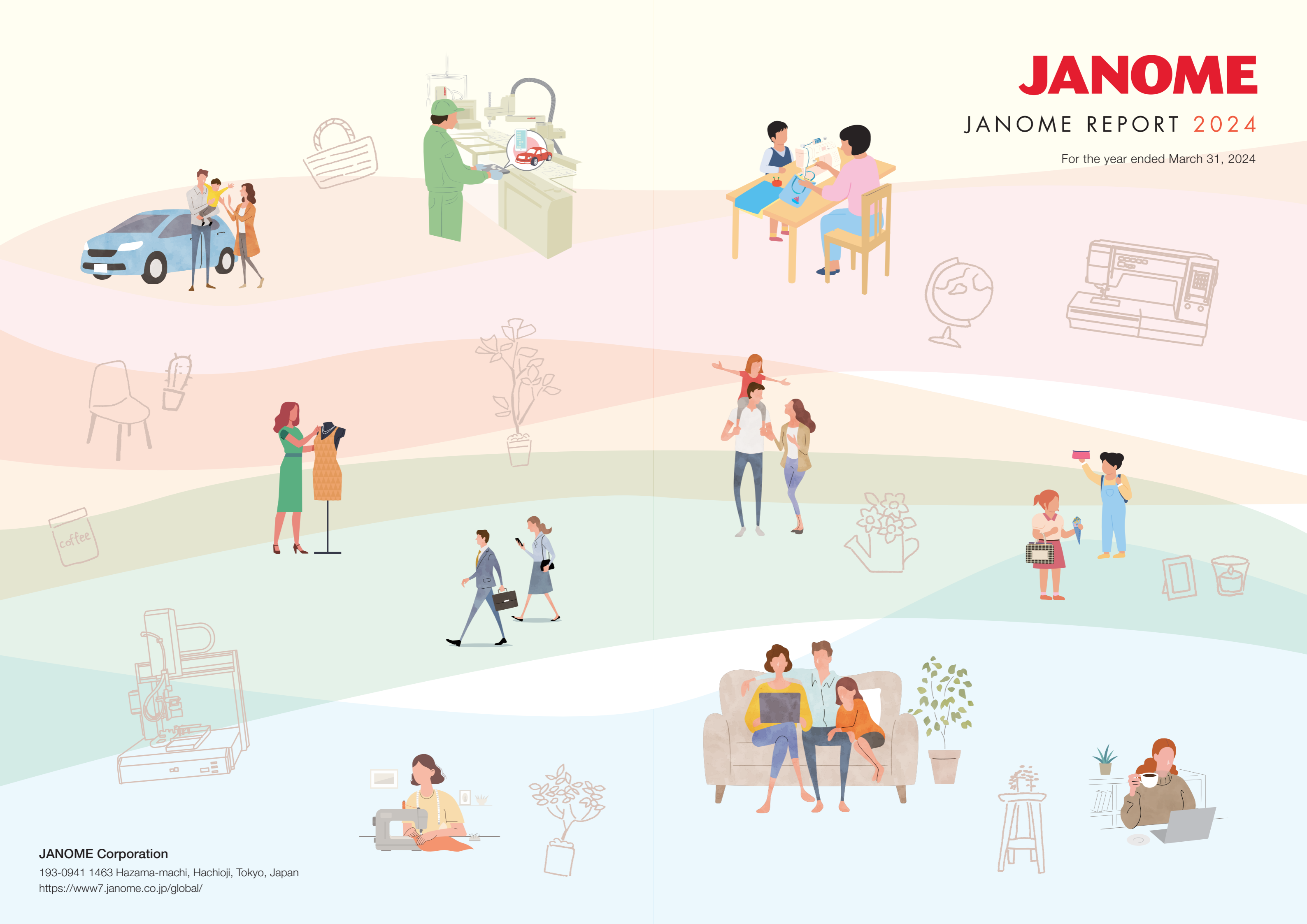


JANOME

JANOME REPORT 2024

For the year ended March 31, 2024



JANOME Corporation

193-0941 1463 Hazama-machi, Hachioji, Tokyo, Japan

<https://www7.janome.co.jp/global/>

Our Dedication to Craftsmanship

Corporate Philosophy

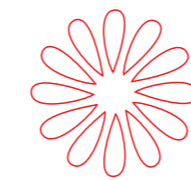
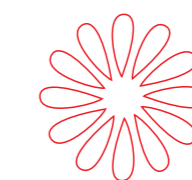
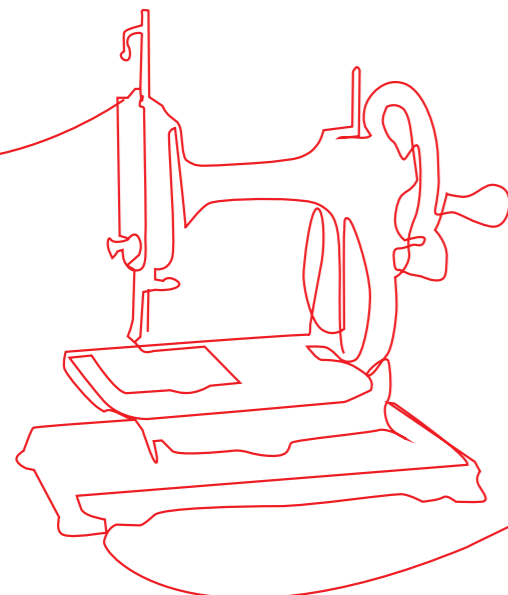
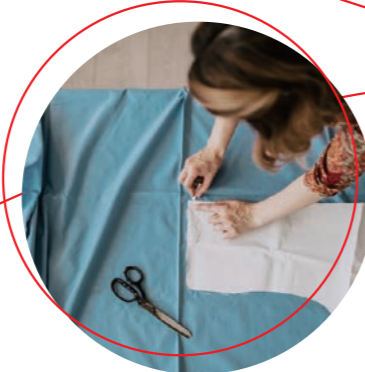
1. Janome aims to promote people's creativity and contribute to prosperity all over the world.
2. Janome works to improve society and culture by consistently providing valuable products and services.

Since our foundation in 1921 as Japan's first domestic sewing machine manufacturer, the Janome Group have been striving to solve social issues and contribute to the development of society through our business.

For the further growth, we have formulated and implemented "Reborn 2024," our Mid-term Business Plan with the aim of utilizing the management resources and knowledge base that have been built and accumulated over the past 100 years.

The word "Reborn" is selected to demonstrate our resolve not to hesitate to be reborn as New Janome, if that is what it takes to increase our corporate values.

With our plan's focus on sustainability, we are committed to continue increasing our corporate values further along the guidelines set forth in "Reborn 2024," which should guide us through ever-changing business environment.



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Publisher's Note

"JANOME REPORT 2024" is a comprehensive summary of our activities toward value creations for the stakeholders—users of our products, shareholders, investors and business partners—to understand Janome better.

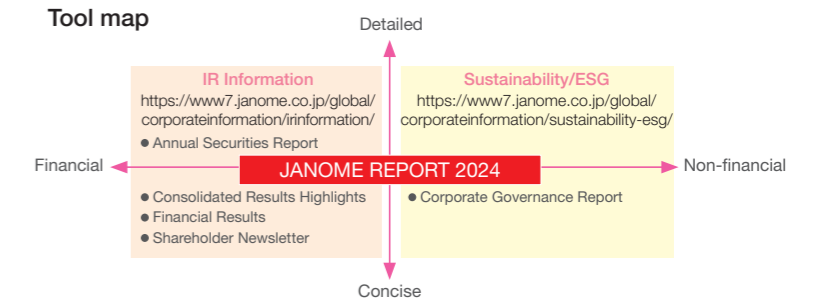
We are committed to tackling social challenges of the times through our normal course of business, while continuously seeking to increase our corporate value.

