responsible corporate citizen.
- We pursue growth and happiness for employees as well as provide services and products to meet customers' expectations.
- We work to ensure harmony between society and the environment, thereby contributing to a better society.

The fundamental basis of JAMCO's business activities, "aiming for customers' satisfaction and employees' motivation, sharing responsibility for the world's ecology, and helping to build a better community," which is incorporated in JAMCO's corporate philosophy, has been redefined as the "CSR Basic Policy."

ISO 26000 Core Subjects	CSR Activity Targets for FY 2017
Organizational governance/ Recognition of social responsibility and integration into the whole organization	<ul style="list-style-type: none"> ● Understanding the status of CSR at our Group companies ● Formulation of Group's CSR action plan
Human rights	<ul style="list-style-type: none"> ● Understanding of the status of the relationship between business and human rights at our Group companies ● Formulation of human rights policies ● Education on human rights
Labor practices	<ul style="list-style-type: none"> ● Further promotion of healthy work-life balance ● Understanding of the status of labor practices at our Group companies
Environment	<ul style="list-style-type: none"> ● Understanding and reducing greenhouse gas (GHG) emissions in business activities
Fair business practices	<ul style="list-style-type: none"> ● Penetration of Compliance Code ● Formulation of procurement policy
Consumer challenge	<ul style="list-style-type: none"> ● Provide safer products and services
Participation in and development of communities	<ul style="list-style-type: none"> ● Understanding of the status of social contribution activities at our sites and Group companies

Corporate Profile/Business Locations

Corporate Profile (As of September 30, 2017)

Corporate Data

Corporate Name	JAMCO Corporation
Registered Office	6-11-25 Osawa, Mitaka-shi, Tokyo, Japan
Head Office	1-100 Takamatsu-cho, Tachikawa-shi, Tokyo, Japan
Date Established	March 15, 1949
Date Founded	September 1, 1955
Principal Business Activities	<p>Aircraft Interiors Manufacturing Manufacturing galleys, lavatories and various galley insert products</p> <p>Aircraft Seats Manufacturing Manufacturing aircraft seats and seat consoles</p> <p>Aircraft Components Manufacturing Manufacturing heat exchangers, CFRP aircraft structure parts, commercial aircraft engine parts</p> <p>Aircraft Maintenance Business Maintenance and alteration of aircrafts, cabins and onboard accessories</p>
Capital	¥5,359,893,000
Number of Employees	Consolidated: 3,100 Non-consolidated: 1,220

