

Mid-term Business Plan



JANOME Corporation

May 2025

Looking Back on “Reborn 2024”

Many of the business strategies set forth in “Reborn 2024” were steadily implemented, but some issues remain. Our targets for sales, profit level, and ROE were not achieved due to major changes in the external environment, including prolonged situation in Russia and Ukraine, tensions in the Middle East, slow recovery of demand in China.

Approach in the New Plan

In the new plan, we will continue and further improve our approaches based on the recognition of issues in “Reborn 2024” to achieve profit growth.

- Home Appliance Division: Provide added value in mature markets through establishing, strengthening brand identity / expand market share in growth markets by launching new products
- Industrial Equipment Division: Focus on key markets (India, China) / strengthen sales of high value-added products
- IT Division: Expansion of services and creation of synergies with other divisions
- Build a virtuous cycle of higher job satisfaction and stronger business promotion capabilities to strengthen the organizational structure to support the above

Also, we will work to achieve management that focuses on capital cost and stock price, with the goal of achieving an even higher level of ROE by improving shareholder returns and capital efficiency.

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1. Looking Back on “Reborn 2024”

Status of Achievement against Targets

	FYE Mar. 2025 Plan*1	FYE Mar. 2025 Actual	Topics
Sales [Million Yen]	40,000 (48,000)	36,340	<ul style="list-style-type: none"> ● Sales and profits fell short of plan due to prolonged situation in Russia and Ukraine, tensions in the Middle East, slow recovery of demand in China. ● Home Appliance Division: Market conditions declined in reaction to COVID-19 pandemic's high demand. ● Industrial Equipment Division: Investment demand was restrained, especially in the factory automation / automotive industry. ● IT Division: IT investment demand remained strong.
Operating Profit Ratio	6.3% (10.4%)	6.1%	
Ordinary Profit Ratio	— (10.2%)	6.2%	
ROE	— (10.0%)	5.2%	

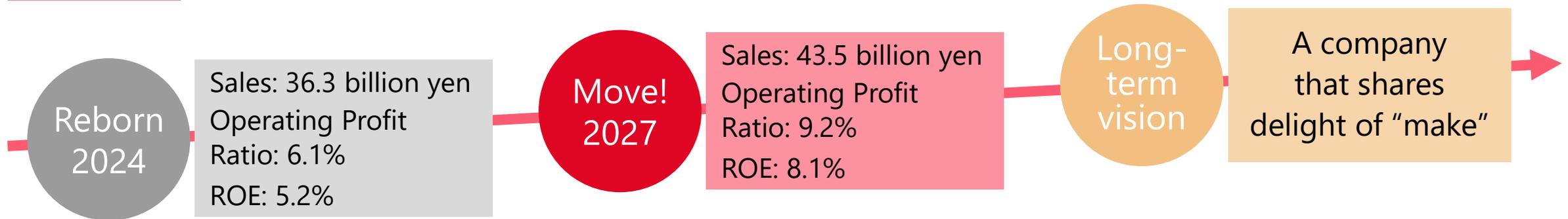
*1: Revised plan announced on May 10, 2024 (): Original plan

	Reborn 2024	Results	Issues for further study
Home Appliance Division	<ul style="list-style-type: none">● More leap at global market● Dedication to offering attractive products● Maintain no. 1 share for schools in Japanese market● Enhanced support for end-users	<ul style="list-style-type: none">● Growth at market in India (CAGR6.5%)● Launched the flagship model● Held classes for elementary school students and online trainings for teachers● Expanded global website contents● Increased Bobinage stores (from 1 to 3 stores in Japan)	<ul style="list-style-type: none">● Room for improvement in product launches based on needs, as well as establishing and strengthening JANOME brand to further expand sales and profits of launched products
Industrial Equipment Division	<ul style="list-style-type: none">● Enhance global sales and service network● Enhance production● Strengthen partnership and environment friendliness	<ul style="list-style-type: none">● Established JIE-India● Trained for in-house parts processing● Promoted automation of finish / inspection processes● Obtained "MF Eco machine" certification	<ul style="list-style-type: none">● Room to expand sales in India and other key bases where demand is expected, as well as to expand sales of high value-added products that make full use of our production technologies
IT Division	<ul style="list-style-type: none">● Promote DX project within JANOME group● Be a partner to solve tasks together with customers	<ul style="list-style-type: none">● Improved global trade management system at Home Appliance Division● Launched projects with new clients through proposals based on development experience	<ul style="list-style-type: none">● Room to expand areas to create group synergies

2. Basic Policies

Business philosophy

- JANOME aims to promote people's creativity and contribute to prosperity all over the world.
- JANOME works to improve society and culture by consistently providing valuable products and services.