Reporting Period	April 1, 2023 to March 31, 2024 (FY2023) *Includes certain activities and events after April 1, 2024
Issue Date (of the original version in Japanese)	October 31, 2024
Scope of the Report	JANOME Corporation and its domestic and overseas group companies
Accounting Standard	Japanese GAAP
Reporting Media	Published on our website https://www7.janome.co.jp/global/corporateinformation/irinformation/janomereport/ (Global website)

Notes on the forecast

The descriptions in this report of the forecast for our future plans, targets and strategies are what we deem reasonable based upon currently available information and data, and may involve certain risks and uncertainties. Please note that actual results and performances may differ due to various factors.

Tool map



Message from the President

As a sewing machine manufacturer with a 100-year history, we will continue to aim for sustainable growth by promoting business portfolio reforms in response to rapid changes in the business environment.

Makoto Saito President



100th anniversary of our founding: Pursuing aggressive management to increase corporate value

Formulating the Mid-term Business Plan “Reborn 2024,” as the first step toward increasing our corporate value

After I was appointed President in June 2019, the COVID-19 pandemic began to spread globally in 2020, forcing me to make various decisions as a business manager amid unprecedented rapid changes in the business environment. Of course, this is the case for all companies around the world, not just the Janome Group. However, while many companies struggled, our Group responded to the special global demand for sewing machines to make masks and

other items at home, and sold 1.84 million units (up 500,000 units year on year) in the fiscal year ended March 2021, achieving a record high operating profit of 4.9 billion yen. In facing the COVID-19 pandemic, I feel that the fact that we have maintained an “integrated system of planning, development, production and sales” since our founding as Japan’s first domestic sewing machine manufacturer has given us a major advantage.

Given the significant improvement in our financial position as a result of improved business performance, we took the opportunity of the 100th anniversary of our founding in October 2021 to steer toward aggressive management aimed at increasing our corporate value through proactive growth investments with an eye to the next 100 years. In May 2022, we announced our three-year Mid-term Business Plan, “Reborn 2024,” which we positioned as the first step (a period

for laying the foundations) toward realizing our vision. Under “Reborn 2024,” we are carrying out five cross-divisional projects in addition to the implementation of business strategies for each business segment, working across the company to realize our plans.

Two years we spent sowing various seeds for long-term growth

Revised numerical targets for the plan’s final fiscal year, but sales and profit both expected to reach target figures

For the fiscal year ended March 2024, the second year of the Mid-term Business Plan, the worsening external environment, including the prolonged Ukraine crisis and the economic slowdown in China, impacted our financial performance, resulting in a substantial shortfall in our plan and a severe decline in both sales and profit. As a business manager, I am by no means satisfied with these results. Meanwhile, on the business side, we have been able to plant the seeds for long-term growth. Although there are individual challenges on the whole, I feel that we are steadily approaching the milestones for sustainable growth we are aiming for under the Mid-term Business Plan.

In regard to the progress of our strategies by business segment, first, in the home appliance business, we withdrew from the domestic direct sales business at the end of March 2023, and in the first half of the fiscal year ended March 2024, we fully launched a new sales structure consisting of a department specializing in distributor sales and a Sewing Education Partnership Department mainly selling sewing machines for schools. Due in part to the fact that it took longer than expected to establish the new structure after the withdrawal, we were unable to achieve the expected figures during the current fiscal year, but we expect the results to become apparent soon. In overseas markets, selling conditions remained harsh as the suspension of shipments to Russia, a key market, continues, and consumers’ purchasing intent in Europe and other regions fails to recover amid rising global geopolitical risks.

In the industrial equipment business, we worked to increase the added value of products, improve profit margins by passing on costs to prices, and strengthen our networks. However, the business continued to struggle due to the impact of curbed capital investments at production sites following the slowdown in the Chinese economy.

In the IT business, we achieved a significant increase in sales and profit thanks to stable orders, including large-scale projects, backed by increased demand owing to the spread of digital transformation (DX), resulting in operating profit reaching a record high.

As the final year of “Reborn 2024,” the fiscal year ending March 2025 is the culmination of the past three years and an important year leading us to the next step. Despite the situation in Russia/Ukraine and the Middle East, the delayed economic recovery in China, and rising prices, we expect no

major changes in the business environment. As such, we have revised our numerical targets to net sales of 40.0 billion yen, operating profit of 2.5 billion yen, and an operating profit margin of 6.3% (revised in May 2024). We are working diligently to achieve the revised targets for both sales and profits.

We already have our eyes on formulating a new Mid-term Business Plan. I cannot give you any specific details right now, but at this point, we are envisioning a story in which each of our three businesses will grow autonomously. This does not mean we will embark on completely different initiatives from before, but rather that we will proceed by both continuing existing measures and accelerating our initiatives in specific areas.

Sewing machines are important growth drivers for the Group’s sustainable growth

To shift from “how to get people to buy” sewing machines to “how to get people to continue using them”

Our Group has three business segments: the home appliance business, the industrial equipment business, and the IT business. Among these, the important growth driver for the Group’s sustainable growth is the home appliances business, namely the manufacturing and sales of sewing machines.

As I touched upon earlier, in the fiscal year ended March 2021, the value of sewing machines was reassessed around the world due to the stay-at-home demand caused by the COVID-19 pandemic, leading to their widespread adoption worldwide. However, now that we are in a situation where “masks are no longer needed,” we are seeing a pullback in sewing machine sales. To achieve growth going forward, I believe it is crucial not only to cultivate new customers, but also to encourage existing customers to continue using sewing machines, which have spread to homes due to the special demand, and then to step up to higher-end models with high added value by replacing them.

To achieve this, it is necessary for people to feel, “I bought a sewing machine to make masks, but trying it out made me realize that it can do so much more.” We are therefore working on the following initiatives as key measures to create a framework for sharing information on the use, fun and appeal of sewing machines.

▶▶ Sewing Promotion Department initiatives

As a specialized department for promoting sewing machines, the Sewing Promotion Department is working to spread how to use and enjoy sewing machine through various activities, such as participating domestic exhibitions and planning workshops and events for end users, and spreading sewing information via social media and the internet.

▶▶ Developing Bobinage as a chain

Bobinage is an antenna shop that we opened in Kichijoji in 2012 with the concept of expanding the sewing population by offering experiences that let customers feel “Hand crafting

is fun.” Under the Mid-term Business Plan formulated in May 2022, we set out to develop a chain of Bobinage stores, and have since opened three new stores. All stores utilize the operational expertise that has been cultivated thus far, offering “Creative Rooms” where customers can use sewing machines on an hourly basis, as well as hosting various workshops and events. These initiatives aim to spread the fun of sewing and expand the user base for sewing machines.

▶▶ **Strengthening support for home economics classes**

For some time now, we have provided sewing machine-related services and support for home economics classes to elementary, junior high and high schools, vocational schools, and universities across the country. In the same time, we are making efforts to plant seeds for future sewists by enhancing support for sewing education at schools. In addition to supporting classes, we are also working to strengthen support for home economics education, which provides an opportunity for many children to touch a sewing machine for the first time, by holding training sessions for teachers and conducting online lessons for remote areas.

“Actively act and gain ground in important markets” overseas, our main battlefield

Strong support for local distributors to capture great potential of the Indian market

In the home appliance business, where overseas sales account for 80% of total sewing machine sales, one of our policies in the business strategy is “actively act and gain ground in important markets.” As part of this, we are ramping up our efforts in Asia, especially India as a key market, which has great potential for future growth and market share expansion.

India, with the largest population in the world (approximately 1.42 billion people) has great potential, as it has a



culture of using sewing machines at home, which is rare among Asian countries. Today, the Indian home-use sewing machine market is dominated by cast iron straight-stitch sewing machines produced in India, with sales reportedly reaching several million units per year.

