

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year 2023**  
**Ending March 31, 2024**  
**[Japanese GAAP]**



August 10, 2023

Company name: JAMCO Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock Exchange Code: 7408  
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The date of filing quarterly securities report: August 14, 2023

The start date of payout of dividend: —

Availability of supplementary briefing material on quarterly financial results: None

Schedule of quarterly financial results briefing session: None

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

**1. Consolidated Operating Results for the First Quarter of the Fiscal Year 2023 (from April 1, 2023 to June 30, 2023)**

(1) Consolidated Operating Results (%: Changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the first quarter of								
Fiscal year 2023	14,617	105.5	234	95.8	170	(19.4)	390	4.1
Fiscal year 2022	7,111	(32.5)	120	-	211	-	375	-

(Note) Comprehensive income: The first quarter of fiscal year 2023: ¥554 million [(5.5)%]  
 The first quarter of fiscal year 2022: ¥586 million [-%]

	Net income per share	Diluted net income per share
For the first quarter of	Yen	Yen
Fiscal year 2023	14.57	-
Fiscal year 2022	14.00	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	103,999	13,937	13.0
As of March 31, 2023	100,794	13,383	12.9

(Reference) Equity: As of June 30, 2023: ¥13,541 million  
 As of March 31, 2023: ¥13,019 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 2022	-	0.00	-	0.00	0.00
Fiscal year 2023	-				
Fiscal year 2023 (Planned)		0.00	-	15.00	15.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(%: 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	71,800	52.0	5,000	188.4	3,200	183.9	2,280	4.9	85.00

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

### \* Notes:

(1) Changes in significant subsidiaries during this cumulative quarter of the fiscal year 2023: None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of common shares issued

1) Number of common shares issued (including the number of treasury stock):

As of June 30, 2023: 26,863,974 shares

As of March 31, 2023: 26,863,974 shares

2) Number of treasury stock:

As of June 30, 2023: 39,089 shares

As of March 31, 2023: 39,089 shares

3) Average number of common shares outstanding:

1<sup>st</sup> quarter of FY 2023: 26,824,885 shares

1<sup>st</sup> quarter of FY 2022: 26,825,010 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 quarterly financial results are outside the scope of quarterly 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.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the first quarter of FY 2023, while the global economy saw progress in the normalization of economic and social activities following the relaxation of movement restrictions to combat COVID-19, the situation remained uncertain due to concerns about a recession resulting mainly from volatile energy prices and rising raw material prices stemming from the prolonged crisis in Ukraine, and from rising interest rates caused by global inflation. Under these circumstances, the dollar-yen exchange rate moved within the range of ¥131 to ¥144 per US\$1.

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

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

In the aircraft interiors business, the recovery in airline passenger demand has led to increased production by aircraft manufacturers and increased demand for spare parts from airlines. In response to these trends, we worked on strengthening our capacity to increase production.

In the aircraft seat business, the Venture business class seat, which we have been promoting for aircraft types other than Boeing 787, was adopted for the first time by KLM’s World Business Class in Boeing 777, and the aircraft with the Venture seat model is now in operation. In addition, we worked on the development of the next generation Quest for Elegance business class seat.

In the aircraft components business, we took initiatives to improve productivity, and continued with development of lightweight aircraft components using thermoplastic carbon-fiber reinforced plastics (CFRP) and expansion in application of CFRP components into fields other than the aircraft sector.

In the production process, we continued activities to improve operational efficiency such as reorganizing production bases, initiated plans to expand the production capacity and functions of a factory in Philippines, and to strengthen our supply chain both in Japan and overseas.

In the aircraft maintenance business, we aimed to strengthen the business base capable of generating stable profits by continuing with initiatives to ensure flight safety and enhance quality, while also endeavoring to acquire orders for aircraft maintenance for airlines and for government and municipal offices. Further, we launched initiatives in new business fields such as supporting the operation of drones.

As a result, on a consolidated basis, during the first quarter of FY 2023, the Company posted net sales of ¥14,617 million (up ¥7,505 million compared to the same period of the previous fiscal year), operating income of ¥234 million (up ¥114 million compared to the same period of the previous fiscal year), ordinary income of ¥170 million (down ¥41 million compared to the same period of the previous fiscal year), and net income attributable to shareholders of parent company of ¥390 million (up ¥15 million compared to the same period of the previous fiscal year).

Provision for loss on construction contracts of ¥4,643 million for construction to be completed in or after the second quarter of FY 2023 was recognized as of June 30, 2023. The impact of this provision for loss on construction contracts on income (loss) for the first quarter of FY 2023 was an increase of ¥362 million in cost of sales (provision for loss on construction contracts as of March 31, 2023 was ¥4,280 million).

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

Selling, general and administrative expenses were ¥2,243 million (an increase of ¥348 million compared to the same period of the previous fiscal year), due mainly to increases in sales commissions, testing and research expenses, and personnel expenses.