Move! 2027 - Sustainable Growth for the Next 100 Years -

Strategies:

Home Appliance Division

Strengthen marketing / release products with user characteristics in mind

Strategies:

Industrial Equipment Division

Strengthen sales and profitability by dedication to important markets / high value added products

Strategies:

IT Division

Strengthen cooperation in the group for improving other divisions' value and maintain profitability of existing business

Human Resources Strategies

Build a virtuous cycle consisting of job satisfaction improvement and strengthening business promotion capability

Financial Strategies

Realize sustainable growth through strategic allocation of cash

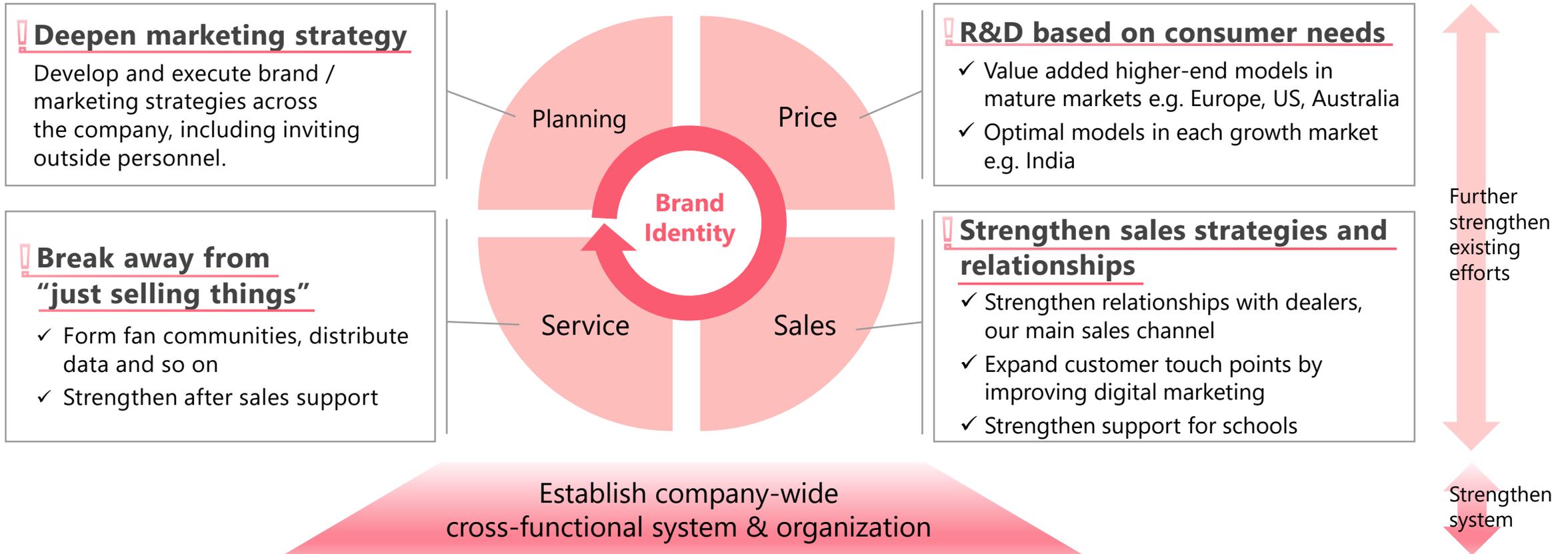
	FYE Mar. 2025 Actual	FYE Mar. 2028 Plan	
Sales [Billion Yen]	36.3	43.5	
Home Appliance Division	28.8	31.4	<ul style="list-style-type: none"> ✓ In mature markets, launch value added higher-end products including brand / features / services ✓ In growth markets, launch products in line with market-specific needs
Industrial Equipment Division	4.8	7.9	<ul style="list-style-type: none"> ✓ Add higher value to products by sales in key regions, sales of robots and servo presses as one equipment
IT Division	2.7	4.1	<ul style="list-style-type: none"> ✓ Strengthen collaboration among divisions (e.g. digital marketing, on-board applications) ✓ Maintain profitability of existing business
Operating Profit Ratio	6.1%	9.2%	<ul style="list-style-type: none"> ✓ Sales growth and efforts to strengthen high value-added products ✓ Continuous cost reduction and production efficiency improvement
ROE	5.2%	8.1%	<ul style="list-style-type: none"> ✓ Flexible acquisition of shares, and shareholder returns with a focus on progress dividends

