

Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: JANOME Corporation

Listing: Tokyo

Securities code: 6445

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	8,688	13.5	481	-	735	-	623	-
June 30, 2023	7,653	(27.0)	(180)	-	(119)	-	(138)	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 1,551 million [48.9%]
Three months ended June 30, 2023: ¥ 1,042 million [(34.5) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	33.98	-
June 30, 2023	(7.14)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	51,393	36,082	68.6
March 31, 2024	50,821	34,996	67.3

(Reference) Equity: As of June 30, 2024: ¥ 35,275 million
As of March 31, 2024: ¥ 34,203 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	25.00	25.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		15.00	-	25.00	40.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	9.7	2,500	45.6	2,400	36.1	1,500	32.6	81.81

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024:	19,521,444 shares
March 31, 2024:	19,521,444 shares

2) Number of treasury shares at the end of the period:

June 30, 2024:	1,186,639 shares
March 31, 2024:	1,186,639 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	18,334,805 shares
Three months ended June 30, 2023:	19,331,271 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

1. Qualitative Information Concerning Financial Results for the 1st quarter of the fiscal year ending March 31, 2025

(1) Explanation of financial results

During the three-month period ended June 30, 2024, the global economy saw household savings funding consumption amid prolonged monetary tightening, and although the risk of a downturn in overseas economies has subsided particularly in the United States, the economies in Europe and China remained weak. In Japan, the economy continued to show a gradual recovery against the backdrop of the normalization of economic activities, improvements in the employment and income environments, and an increase in inbound consumption.

In this business environment, the Janome Group disseminated information through social media and conducted a review of our product lineup, as well as engaging in proactive sales activities, which led to strong sales of sewing machines. In the industrial equipment business, although sales continued to struggle partly due to project delays caused by a wait-and-see approach to domestic and overseas machinery and equipment investment projects, we focused on providing products that meet the needs of our users.

As a result, in the first quarter of the fiscal year ending March 31, 2025, sales were 8,688 million yen (up 1,034 million yen compared to the corresponding period of the previous fiscal year), operating profit was 481 million yen (operating loss was 180 million yen in the corresponding period of the previous fiscal year), ordinary profit was 735 million yen (ordinary loss was 119 million yen in the corresponding period of the previous fiscal year), and profit attributable to owners of parent was 623 million yen (loss attributable to owners of parent was 138 million yen in the corresponding period of the previous fiscal year).

The performance by segment is outlined below.

<Household equipment>

In the overseas markets, the Janome Group sought to stimulate market demand through aggressive sales activities. Despite the ongoing impact from the situation in Russia and Ukraine, the continued weakening of the yen worked to our advantage, and sales remained strong, mainly in North America, Europe, and India.

In Japan, we improved our profit structure by reviewing our sales structure and the product lineup, and also worked on a proactive sales approach in order to stimulate consumers' inclination to purchase, including by holding collaborative events with popular characters and workshops intended to expand our user base. In sales to school, we strengthened our support system, such as by holding "online sewing machine workshops" to train teachers in elementary and middle schools across the country in how to operate sewing machines.

As a result, in the household equipment business overall, sales were 6,823 million yen (up 1,274 million yen), operating profit was 530 million yen (operating loss 276 million yen in the corresponding period of the previous fiscal year).

<Industrial equipment>

In the industrial equipment business, the negative attitude toward machinery and equipment investment projects continues both in Japan and overseas, and the situation remained severe, including a decrease in the production of die-cast products mainly for industrial robots. Meanwhile, we strived to understand market needs, and aimed to create new demand through technical services, such as by incorporating desktop and cartesian robots customized to suit the client's intended use and increasing added value.

As a result, in the industrial equipment segment overall, sales were 1,190 million yen (down 250 million yen compared to the corresponding period of the previous fiscal year), and operating loss was 173 million yen (operating loss was 14 million yen in the corresponding period of the previous fiscal year).