The result for non-operating income (expenses) was a loss of ¥64 million (a gain of ¥91 million in the same period of the previous fiscal year), due to factors such as an increase in interest expenses mainly reflecting higher U.S. dollar interest rates.

Income taxes - deferred amounted to ¥(402) million (¥(249) million in the same period of the previous fiscal year), after recognition of deferred tax assets as a result of carefully considering their recoverability.

Business performance by segment is as follows.

#### [Aircraft Interiors Business]

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

As a result, the aircraft interiors business posted net sales of ¥9,757 million (up ¥5,221 million compared to the same period of the previous fiscal year) and ordinary income of ¥1,929 million (up ¥830 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, as shipments of the Venture business class seat for Boeing 777 started. On the other hand, an ordinary loss was posted due mainly to an increase in initial costs involved in adapting the seat for other aircraft types as well as the increase in dollar-denominated costs caused by the depreciation of the yen.

As a result, the aircraft seat business posted net sales of ¥1,871 million (up ¥1,730 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥1,765 million (ordinary loss of ¥719 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. Meanwhile, an ordinary loss was posted but results improved due to the increase in net sales and initiatives taken to improve profitability.

As a result, the aircraft components business posted net sales of ¥1,185 million (up ¥230 million compared to the same period of the previous fiscal year) and an ordinary loss of ¥40 million (ordinary loss of ¥90 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 to an increase of construction to be completed in aircraft maintenance. Meanwhile, ordinary income was posted due to the increase in net sales.

As a result, the aircraft maintenance business posted net sales of ¥1,801 million (up ¥322 million compared to the same period of the previous fiscal year) and an ordinary income of ¥46 million (ordinary loss of ¥77 million in the same period of the previous fiscal year).

[Others]

The Others segment includes the businesses of consolidated subsidiary Orange JAMCO Corporation. The focus is on inter-segment transactions, including cleaning and assistance work in the Company's facilities.

As a result, the Others segment posted net sales of ¥0 million (up ¥0 million compared to the same period of the previous fiscal year) and ordinary loss of ¥0 million (ordinary income of ¥0 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Assets, Liabilities, and Equity)

Total assets as of June 30, 2023 amounted to ¥103,999 million, up ¥3,205 million from the end of the previous fiscal year. Of this amount, total current assets increased by ¥2,522 million from the end of the previous fiscal year, as cash and deposits increased by ¥1,936 million, and merchandise and finished goods increased by ¥870 million, despite the decline in notes and accounts receivable - trade, and contract assets by ¥1,372 million from the end of the previous fiscal year. Total non-current assets increased by ¥682 million from the end of the previous fiscal year, as property, plant and equipment increased by ¥75 million and intangible assets increased by ¥105 million from the end of the previous fiscal year. Total liabilities amounted to ¥90,061 million, up ¥2,650 million from the end of the previous fiscal year. The main factors were a rise in short-term loans payable of ¥2,001 million resulting from the depreciation of the yen, and an increase in electronically recorded obligations - operating by ¥889 million from the end of the previous fiscal year.

Total net assets amounted to ¥13,937 million, up ¥554 million from the end of the previous fiscal year. The main factor was an increase in retained earnings resulting from net income attributable to shareholders of parent company. As a result, the equity ratio stood at 13.0%.

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

Profits for the first quarter of FY 2023 exceeded the consolidated financial results forecast announced on May 12, 2023. This was mainly due to the increase in sales of spare parts in the aircraft interiors business in line with the rising number of aircraft in operation as well as the yen trending weaker than expected in the foreign exchange market.

The exchange rate assumed for the consolidated financial results forecast remains unchanged at ¥130 per US\$1 at this time, and the consolidated financial results forecast for FY 2023 remains the same.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,334,303	10,270,449
Notes and accounts receivable - trade, and contract assets	17,615,106	16,242,595
Merchandise and finished goods	1,611,483	2,481,807
Work in process	26,231,269	26,722,696
Raw materials and supplies	20,890,021	21,132,106
Other	2,681,843	3,037,863
Allowance for doubtful accounts	(42,366)	(43,521)
Total current assets	77,321,661	79,843,999
Non-current assets		
Property, plant and equipment	11,590,565	11,665,730
Intangible assets	1,807,682	1,912,739
Investments and other assets	10,074,709	10,577,263
Total non-current assets	23,472,956	24,155,733
Total assets	100,794,618	103,999,733
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,719,765	5,018,547
Electronically recorded obligations - operating	2,997,441	3,887,407
Short-term loans payable	50,022,940	52,023,950
Current portion of long-term loans payable	1,060,000	60,000
Income taxes payable	700,808	212,136
Advances received	8,374,234	7,873,105
Accrued expense-salary	1,237,674	1,879,293
Provision for loss on construction contracts	4,280,336	4,643,105
Other	3,638,895	4,013,762
Total current liabilities	77,032,097	79,611,308
Non-current liabilities		
Long-term loans payable	1,250,000	1,250,000
Liability for employee retirement benefits	6,702,461	6,725,107
Provision for loss on compensation	972,797	1,056,207
Provision for product warranties	1,166,789	1,166,789
Other	286,896	252,430
Total non-current liabilities	10,378,944	10,450,533
Total liabilities	87,411,041	90,061,841