3. Strategies by Division

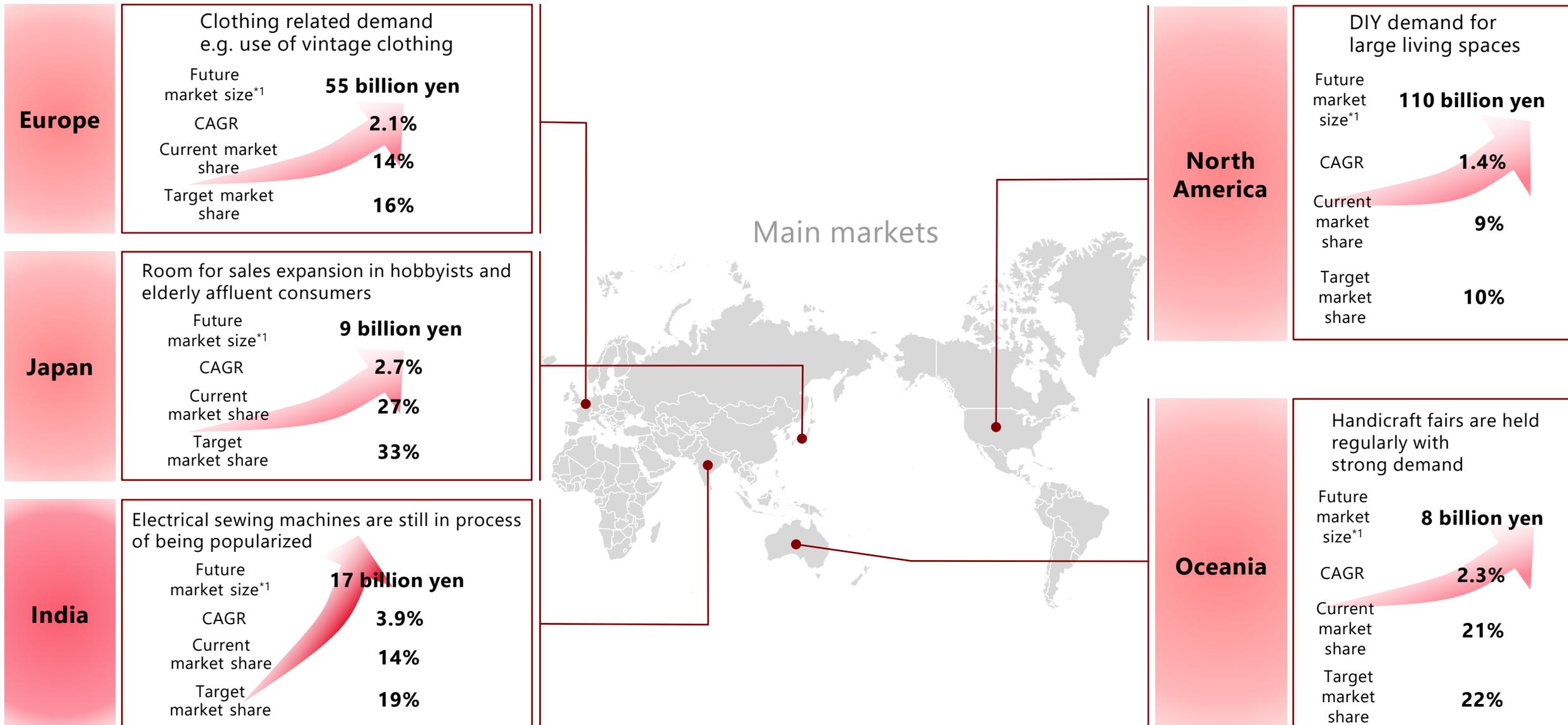
Establish, strengthen brand identity / release products for market share expansion

Present situation

- Maturation of key markets (Europe, US, Australia) and sophisticated consumer needs
→ Provide added value including brand / features / services
- India and some other regions are expected to grow rapidly in the future
→ Product launches in line with market-specific needs



Home Appliance Division



*1: as of 2028 (estimated), 1USD=145JPY

Strengthen sales and profitability by focusing on key markets, increasing sales of high value-added products

Present situation

- Strengthening sales in key regions (e.g. establishing JIE-India)
→ Expand sales in key regions (e.g. establishing other new bases, strengthening human resources)
- Robots and servo presses sales as one equipment → Strengthen profitability as high value-added products
- Factory cost improvement activities in Japan / Thailand are underway → Continuation of activities

Reborn 2024
Seeds for growth

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Reaping results

Expand markets of focus & new areas

- ✓ Established JIE-India
- ✓ Launched projects with new clients in China
- ✓ Strengthen relationships with existing partners in industries e.g. factory automation equipment, automotive parts

- ✓ Strengthen key bases in **India, China**
 - Establish additional bases, strengthen functions and human resources of bases
- ✓ Strengthen sales activities with an eye to **expanding into new areas**

Strengthen profitability

- ✓ Started robots and servo presses sales as one equipment
- ✓ Factory cost improvement activities in Japan / Thailand are underway