We have previously sold light alloy zigzag sewing machines through local agents, but in April 2022, we further strengthened our collaboration by extending the period of the agency agreement. Through proactive measures to support our agents, such as by holding sewing machine classes, we will work to replace cast iron sewing machines with light alloy sewing machines, thereby continuing to increase brand recognition and expand our market share in India.

Growth expected as a second pillar after the home appliance business

Reinforcing our organization, developing new sectors, and expanding into important markets to spur demand

We expect the industrial equipment business to grow into the second pillar of our business following the home appliance business.

This business mainly develops servo presses (electro presses), robots, and die cast products*, all of which were developed and commercialized as in-house equipment used in the manufacturing process of sewing machines. Servo presses and robots are used in the automation of production processes, while die casts are indispensable products for design and development. These products are mainly adopted by industrial robot manufacturers and electronic component manufacturers.

Our servo presses are not only high-performance and high-precision, but also electrically operated, giving them an edge in terms of energy conservation and consideration for the work environment compared to competitors’ products that are operated by hydraulics or pneumatics. In addition, the ease and convenience of introducing our robots to the production site, and the integrated production system from prototyping to mass production for die cast products are our major strengths.

While the industrial equipment business is currently facing a tough business environment, we expect the market to expand over the medium to long term, as environmental friendliness and automation in the production process are becoming major issues for many companies. As a Group, we view the present as a time for patience, and will use this time to accumulate knowledge and technology to be prepared to go on the offensive as soon as we move onto the next step. For servo presses and robots, we plan to continue making investments aimed at reinforcing our production structure, such as in-house parts production, and increasing the added value of our products. Competition in this field is fierce, so we must continue to supply products that set us apart from our competitors. We intend to promote the merits of our products in terms of usability and quality, without getting caught up in price competition.

Overseas, we have also established a company in India that handles industrial equipment products, and are currently preparing to start operations. As with the home appliance business, we are positioning India as an important market, and the new company will strive to strengthen the Group’s sales and after-sales service structure and grasp market needs for product development, aiming to achieve future business growth in India.

*Janome handles the servo press and robot business, while subsidiary Janome Die Casting is responsible for the die cast businesses.

Aiming for further growth as an IT company

Tackle problem-solving through Group-wide DX first to accumulate necessary experience and expertise

The IT business is handled by Janome Credia, an IT-related subsidiary whose roots lie in our computer department. Janome Credia was established in 1970 to externally sell the computer processing expertise accumulated in our sewing machine sales operations. It has a long track record, including successfully taking over the entire credit card system of a major oil retailer in 1971.

Janome Credia’s current strength is system construction and management centered around its own on-premises servers. However, the skills required of IT companies are changing rapidly amid the increasing number of companies adopting cloud-based servers and the rapid shift toward DX. In order to achieve further growth as an IT company, we need to anticipate the technologies required by the times and gain experience in these emerging fields.

To this end, we first want to accumulate experience by promoting “DX within the Janome Group,” and then use the expertise and results we have cultivated there to make proposals to our customers, thereby establishing a solid presence as a problem-solving partner. At present, Janome Credia has assigned dedicated personnel to a specialized department called the “Digital Transformation Department” to work together as a Group to resolve issues such as in-house software development, upgrading production management systems, and streamlining operations.

Increasing corporate value

Accelerating growth strategies to increase confidence in future growth and improve PBR

In response to a request by the Tokyo Stock Exchange that companies take action to “implement management that is conscious of cost of capital and stock price,” we disclosed our approach and specific initiatives in February 2024.

We are working to enhance ROE through the implementation of our Mid-term Business Plan. However, from the fiscal year ended March 2022, our ROE has fallen below the target (10.0%) set at the time of the Mid-term Business Plan’s

formulation, and our PBR (price-to-book ratio) is also below 1x. As a business manager, I take this situation very seriously.

The main reason for our low PBR is that we have not been able to clearly present our Group’s growth story to investors. Although our business performance has been stagnant over the past two years, I am confident that the growth strategies we are currently pursuing will serve as the cornerstone of our sustainable growth, and I believe that there is room to significantly increase our profit margins by expanding our range of high value-added products.

To achieve a PBR of 1x or greater, we must first improve ROE, and will therefore accelerate measures based on our Mid-term Business Plan. By continuing to achieve results thereafter through the execution of our growth strategies, we aim to enhance the trust placed in our management by our shareholders and investors.

Our first mission is to increase corporate value

Striving to meet the expectations of stakeholders by carrying out my duties as a business manager

I believe that the core responsibility of a business manager is to improve business performance and steer the company toward growth, ultimately benefitting all stakeholders, including shareholders, business partners, employees, and their families. If our business performance does not improve, we cannot increase the dividends to shareholders, reward employees by raising their wages, or contribute to society through substantial tax payments.

Above all, if we are not moving in a positive direction, the atmosphere within the company will not be a positive one. Nowadays, many companies try to provide “comfortable workplaces” for their employees, but true comfort only comes from being engaged in fulfilling work. By increasing our business performance, I want each and every employee to feel a sense of purpose and fulfillment in their work.

Janome was founded in 1921 as Japan’s first domestic sewing machine manufacturer. Since then, based on our corporate philosophy of “working to improve society and culture by consistently providing valuable products and services,” we have striven to improve quality, widely incorporate customer needs, and remain dedicated to trusted craftsmanship. Amid rapid changes in the environment surrounding the sewing machine industry, we are the only company to continue manufacturing sewing machines in Japan today because we do not want to undermine a unique stance driven by our commitment to preserving the globally recognized quality of the Janome brand.

As I have mainly worked in production and R&D since joining Janome, I have a love for craftsmanship. It is because we continue to produce high-quality products through craftsmanship that we can make sales. The starting point of a manufacturer is “making good products”—I want to continue to uphold this attitude and pass it on as a company.

I would sincerely like to ask you all for your continued support for the Janome Group going forward.

History

History

History of products

1921-



1921 Model 53 (Pine 500 type)



1948 Model 102 (HA-1 type)

1960-



1964 High Dream

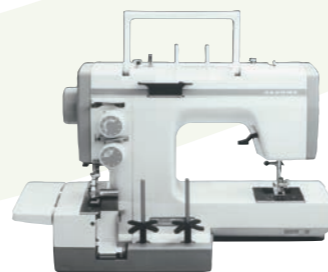


1979 Memory 7/Memoria

1980-



1984 JP-20 Electro Press (servo press) No. 1



1986 COMBI DX (502)

1990-



1991 Secio



1993 JR500 (Desktop Robot No. 1)



2001 Super Secio

2010-

Contribution to inspiration & creative craftsmanship

Sewing machines have performed different functions over time, from an appliance to help save on household expenditures to an instrument to assist users in realizing their diverse personal interests. Janome, known for its proven quality, continued its challenge to develop sewing machines that stimulate users' creative aspirations and comes with user-friendliness and high quality. The results of this 100 years of challenge culminated in (are exemplified by) the recent flagship model, Continental M17, launched in April 2022 for overseas markets. The industrial equipment business will continue its growth as a company to support craftsmanship that listens to the real voice of the production lines to accommodate the rising demands for precision machinery and information devices that require exacting accuracy and a clean operational environment.



2013 Memory Craft 15000



2015 JC-3 Series (Cartesian Robot)



2004 JR2000 Series
*From 2014: JR3000 Series



2022 Continental M17

2020-

Toward the next 100 years

We changed our corporate name from Janome Sewing Machine Co., Ltd to Janome Corporation to coincide with the 100th year milestone since our founding in October 2021.

We also developed for the occasion "Reborn 2024," our new Mid-term Business Plan, as yet another waypoint in our flight for the next 100 years as the "New Janome."