Directors and Executive Officers

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

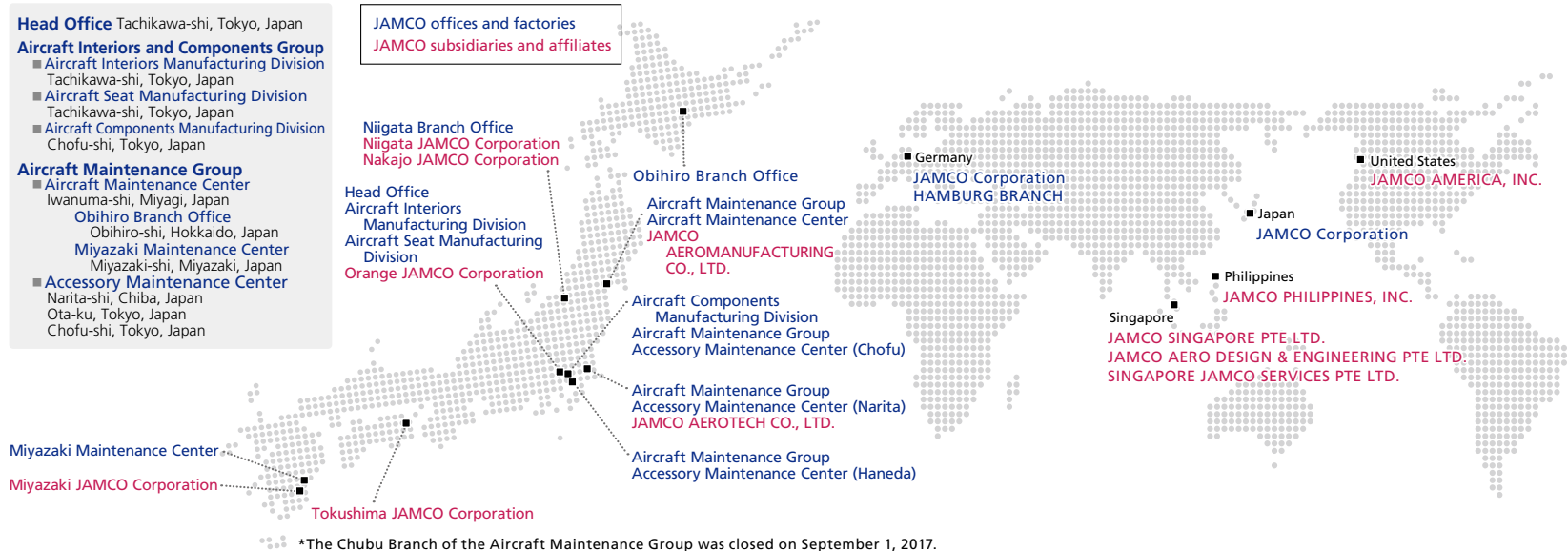
Officers indicated by an asterisk (*) are independent officers stipulated by the Tokyo Stock Exchange.

Business Locations (As of September 30, 2017)

List of Offices / Plants, Subsidiaries and Affiliates

- Head Office** Tachikawa-shi, Tokyo, Japan
- Aircraft Interiors and Components Group**
- Aircraft Interiors Manufacturing Division
Tachikawa-shi, Tokyo, Japan
 - Aircraft Seat Manufacturing Division
Tachikawa-shi, Tokyo, Japan
 - Aircraft Components Manufacturing Division
Chofu-shi, Tokyo, Japan
- Aircraft Maintenance Group**
- Aircraft Maintenance Center
Iwanuma-shi, Miyagi, Japan
 - Obihiro Branch Office
Obihiro-shi, Hokkaido, Japan
 - Miyazaki Maintenance Center
Miyazaki-shi, Miyazaki, Japan
 - Accessory Maintenance Center
Narita-shi, Chiba, Japan
Ota-ku, Tokyo, Japan
Chofu-shi, Tokyo, Japan

JAMCO offices and factories
JAMCO subsidiaries and affiliates



*The Chubu Branch of the Aircraft Maintenance Group was closed on September 1, 2017.

Shareholder Memo

Fiscal year	April 1 through March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30
Annual general meeting of shareholders	Every June
Administrator of shareholder registry Account management institution of the special account	Mitsubishi UFJ Trust and Banking Corporation
Contact of the above institution	Stock Transfer Agency Division Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo, Japan Tel. 0120-232-711 (toll-free in Japan) Mailing address: Stock Transfer Agency Division Mitsubishi UFJ Trust and Banking Corporation P.O. Box 29, Shin-Tokyo Post Office, 137-8081 Japan
Method of public notices	The public notices of the Company shall be published via electronic media. URL for public notices: http://www.pronexus.co.jp/koukoku/7408/7408.html (However, where publication via electronic media is impossible due to an accident or other unavoidable circumstances, the Company's public notices shall be published in the Nikkei.) Information on the Non-consolidated and Consolidated Financial Statements is available on the Company's website (http://www.jamco.co.jp/).