- ✓ **Expand products sold as equipment** / Further increase in profitability (in-house development, collaboration, M&A)
- ✓ Study on **optimization of production system in the entire group**
- ✓ Continuous cost improvement activities

Continue efforts to streamline, expand production in line with growth strategies

Until Reborn 2024

- ① Promoted training multi-skilled workers
- ② Increased productivity by installing new equipment
- ③ Shortened lead time and increased productivity by in-house parts processing
- ④ Strengthened global supply chain

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Continuation of efforts

- ① Promote training multi-skilled workers
 - ✓ Further promotion of increasing multi-skilled workers
- ② Increase productivity by installing new equipment
 - ✓ Expansion of in-house parts, stronger collaboration of manufacturing and sales
- ③ Strengthen global supply chain
 - ✓ Establishment of optimal production system and supply chain from group-wide perspective

Growth strategies

Home Appliance Division

Establish, strengthen brand identity / release products for market share expansion

- ✓ Focus on high value-added, high quality products and improve efficiency of production system
- ✓ Expand production capacity for products to meet market-specific needs

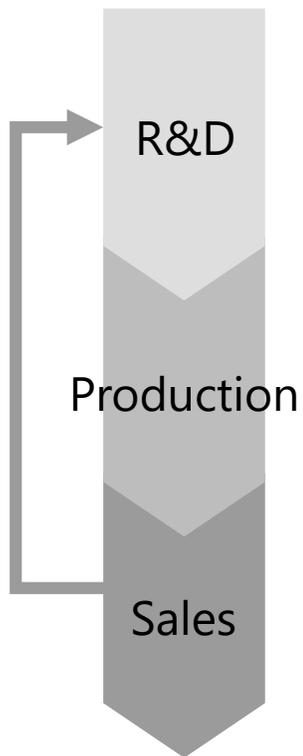
Industrial Equipment Division

Strengthen sales and profitability by focusing on key markets, increasing sales of high value-added products

- ✓ Expand capacity and improve efficiency in expectation of production volume increase for both robots and servo presses
 - Expand key bases in India, China
 - Expand products sold as equipment

Further strengthen the system to launch products in line with business strategies at the right time

Reborn 2024

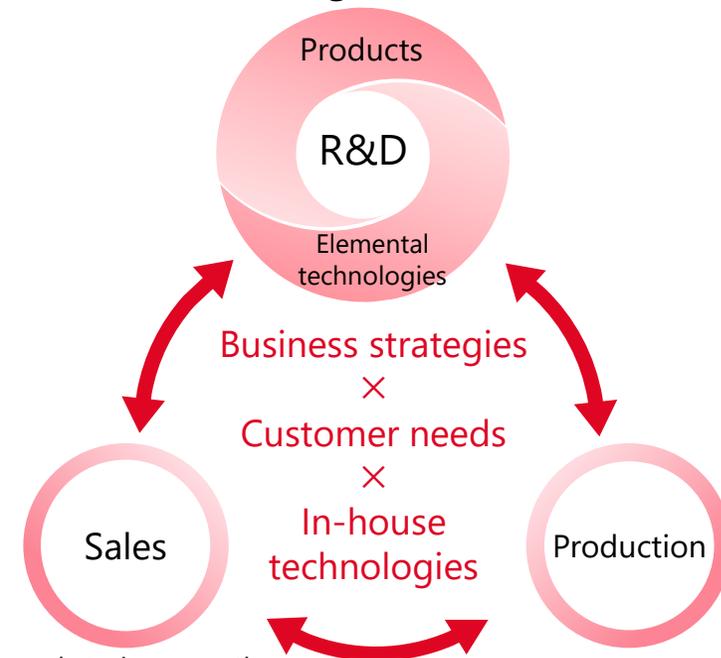


- ✓ Based on existing technologies, explore additional technologies and develop new value added higher-end products
- ✓ Efficient production of existing product lineup in collaboration with R&D
- ✓ Feedback of requests and others from sales channels to R&D, Production

Ensured competitive advantage with the business system based on technology

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- ✓ **Development of elemental technologies and products based on feedback and business strategies**



- ✓ Expand sales channels to increase the range of feedback
- ✓ Strengthen cooperation with R&D and production
- ✓ Ensure efficient production with R&D, sales

Improve the development system to launch products with business strategies at the right time