Janome has endeavored to fully comply with corporate governance by such measures as transitioning to a Company with Audit and Supervisory Committee in its pursuit of elevating the authority and supervisory capacity of the Board of Directors. "Reborn 2024" stipulates Janome's basic policy to continue promoting sustainable management by realizing sustainable society and sustainable growth of Janome's business. Janome will engage all of its resources to continue its sustainable growth.

Mid-term Business Plan "Reborn 2024" See page 19



2016 Servo Press JP Series 5



2021 JR3000 Series (Twin Table Model)

Time of quantum leap



Founder Yosaku Ose

Foundation period

Yosaku Ose, one of the founders, started in 1921 Pine Sewing Machine Factory, predecessor of Janome, aiming to domestically produce the machine at affordable prices. Successful launch of the first domestically made machine marked our first step as the sewing machine manufacturer. Originating monthly subscription sale with pre-order and organizing special sales force boosted the sale and leading us to build in 1936 Koganei Factory, the first mass production factory in Japan.

We changed the company name in 1954 to 'Janome Sewing Machine Manufacturing Co., Ltd.' to articulately represent our manufacturing forte.

Acquisition of the major US sewing machine maker, New Home Sewing, epitomized Janome's aggressive expansion into global consumer markets during Japan's rapid economic growth era. Janome established its overseas production hub in Taiwan and in 1964 Research and Development Center in Hachioji Tokyo, where new applications and technology development have been sought, bringing many new products to market.

Janome was first in taking on optimizing administrative work, span off in 1970 its computer business function to set up Janome Computer Center, now known as Janome Credia, which aims now to expand processing out-sourced admiring work by using main-frame computers and high-speed OCR.

Sewing technology application leading to diversification

Memoria, launched in 1979, the first computerized model developed in Japan rocked the home-use sewing machine industry to the great era of renovation.

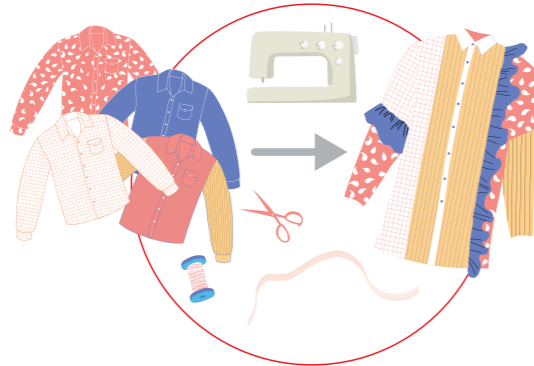
Janome applied production technologies developed for sewing machines to industrial equipment. The servo press JP-20, developed in 1984, is powered by electricity, which was a breakthrough technology for press industry. With this, Janome started its challenge to be a major player in the industrial equipment industry. Janome also ventured seriously into industries other than sewing machines, including a 24-hour hot bath system, 'Yu-Mei-jin,' developed in-house.

Production facility was reinforced by Thai Factory, built to accommodate soaring demand from growing global sales of sewing machines.

Janome in Your Life

Sewing Project Samples to Enrich Your Life

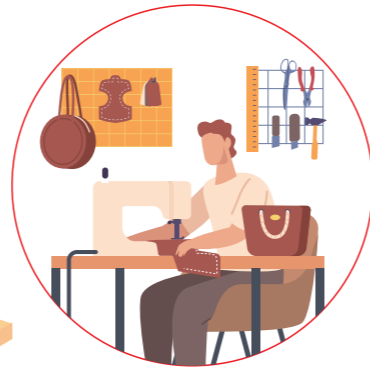
Refashioning Clothes



Outfits for pets



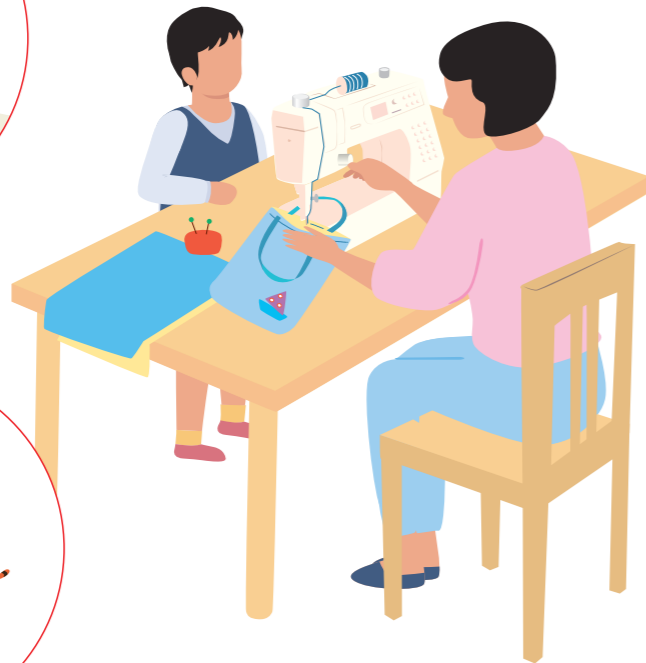
Leather crafts



Cosplay clothes



Matching outfits



Cosplay event in Mexico



Patchwork quilts

Robots & Servo Presses Serving at the Production Site

: Robot Application
 : Servo Press Application

AUTOMOBILE

Car Navigation/Audio
 Dispensing, Soldering, Depaneling

Airbag Sensor
 Swaging

Gear Box Bearings
 Press Fitting

Engine Cover
 Thermal Pressure Welding

Wire Harness, Connectors
 Soldering

Bending, Cutting

Built-in Camera
 Screw Tightening, Dispensing, Soldering

Seatbelts
 Swaging, Bending

EV Motor
 Swaging, Press Fitting

EV Inverter Board
 Dispensing, Screw Tightening, Depaneling

EV Battery
 Compressing, Cutting, Bending, Swaging
 Dispensing, Plasma Irradiation

ABS Hydraulic Circuit, ABS Sensor
 Press Fitting, Sealing

SMARTPHONES

Body Assembly
 Screw Tightening

Vibration Motor
 Swaging, Press Fitting

Miniature Screw Tightening
 Screw Tightening

Battery Case
 Dispensing

Camera Module
 Dispensing

Organic EL
 Dispensing
 Pressure Bonding

Button Testing
 Inspection

Speaker, Earphone
 Dispensing, Soldering
 Forming

WIRELESS EARPHONES

WEARABLE DEVICES

Sealant
 Dispensing

Miniature Screw Tightening
 Screw Tightening

PRINTED CIRCUIT BOARD

Lead Frames
 Cutting, Bending, Swaging

Connectors
 Press Fitting



Plasma Irradiation

At a Glance

Business portfolio

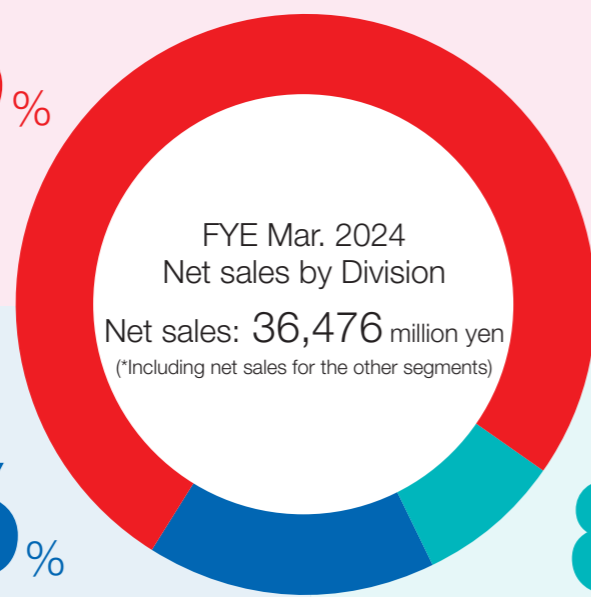
Home Appliance Business

Net sales: 27,706 million yen

Since our foundation as Japan's first domestic sewing machine manufacturer in 1921, we have provided high-quality, user-friendly sewing machines and a joyful and fulfilling sewing life using these machines to people around the world, as a leading company of home-use sewing machines.