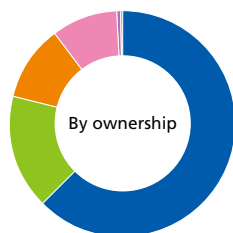
Precautions

1. With the introduction of electronic share certificates, various procedures, including changes in addresses of shareholders and purchase request, are in principle performed by account management institutions (securities companies, etc.) where shareholders have established accounts. Please contact the securities companies, etc. where you have accounts. Such procedures may not be handled by the administrator of the share registry (Mitsubishi UFJ Trust and Banking Corporation).
2. With regard to various procedures concerning shares recorded in the special account, please contact Mitsubishi UFJ Trust and Banking Corporation, the account management institution. Such procedures are also handled at each branch office of Mitsubishi UFJ Trust and Banking Corporation in Japan.
3. As for dividends receivable, please contact the main and branch offices of Mitsubishi UFJ Trust and Banking Corporation.

Share Data (As of September 30, 2017)

Authorized	80,000,000 shares
Issued	26,863,974 shares
Shareholders	5,669
Listed securities exchange	Tokyo Stock Exchange Section 1 (Code: 7408)

Distribution of Shareholders



Ownership Type	Percentage	Number of Shares
Other corporations	62.58%	16,810,900 shares
Individuals and others	16.40%	4,406,357 shares
Foreign corporations	10.96%	2,945,355 shares
Banks and insurance companies	9.44%	2,533,100 shares
Financial instruments business operators	0.48%	129,500 shares
Treasury stock	0.14%	38,762 shares

List of Major Shareholders (Top 10)

Name of Shareholder	Shares Held (Thousands)	Ratio of Shareholding (%)
ITOCHU Corporation	8,956	33.39
ANA HOLDINGS INC.	5,373	20.03
Showa Aircraft Industry Co., Ltd.	2,003	7.46
GOLDMAN, SACHS & CO. REG	955	3.56
JAMCO Employees' Stock Holding Association	393	1.46
Japan Trustee Services Bank, Ltd. (Trust Account)	333	1.24
BNYMSANV RE BNYMTD RE CF RUFFER PACIFIC FUND	300	1.11
Mitsubishi Corporation	221	0.82
Japan Trustee Services Bank, Ltd. (Trust Account 5)	217	0.80
The Dai-ichi Life Insurance Company, Limited	200	0.74

Note: The percentage of shares is calculated after deducting treasury stock (38,762 shares).

"Visiting JAMCO" — Closeup of Overseas Business Locations—

PHILIPPINES

About JAMCO PHILIPPINES

The Philippines is an archipelago (consisting of over 7,000 islands) located in the center of Southeast Asia with geographical convenience and English-speaking employment market. Taking advantage of its features such as the official language being English and 40,000 mathematics and science graduates being produced each year, the public and private sectors are jointly striving to foster and develop the IT industry and business process outsourcing.

Area: Approx. 300,000 square kilometers
(roughly 80% of the size of Japan)

Population: Approx. 101 million

JAMCO PHILIPPINES was established in 2011 in Clark Freeport Zone (Special Economic Zone) in the Province of Pampanga and its No. 1 Plant engages in the aircraft interiors business (manufacturing and assembly of parts for galleys). Furthermore, the No. 2 Plant has newly started its operations in 2015.

The two plants have a great variety of over 40 machines (for cutting, milling and inspection) for manufacturing and assembly of parts, such as panels of aircraft interiors, and have facilities for surface treatment and painting. With the expansion of the company's manufacturing operations, the number of employees increased from some 40 at the time of its founding to over 300 currently, about 80% of which are young employees, under 30 years old, creating a vibrant work environment.

JAMCO PHILIPPINES will continue to play its role as an important location of JAMCO Group.

Shareholders: JAMCO CORPORATION (70%)
JAMCO AMERICA, INC. (30%)

Area: Approx. 6,000 m² No. 1 Plant: Started operation in 2011
Approx. 7,000 m² No. 2 Plant: Started operation in 2015

Number of employees: 344 as of September 30, 2017,
including 4 Japanese staff



1-100 Takamatsu-cho, Tachikawa, Tokyo 190-0011
Phone: +81-42-503-9900 (Switchboard)