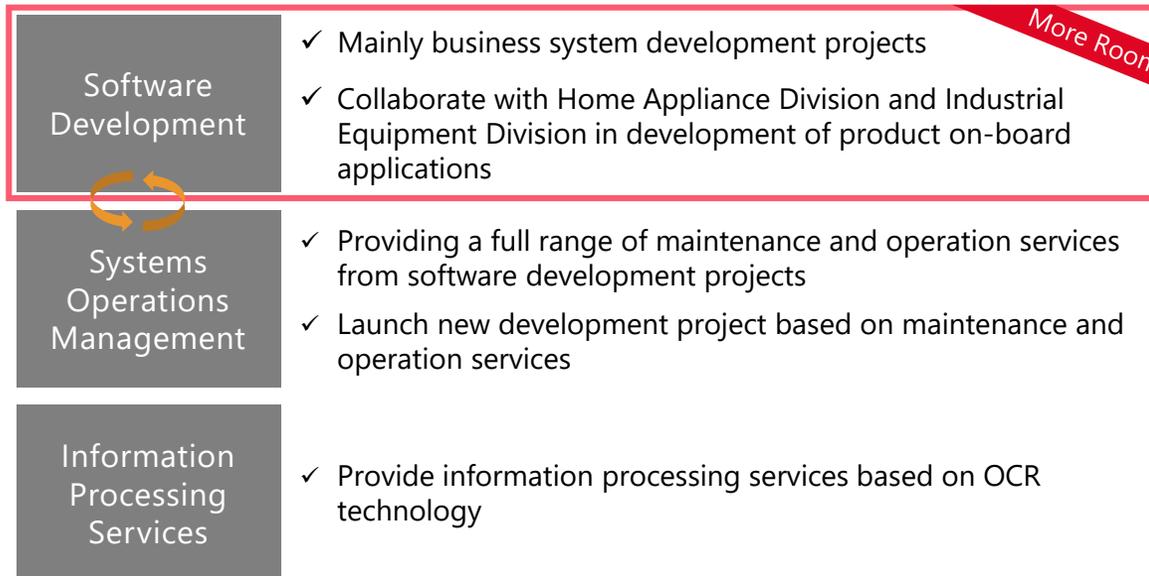
Strengthen cooperation in the group for improving other divisions' value and maintain profitability of existing business

Present situation

- Steady sales growth, but more room for growth in collaboration with other divisions
→ Enter new IT areas for improving the value of other divisions
- Existing businesses maintain high profitability through productivity improvement efforts
→ Maintain high profitability through continuous productivity improvement efforts

Growth in existing areas

Expansion into new areas



More Room



Deepen application development technology

- ✓ On-board application development for home appliances
- ✓ Application development for improving digital marketing (e.g. fan community activation)



Deepen on-board application development technology

- ✓ In-house production and improvement of teaching functions

Point to be improved

- ✓ While profitability is secured in IT business, there is room for expansion in collaboration with other divisions (especially in software development)

- ✓ Promote deepening, improving technology including projects with collaboration or / and M&A

4. Human Resources Strategies

Perform strategies for building a virtuous cycle of higher job satisfaction and stronger business promotion capabilities

4 perspectives of human resources strategies

Secure excellent talent

Support career path development

Create a good working environment

Performance-based evaluation and rewards

Examples of major personnel measures

Diverse human asset deployment

- Optimal allocation of human assets with an awareness of talent management
- Actively promote specialists in each field and global human assets at overseas bases