76%



FYE Mar. 2024
Net sales by Division
Net sales: 36,476 million yen
(*Including net sales for the other segments)

16%

Industrial Equipment Business

Net sales: 5,778 million yen

Our industrial equipment business began with the development of in-house production machinery for the manufacture of sewing machine components. Since the launch of the servo press in 1984 and desktop robot in 1993, we continue to evolve by listening to the voices of our customers on the production line, earning a strong reputation with manufacturers around the world for precision and user friendliness.



8%

IT Business

Net sales: 2,782 million yen

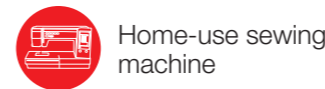
In the IT Business, Janome offers IT software development data processing and system operation management outsourcing services. We aim to provide speedy, streamlined services in response to changes in the environment and corporate needs in today's rapidly evolving IT society.



Janome's characteristics by the numbers

Japan

No. 1 share in the market



Home-use sewing machine

- We drive the industry as a leading company of home-use sewing machines.



Industrial Equipment Business (Robots & Servo Press)

Top-level

market share in the industry

- Known for its high performance and user-friendliness, Janome is widely gaining a reputation as an industrial equipment manufacturer.



IT Business: Janome Credia Co., Ltd

from FYE Mar. 2021

Revenue and profit increased for 4 consecutive fiscal years

- We have expanded external customers using the know-how we have cultivated through IT development in the Group, with more than 80% of sales accounting for customers outside the Group.
- In the 55 years since our founding, we have earned the trust of customers, including major companies, through long-term business relationships.

Overseas



72%

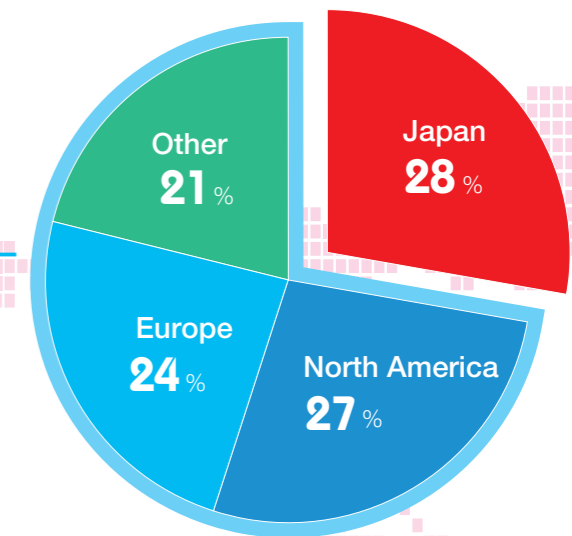
Overseas net sales ratio

Overseas net sales: 26,420 million yen
FYE Mar. 2024

Sales destinations

More than **100** countries and regions

We have gained global support, from North America and Europe where sewing is part of life, to emerging countries such as those in Asia and Latin America. We conduct sales in over 100 countries and regions along with our industrial equipment products.

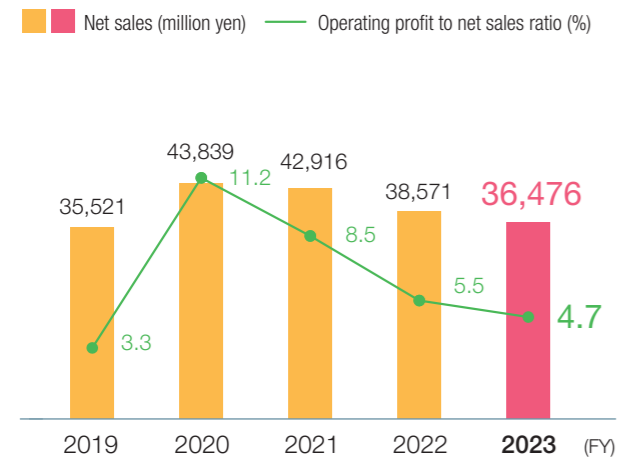


Overseas sales company

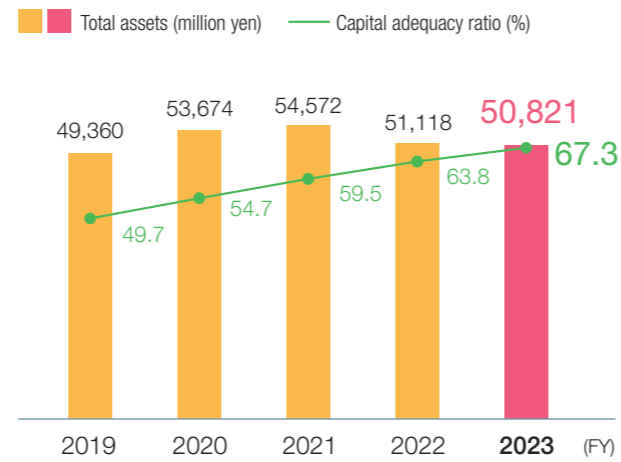
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Financial and Non-Financial Highlights

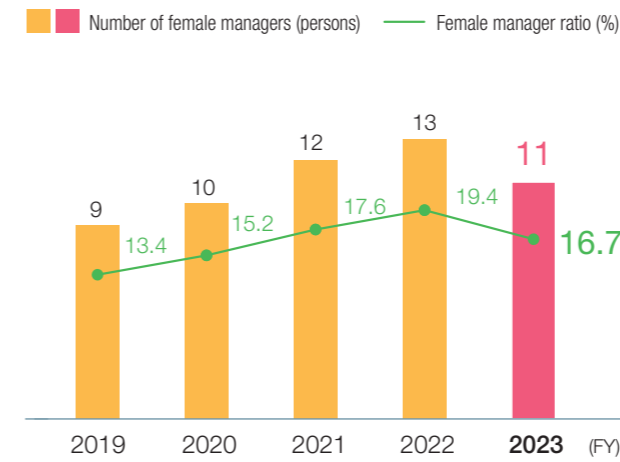
Net sales/Operating profit to net sales ratio*1