< IT >

In the IT business, which includes software development, information processing services, and the undertaking of contracted system operation/management, the Janome Group continued to strive to improve productivity through robust quality control in efforts to provide services to the satisfaction of our customers. As a result, sales remained strong, partly as a result of stable orders received against a backdrop of increased demand resulting from the spread of digital transformation (DX).

As a result, sales totalled 622 million yen (up 12 million yen compared to the corresponding period of the previous fiscal year), while operating profit was 95 million yen (up 15 million yen).

(2) Explanation of financial position

As of June 30, 2024, total assets on a consolidated basis were 51,393 million yen (up 572 million yen from the previous fiscal year ended March 31, 2023).

Current assets were 27,103 million yen (up 533 million yen from the previous fiscal year) due to factors including an increase in Merchandise and finished goods and a decrease in Notes and accounts receivable-trade.

Non-current assets were 24,290 million yen (up 39 million yen from the previous fiscal year) due to factors including an increase in Investment securities and a decrease in Land.

Current liabilities were 7,857 million yen (down 518 million yen from the previous fiscal year) due to factors including a decrease in Short-term borrowings and an increase in Notes and accounts payable - trade, while Non-current liabilities were 7,454 million yen (up 5 million yen from the previous fiscal year) due to factors including an increase in Retirement benefit liability.

Net assets were 36,082 million yen (up 1,085 million yen from the previous fiscal year) due to factors including an increase in Retained earnings and Foreign currency translation adjustment.

(3) Explanation of Consolidated Financial result Forecast and Other Forward-Looking Statements

There is no change from the consolidated earnings forecast for the fiscal year ending March 31, 2025, which was announced on May 10, 2024.

In order to further enhance opportunities for returning profits to shareholders, the Janome Group decided to pay out interim dividends from the fiscal year ending March 31, 2025, appropriating surplus twice a year as interim dividends and year-end dividends. In addition, regarding the dividend forecast for the fiscal year ending March 31, 2025 announced in the Consolidated Financial Results for the Year Ended March 31, 2024, the Janome Group revised the annual dividends to 40 yen per share (interim dividends of 15 yen per share and year-end dividends of 25 yen per share), given the strong performance as of the first quarter. For details, please refer to the "Notice Concerning Revisions to Dividend Forecast (Payout of Interim Dividends)" announced today.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	7,510	7,154
Notes and accounts receivable - trade	7,262	6,750
Merchandise and finished goods	6,317	7,374
Work in process	758	916
Raw materials and supplies	4,336	4,554
Other	710	688
Allowance for doubtful accounts	(325)	(336)
Total current assets	26,570	27,103
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,817	4,793
Land	11,927	11,715
Other, net	2,586	2,799
Total property, plant and equipment	19,331	19,308
Intangible assets		
Other	626	640
Total intangible assets	626	640
Investments and other assets	4,293	4,340
Total non-current assets	24,250	24,290
Total assets	50,821	51,393

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,005	2,420
Short-term borrowings	3,149	1,756
Income taxes payable	206	124
Provision for bonuses	612	324
Other	2,401	3,230
Total current liabilities	8,375	7,857
Non-current liabilities		
Deferred tax liabilities for land revaluation	2,917	2,859
Retirement benefit liability	3,568	3,608
Other	962	986
Total non-current liabilities	7,449	7,454
Total liabilities	15,825	15,311
Net assets		
Shareholders' equity		
Share capital	11,372	11,372
Capital surplus	0	0
Retained earnings	13,234	13,530
Treasury shares	(1,025)	(1,025)
Total shareholders' equity	23,581	23,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	109	98
Revaluation reserve for land	6,548	6,416
Foreign currency translation adjustment	3,717	4,636
Remeasurements of defined benefit plans	246	246
Total accumulated other comprehensive income	10,621	11,397
Non-controlling interests	793	806
Total net assets	34,996	36,082
Total liabilities and net assets	50,821	51,393