(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Capital stock	5,359,893	5,359,893
Capital surplus	4,318,925	4,318,925
Retained earnings	2,819,869	3,210,796
Treasury stock	(31,405)	(31,405)
Total shareholders' equity	12,467,283	12,858,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	176,474	207,098
Deferred gains or losses on hedges	-	(60,349)
Foreign currency translation adjustment	424,767	584,037
Accumulated adjustment for employee retirement benefits	(48,564)	(47,936)
Total accumulated other comprehensive income	552,677	682,849
Non-controlling interests	363,616	396,831
Total net assets	13,383,576	13,937,891
Total liabilities and net assets	100,794,618	103,999,733

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

(Thousand yen)

	The first quarter of FY 2022	The first quarter of FY 2023
Net sales	7,111,476	14,617,264
Cost of sales	5,095,759	12,138,311
Gross profit	2,015,717	2,478,953
Selling, general and administrative expenses	1,895,680	2,243,974
Operating income	120,036	234,978
Non-operating income		
Interest income	3,501	16,013
Dividend income	1,728	1,980
Foreign exchange gains	297,418	281,875
Share of profit of entities accounted for using equity method	-	47,213
Insurance income	7,932	14,493
Subsidy income	13,512	32,866
Other	6,423	6,161
Total non-operating income	330,516	400,605
Non-operating expenses		
Interest expenses	202,493	383,955
Share of loss of entities accounted for using equity method	18,050	-
Loss on transfer of accounts receivable	3,149	43,496
Compensation expenses	4,112	26,991
Other	11,016	10,543
Total non-operating expenses	238,822	464,987
Ordinary income	211,730	170,596
Extraordinary income		
Subsidy income	111,628	-
Total extraordinary income	111,628	-
Extraordinary loss		
Loss on disposal of non-current assets	1,720	1,034
Loss related to COVID-19	45,724	-
Total extraordinary loss	47,445	1,034
Income before taxes	275,913	169,561
Income taxes - current	150,546	178,703
Income taxes - deferred	(249,617)	(402,516)
Total income taxes	(99,071)	(223,813)
Net income	374,985	393,374
Net income (loss) attributable to non-controlling interests	(651)	2,448
Net income attributable to shareholders of parent company	375,636	390,926

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

(Thousand yen)

	The first quarter of FY 2022	The first quarter of FY 2023
Net income	374,985	393,374
Other comprehensive income		
Valuation difference on available-for-sale securities	4,329	30,623
Deferred gains or losses on hedges	-	(60,349)
Foreign currency translation adjustment	214,039	190,037
Adjustment for employee retirement benefits	(6,709)	628
Total other comprehensive income	211,659	160,939
Comprehensive income	586,645	554,314
Comprehensive income attributable to shareholders of parent company	549,614	521,099
Comprehensive income attributable to non-controlling interests	37,030	33,215

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Segment information, etc.)

[Segment information]

I. For the first quarter of FY 2022

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	4,535,826	141,306	954,592	1,479,148	7,110,874	602	7,111,476
Inter-segment net sales or transfers	82,055	-	733	15,217	98,006	30,426	128,433
Total	4,617,882	141,306	955,325	1,494,365	7,208,880	31,029	7,239,910
Segment income (loss)	1,098,854	(719,663)	(90,395)	(77,841)	210,954	776	211,730

(Note) The Others segment includes the businesses of affiliate Orange JAMCO Corporation. Orange JAMCO Corporation is a special-purpose subsidiary dedicated to promoting the employment of people with disabilities as part of our corporate social responsibilities, and mainly provides cleaning and assistance work in the Company's facilities.

2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences

(Matters relating to adjustment of differences)

(Thousand yen)

Income	Amount
Reportable segments total	210,954
Income of Others	776
Ordinary income in the Quarterly Consolidated Statement of Income	211,730

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

There is no relevant information.

## II. For the first quarter of FY 2023

### 1. Information on net sales and income (loss) by reportable segment

(Thousand yen)

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

(Note) The Others segment includes the businesses of affiliate Orange JAMCO Corporation. Orange JAMCO Corporation is a special-purpose subsidiary dedicated to promoting the employment of people with disabilities as part of our corporate social responsibilities, and mainly provides cleaning and assistance work in the Company's facilities.

### 2. Differences between the total amount of income (loss) of reportable segments and the amounts in the Quarterly Consolidated Statement of Income and the major details of such differences (Matters relating to adjustment of differences)

(Thousand yen)

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

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

There is no relevant information.