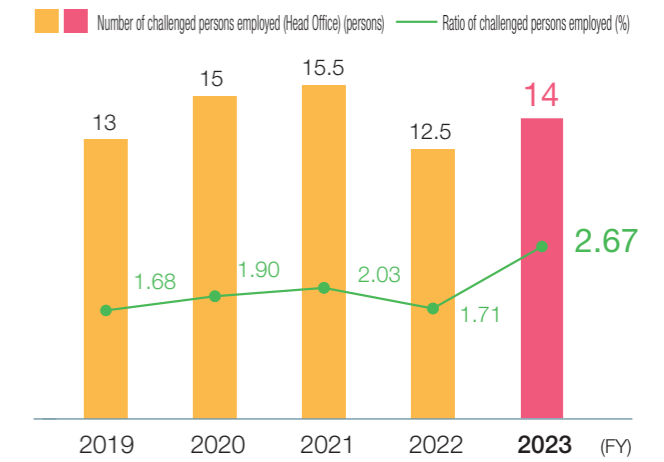
Total assets/Capital adequacy ratio



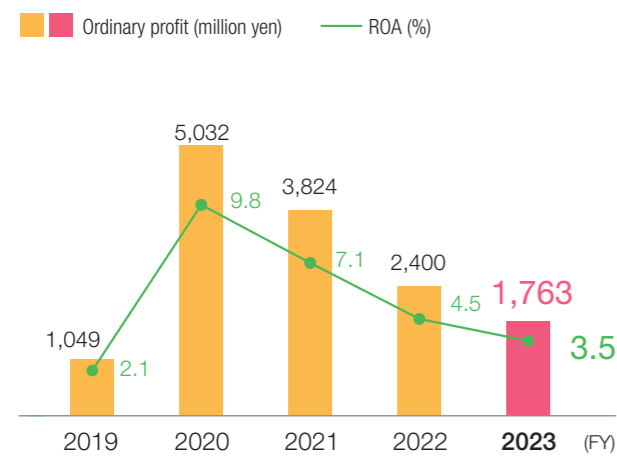
Females in manager positions*1



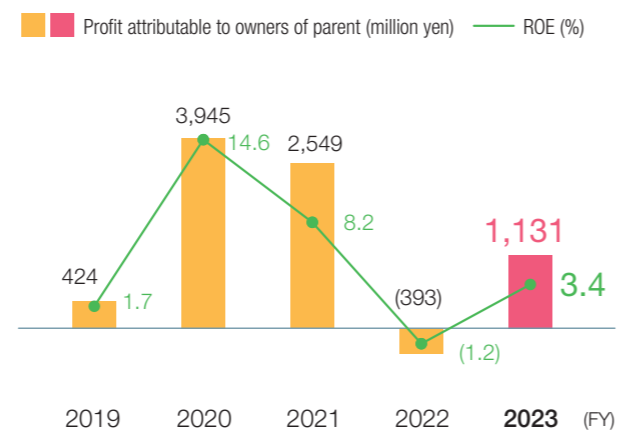
Employment of challenged persons*2



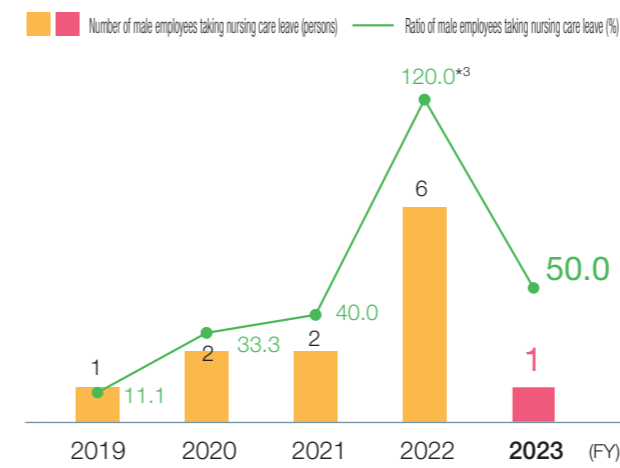
Ordinary profit/Return on asset ratio (ROA)*2



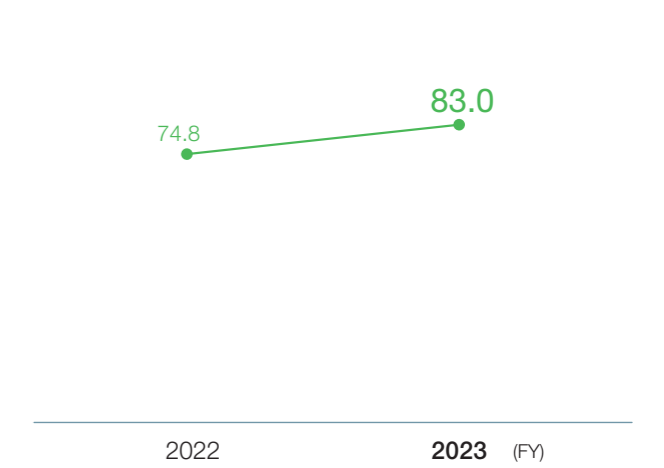
Profit attributable to owners of parent/Return on equity ratio (ROE)*3



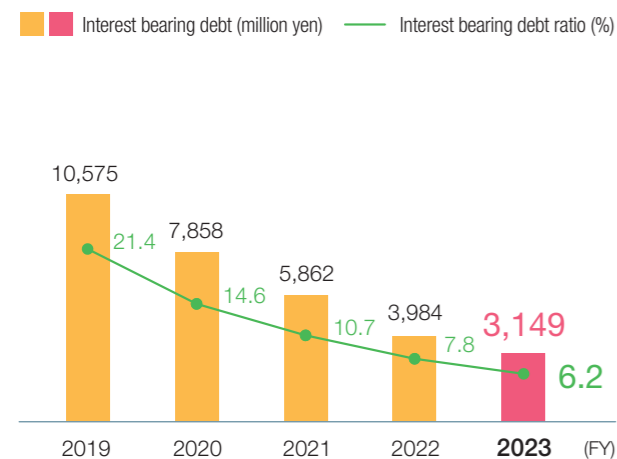
Male employees taking nursing care leave



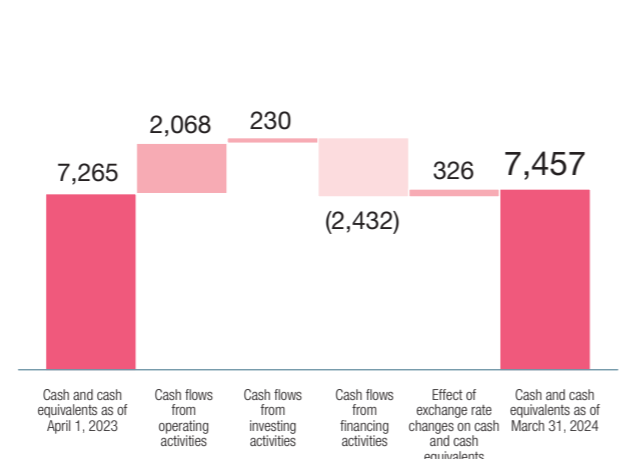
Gender wage gap*4 (%)



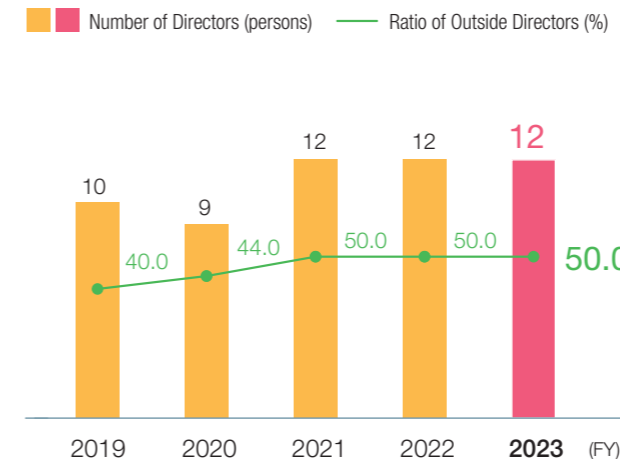
Interest bearing debt/Interest bearing debt ratio*4



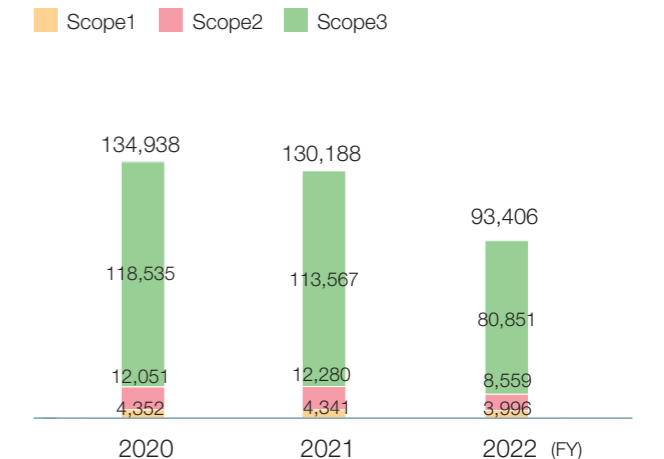
Cash flows (million yen)



Number of outside directors



CO₂ Emission Scopes 1, 2 *5, *6 (t-CO₂)



*1 Operating income to net sales ratio = (Operating profit)÷(Net sales)×100
*2 Return on asset ratio (ROA) = (Ordinary profit)÷(Total assets)×100