Personnel system reform

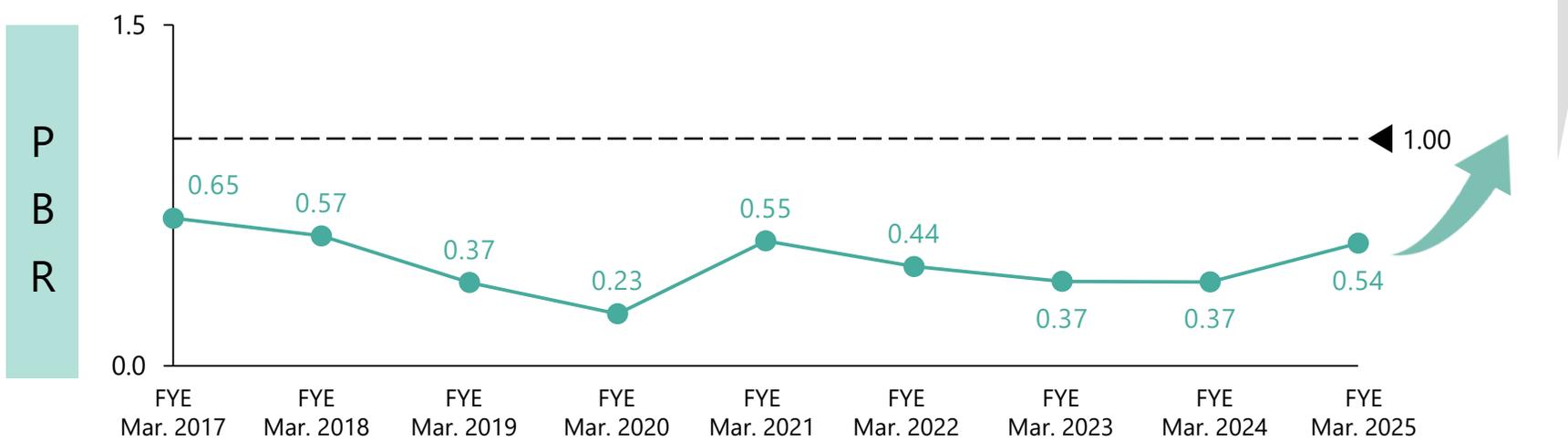
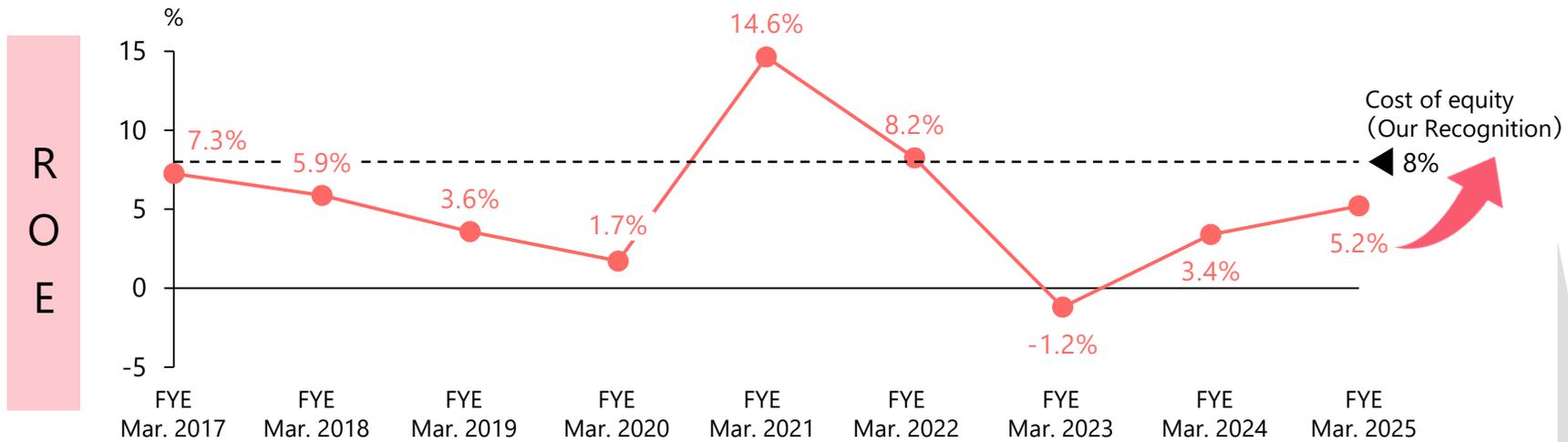
- Reform of target management, evaluation, and compensation systems
- Education and training system to diversify career paths
- Restructuring of human asset requirements and layers

Deepen human capital value



5. Financial Strategies

Implement various measures to achieve ROE of 8% or more, PBR of 1x or more



To achieve the target, we will implement the following measures:

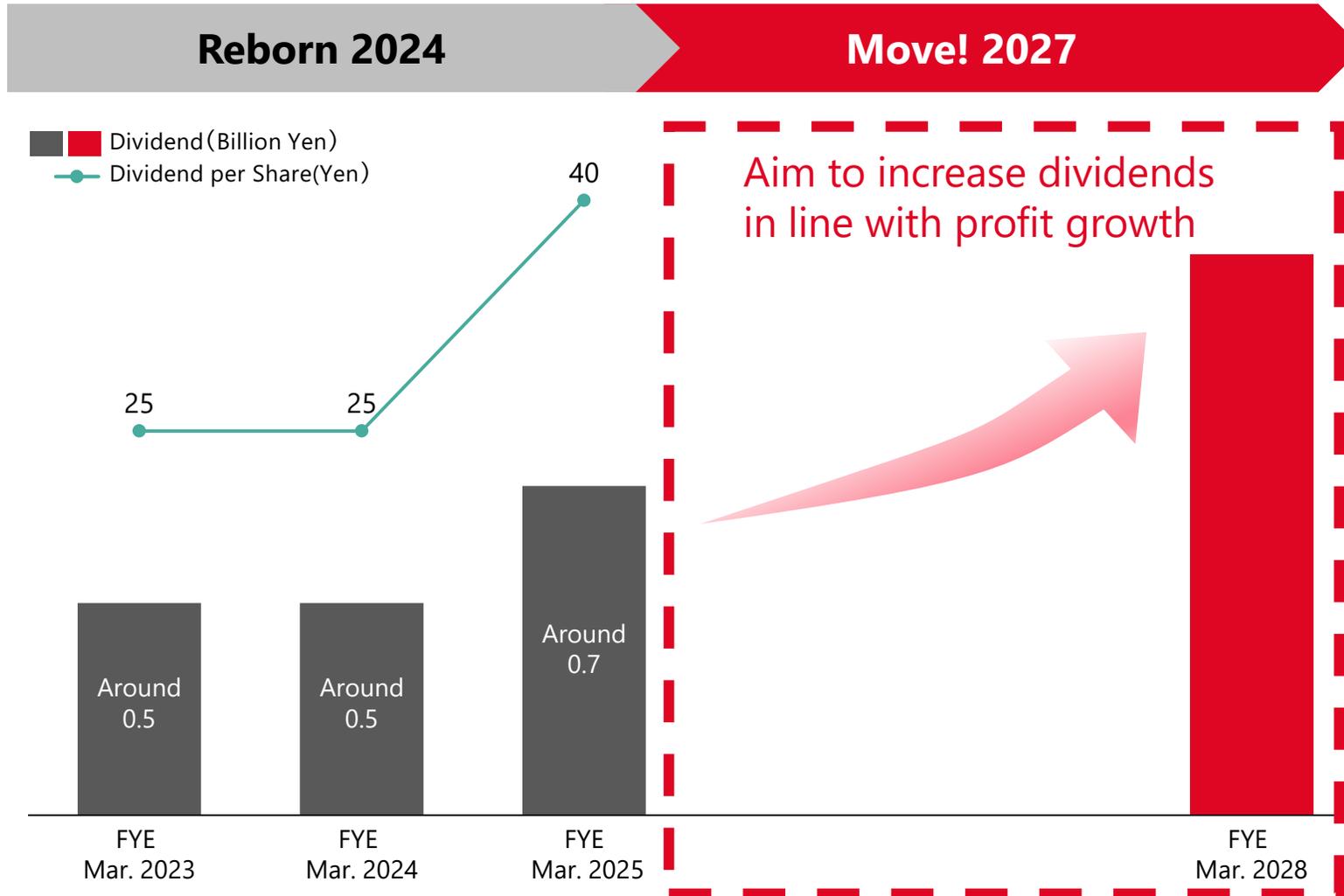
[Business]

- ✓ Growth strategies in each business

[Financial affairs]

- ✓ Improve shareholder returns
- ✓ Improve capital efficiency

Improve shareholder returns in line with medium- to long-term profit growth



[Dividend]

- ✓ Aim to maintain stable dividends over the long term and increase dividends in line with profit growth over the medium to long term
- ✓ Pay dividends aiming for DOE of 3% or more, consolidated payout ratio of 40% or more with a focus on progress dividends

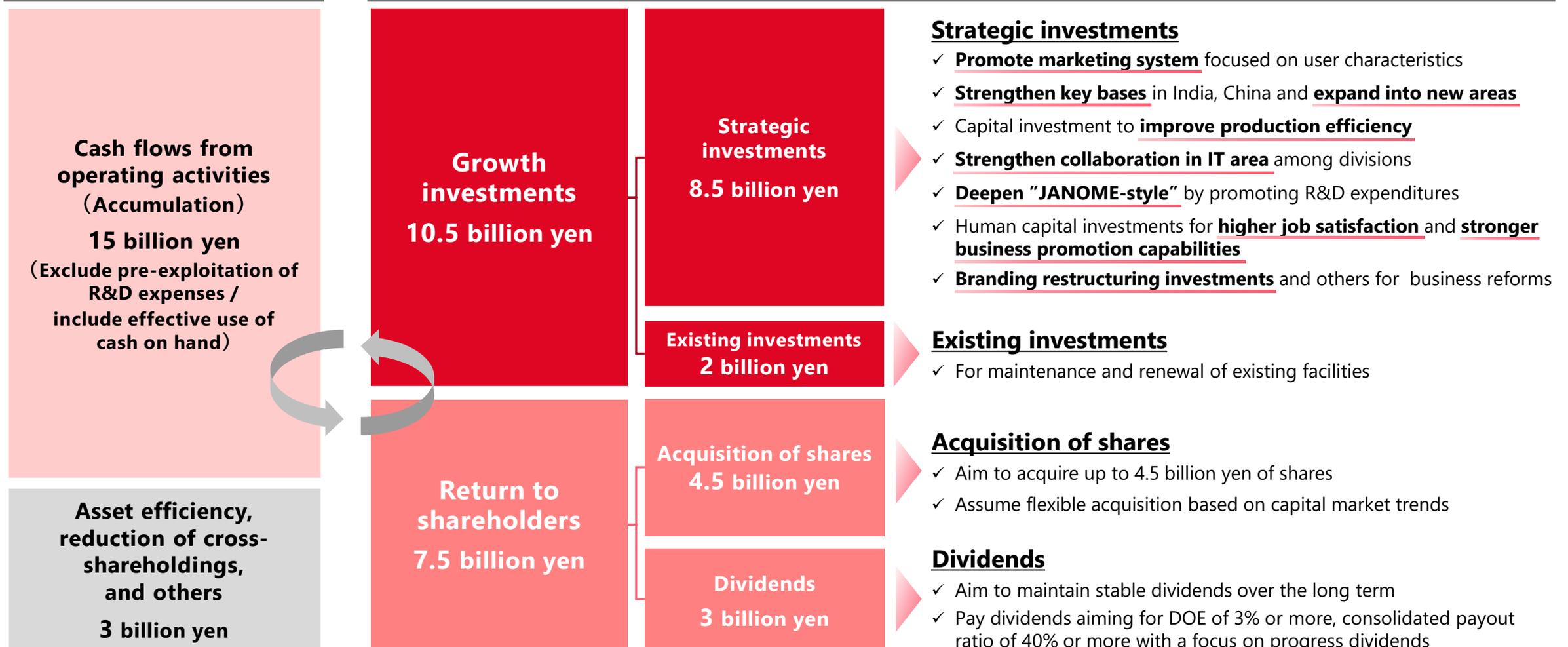
[Shares]