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	7,653	8,688
Cost of sales	4,809	4,963
Gross profit	2,843	3,724
Selling, general and administrative expenses	3,024	3,242
Operating profit (loss)	(180)	481
Non-operating income		
Interest income	6	12
Dividend income	54	66
Foreign exchange gains	113	172
Other	38	34
Total non-operating income	212	285
Non-operating expenses		
Interest expenses	21	10
Restructuring expenses	114	-
Other	15	21
Total non-operating expenses	150	31
Ordinary profit (loss)	(119)	735
Extraordinary income		
Gain on sale of investment securities	3	2
Gain on sale of non-current assets	0	28
Total extraordinary income	3	30
Extraordinary losses		
Loss on sale and retirement of non-current assets	18	4
Impairment losses	-	5
Total extraordinary losses	18	10
Profit (loss) before income taxes	(134)	755
Income taxes - current	(9)	108
Income taxes - deferred	21	37
Total income taxes	12	145
Profit (loss)	(146)	609
Loss attributable to non-controlling interests	(8)	(13)
Profit (loss) attributable to owners of parent	(138)	623

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit (loss)	(146)	609
Other comprehensive income		
Valuation difference on available-for-sale securities	46	(10)
Foreign currency translation adjustment	1,143	953
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Total other comprehensive income	1,188	942
Comprehensive income	1,042	1,551
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,038	1,531
Comprehensive income attributable to non-controlling interests	3	20

Notes of Consolidated Financial Statements

Notes regarding going concern assumptions

None.

Notes on significant changes in the amount of shareholders' equity

None.

Consolidated Segment Information

I. Previous three months (April 1, 2023 through June 30, 2023)

1. Information on net sales and operating income/(loss) by reportable segment and disaggregation of revenue

Currency unit: million yen

	Reportable segment				Other*	Total
	Household equipment	Industrial equipment	IT	Total		
Net sales						
Japan	826	904	610	2,341	-	2,341
North America	1,707	58	-	1,766	-	1,766
Europe	1,810	153	-	1,963	-	1,963
Other regions	1,204	325	-	1,529	-	1,529
Revenue from Contracts with Customers	5,549	1,441	610	7,601	-	7,601
Other revenue	-	-	-	-	52	52
Net sales to external customers	5,549	1,441	610	7,601	52	7,653
Intersegment sales or transfers	0	151	122	273	23	297
Total	5,549	1,592	732	7,875	75	7,950
Segment profit or loss	(276)	(14)	79	(211)	28	(182)

Note*: "Other" is not categorized in the reportable business segment and includes real estate.

2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and major factors in the difference (adjustment of difference)

Currency unit: million yen

Profit	Amount
Reportable segment total	(211)
Other net profit	28
Elimination of intersegment transactions	1
Operating loss in quarterly consolidated statements of income	(180)

II. Current Three Months (April 1, 2024 through June 30, 2024)

1. Information on net sales and operating income/(loss) by reportable segment and disaggregation of revenue

Currency unit: million yen

	Reportable segment				Other*	Total
	Household equipment	Industrial equipment	I T	Total		
Net sales						
Japan	737	725	622	2,085	-	2,085
North America	2,318	56	-	2,375	-	2,375
Europe	2,146	99	-	2,245	-	2,245
Other regions	1,621	309	-	1,930	-	1,930
Revenue from Contracts with Customers	6,823	1,190	622	8,637	-	8,637
Other revenue	-	-	-	-	51	51
Net sales to external customers	6,823	1,190	622	8,637	51	8,688
Intersegment sales or transfers	1	181	148	330	22	353
Total	6,824	1,372	770	8,967	74	9,041
Segment profit or loss	530	(173)	95	452	27	480

Note: "Other" is not categorized in the reportable business segment and includes real estate.

2. Difference between the sum of reportable segment profits and losses and operating income in quarterly consolidated statements of income and major factors in the difference (adjustment of difference)

Currency unit: million yen

Profit	Amount
Reportable segment total	452
Other net profit	27
Elimination of intersegment transactions	1
Operating profit in quarterly consolidated statements of income	481

(Notes to quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows has not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization of intangible assets) for the first quarter of the current fiscal year is as follows.

	Three months ended June 30, 2023	Three Months ended June 30, 2024
Depreciation	262 million yen	250 million yen