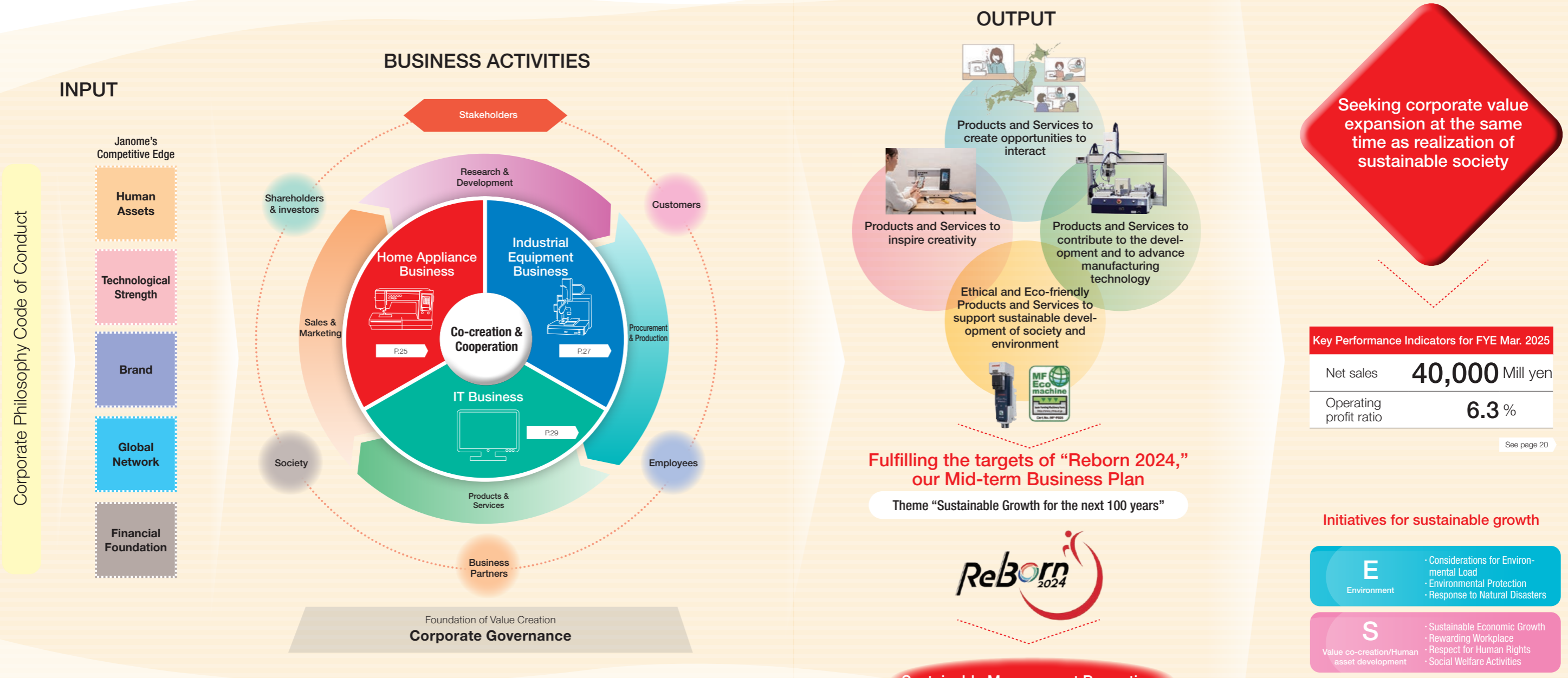
*3 Return on equity ratio (ROE) = (Net profit)÷(Equity)×100
*4 Interest bearing debt ratio = (Interest bearing debt)÷(Total assets)×100

*1 The calculation method includes Group companies
*2 Calculated according to the calculation method of the employment ratio system for persons with disabilities of the Ministry of Health, Labour and Welfare
*3 The above result is over 100% because employees did not take child care leave in the year the baby was born, but was taken the next year or later

*4 Ratio of women's wages to men's wages
*5 CO₂ emissions during FY2023 are currently being calculated
*6 The Scope 3 calculation scope includes only the Company

Corporate Value Creation Process

In its quest to realize the corporate philosophy, the driving force of all corporate activities, the Janome Group has offered rich and creative value to all stakeholders by delivering the highest quality products and services, supported by its competitive strengths of “Human Assets,” “Technological Strength,” “Brand,” “Global Network” and “Financial Foundation.” We will contribute to the realization of sustainable society by responding to various challenges that society will face, thereby expanding our corporate value.



Key Performance Indicators for FYE Mar. 2025

Net sales	40,000 Mill yen
Operating profit ratio	6.3 %

See page 20

- Initiatives for sustainable growth**
- E Environment**
 - Considerations for Environmental Load
 - Environmental Protection
 - Response to Natural Disasters
 - S Value co-creation/Human asset development**
 - Sustainable Economic Growth
 - Rewarding Workplace
 - Respect for Human Rights
 - Social Welfare Activities
 - G Governance**
 - Reinforcement of Governance
 - Peace and fairness

See page 32

Janome's Accumulated Strength

Pine Sewing Machine Model 30 (Pine 100 type) has been registered in the National Museum of Nature and Science's FY2023 Essential Historical Materials on Science and Technology (nicknamed "Technology Heritage for the Future").

This model is the first standard home-use sewing machine in Japan, and it achieved a dramatic improvement in work efficiency by adopting a vertical oscillating shuttle hook system for the bobbin thread mechanism. In addition, we have been highly regarded for establishing the "inter-firm division of production system" network that standardized and ensured a stable supply of components necessary for achieving the domestic manufacturing of sewing machines.

*Technology Heritage for the Future: A registration system for materials that demonstrate important achievements in the development history of science and technology in Japan, and are intended to be passed on to future generations.



Source of Value Creation

Proven Technical Capabilities Support Manufacturing Culture

Janome established the world's first general research center for sewing machines in 1964, the 39th year of Showa era, and has since pursued its research and development of high quality and high value-added products as a leading home-use sewing machine manufacturer.

The industrial equipment segment of Janome's business, initiated by applying technological strengths nurtured over the history of successful home-use sewing machine production, expanded its technological reach from desktop robots into high-spec SCARA robots and servo presses, and has developed an industry customer base ranging from automobile and smartphone related precision mechanical equipment manufacturers to research institutes and universities, as well as the food industry.

Janome products, widely supported for having the "Janome standard of quality" by many customers around the world, are produced in three factories, the Tokyo Factory, located within Janome Headquarters in Hachioji, Tokyo, Taiwan and Thailand.

Tokyo, as Mother Factory, produces top-end home-use sewing machines and industrial equipment products. It also strictly monitors and controls the production progress in other factories so that all the factories maintain optimal production allocation. Manufacturing technological expertise amassed over the long history of the Tokyo Factory have introduced to the Taiwan and the Thailand Factories.

In this society undergoing drastic changes, we are placing dedicated efforts in our daily operations to accurately capture customer needs and provide products that reflect those needs, with the goal of expediting the development and production cycles without compromising high quality standards.



3 pillars to establish Janome's quality standards

Product development capability

Detailed standards are designated for individual product price points which work as guidelines for selecting optimal design and components, guaranteeing products with extensive capabilities, excellent durability and stable quality.

Manufacturing system

Manufacturing expertise and technological edges, amassed as the pioneer domestic home-use sewing machine manufacturer, have been implanted and expanded to overseas factories. An engineer exchange program is in place between Tokyo and Taiwan that has worked to improve the engineering expertise of both the operations.

Stable quality spare parts

Establishing a manufacturing hub in Taiwan in 1960's ahead of the competition, Janome has built close ties with key local parts suppliers, who enable Janome to maintain its attention to detail of each and every part selected. Automated production has been introduced for some internal part production as one step to improve the efficiency of the production system.