- ✓ Flexible acquisition of shares based on capital market trends

Achieve sustainable growth through strategic allocation of cash generated

Cash Inflows
(FYE Mar. 2026 – 2028 total)

Cash Outflows
(FYE Mar. 2026 – 2028 total)



Aim to improve corporate / shareholder value by practicing management that is conscious of cost of capital and stock price

Until Reborn 2024

In response to implement management that is conscious of cost of capital and stock price, we consider the following initiatives:

(Released in Feb. 2024)

- ① Promotion of business portfolio reform
 - ✓ Strengthening of marketing / expanding business by reaching promising markets
 - ✓ Strengthening JANOME brand power
- ② Clarification of shareholder return policy
 - ✓ Shareholder returns with a focus on progress dividends
- ③ Reinforcement of financial strategies and capital policies
 - ✓ Efficiency improvement of non-business assets
 - ✓ Reduction of cross-shareholdings
 - ✓ Capital management using stock
 - ✓ Strengthening human capital investments
- ④ Reinforcement of IR activities
 - ✓ Improving sustainable management information disclosure

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Profit growth

- ✓ Improve profitability by strengthening brand power and sales of high value-added products
- ✓ Concentrate sales resources on key markets

Improvement of shareholder returns

- ✓ Aim for DOE of 3% or more, consolidated payout ratio of 40% or more with a focus on progress dividends
- ✓ Flexible acquisition of shares

Improvement of capital efficiency

- ✓ Set cash allocation and optimally allocate to growth investments, including human capital investments, and shareholder returns.
- ✓ Improve efficiency of non-business assets, reduce cross-shareholdings

Sustainability management

- ✓ Materiality initiatives

Corporate / shareholder value improvement

- ROE of 8% or more
- PBR of 1x or more

6. Sustainable Management

Reflect materiality initiatives in the plan, improve corporate value

	Challenges	Initiatives
Related to business activities	<ul style="list-style-type: none"> ● Market analysis with regional characteristics ● Product development and production to meet detailed needs ● Expand market and ensure competitive advantage by strengthening branding ● Form healthy market by maintaining fair prices ● Provide accurate, effective information to consumers ● Adoption of low environmental impact materials 	Home Appliance Division Strategies (P11)
	<ul style="list-style-type: none"> ● Expand business portfolio / develop appropriate investment strategies 	Cash Allocation (P22)
	<ul style="list-style-type: none"> ● Maintain, improve productivity and quality by promoting human resource development and passing on techniques 	
Related to business foundations	<ul style="list-style-type: none"> ● Promote fostering employee awareness ● Career support for drawing out potential / secure, develop human resources ● Improve, enhance working environment and benefits 	Human Resources Strategies (P18)
	<ul style="list-style-type: none"> ● Sustainability appeal of sewing machine 	Home Appliance Division Strategies (P11)
	<ul style="list-style-type: none"> ● Promote long-term use of products by great support 	Home Appliance / Industrial Equipment Division Strategies (P11·13)

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The plans, forecasts and others in this document include expectations based on assumption, forecast and projection by our management available as of the date of their announcement.

It is possible that actual results may differ materially from these expectations due to various factors.

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