Global Production System

Mother Factory/Production Management Division



Tokyo Factory

Governs overall production by monitoring the utilization rate, operational progress and profitability of each factory. It is an integral fortress of quality assurance, following up on updated information regarding various safety regulations and monitoring compliance therewith including performing inspections to protect Janome's high quality standards.

Challenges & Action Plans
Renovate production control system to increase output as well as to reduce time to delivery of industrial equipment, accommodate in-house fabrication and high-mix small lot production, promote 5S Activities, promote succession of technology and prevent potential loss of production expertise contingently triggered by production relocation to overseas factories.

Main Factory



Janome Taiwan

Compliments Tokyo Factory with the function of production technology division by facilitating minor changes of certain models so as to expedite the new product development process as well as to reduce development cost. It also integrates painting divisions and performs key functions as parts supply center to all the factories.

Challenges & Action Plans
Review production line configuration, promote further automation of operations including in-house parts production department, computerize information control such as "tact time," or cycle time to reduce costs, improve quality and production efficiency.

Strategic Factory



Janome Thailand

Structured to produce affordably priced models efficiently to cope with the exacting price competition.

Challenges & Action Plans
Promote production leveling to streamline output quantity and labor management efficiency.

Global Network

Janome has built a global distribution network so it can swiftly respond to wide ranging needs of the Janome users in the various markets around the world. Eighteen overseas sales companies, firmly supported by the Head Office Division—work closely together to supply our products that satisfy our customers' needs.

Home-use sewing machine sales subsidiaries constitute a major engine of the Janome Group's overseas sales activities, which are aligned along the area marketing strategy in the major markets of North America, where Janome America, Inc. has been a force since the 1960s, Europe and Oceania.

Industrial equipment sales subsidiaries entered the markets dominated by automobile related industries, as JIE America entered Chicago in 2007 at the heart of American manufacturing industries, and are engaged in sales development activities, followed up with after sales service, by demonstrating how useful and original our equipment is.

Janome manufactures the products it sells in three factories in Tokyo, Taiwan and Thailand. We are building a flexible production system by leveraging the roles and functions of each factory and with further cooperation among the factories.



Global Network, See page 62

Progress on Mid-term Business Plan

Seeking corporate value expansion at the same time as realization of sustainable society

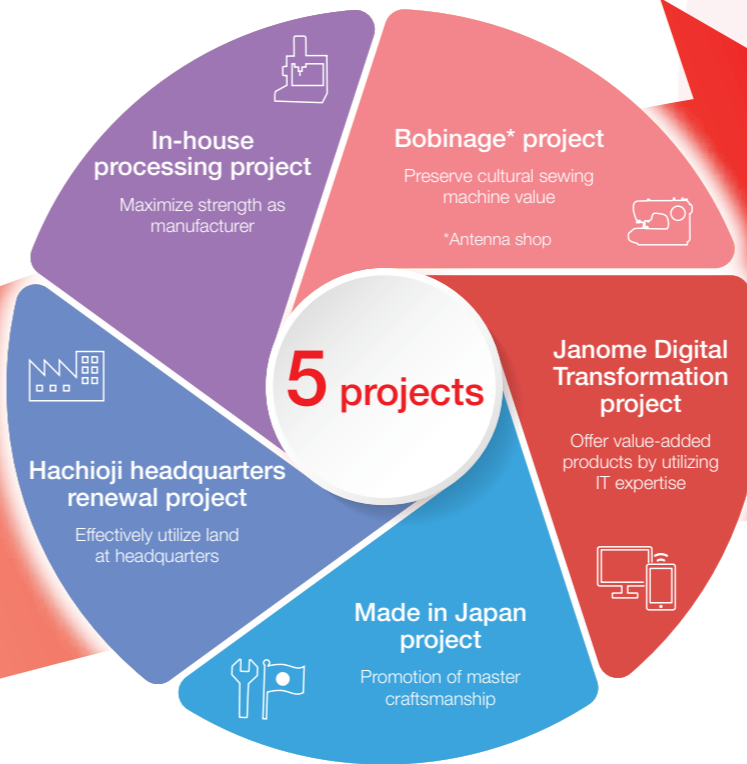
The Mid-term Business Plan started from FY2022 “Reborn 2024-SUSTAINABLE GROWTH for the NEXT 100 YEARS” (FY2022 to FY2024) was developed with various measures in accordance with the basic policy “Move forward with sustainable management to drive sustainable growth of the company.”

In FY2024, the final year of our Mid-term Business Plan, in addition to implementing each business strategy, we are making efforts to increase our corporate value through the implementation of initiatives for “promotion of business portfolio reform,” “clarification of shareholder return policy,” “reinforcement of financial strategies and capital policies,” and “reinforcement of IR activities,” as in “Action to implement management that is conscious of cost of capital and stock price” announced on February 9, 2024.

Basic policy
Move forward with sustainable management to drive sustainable growth of the company



- 1 As a leading company in the industry, preserve the culture and value of the sewing machine
- 2 Expand the Industrial Equipment business
- 3 More focus on IT business through subsidiary
- 4 Start 5 projects which cross over multiple divisions
- 5 Sustainable management



PICK UP

Made in Japan project

In March 2024, we launched the high-performance, high-quality model Horizon Memory Craft 9480 QC Professional, which is manufactured at our Tokyo Factory by hand one unit at a time by craftsmen of the national qualification, 1st grade of Sewing Machine Maintenance Mechanic.

We are also working to pass on knowledge and technology in sewing machine manufacturing to the next generation, while showcasing the high quality and advanced technical capabilities of Japanese products.



Horizon Memory Craft 9480 QC Professional

Key Performance Indicators (KPI)	FYE 2023.3 Result	FYE 2024.3 Result	FYE 2025.3 Forecast
Net Sales (million yen)	38,571	36,476	40,000
Operating Profit (million yen)	2,120	1,716	2,500
Percentage	5.5%	4.7%	6.3%
Ordinary Profit (million yen)	2,400	1,763	2,400
Percentage	6.2%	4.8%	6.0%

Policy for shareholder returns

Under “Reborn 2024,” we aim to keep a stable dividend payout ratio (30%) in the medium to long term.
 In order to increase the level of shareholder returns and improve capital efficiency, the Company made the acquisition of its own shares on August 10, 2023 (996,300 shares). Regarding dividends, we will strive to return profits to shareholders by steadily and continuously increasing dividends, with a minimum target of an annual dividend of 25 yen per share.

Increase our corporate value

High revenue model management

Next Mid-term Business Plan (FY2025 to FY2027)

Message from the Head of Finance

Aiming to increase our corporate value through the trust cultivated over a century-long history and further growth



Hitoshi Doi

Director, Senior Managing Officer, Management Planning Division Head, Administration Division Head

Striving to grow sustainably and to increase corporate value over the medium term Management that is conscious of cost of capital and stock price

The Janome Group has a history that spans more than a century, encompassing home appliance business, which consists primarily of sewing machine business, industrial equipment business, and IT business. The financial strategies that support these business segments are focused on lowering capital costs and increasing corporate value.

1. Securing a stable foundation and our growth strategies

The core of Janome's financial strategies consists of securing a stable foundation and strategies for achieving growth. We possess a steady revenue base founded on our brand, which is marked by its high reliability that we have built up over its long history. In particular, the market share expansion of our home appliance business, as well as of our industrial equipment business, which includes the die cast business, has enabled us to secure steady sales and profits. Under our current Mid-term Business Plan, we have been building on this long-established, solid financial foundation to achieve "SUSTAINABLE GROWTH for the NEXT 100 YEARS."

2. Mid-term Business Plan "Reborn 2024" Our financial initiatives in the final year

In the fiscal year ending March 2025, the final year of our Mid-term Business Plan, we aim to accomplish our plan objectives by continuing to advance our policies of "offering sustainable products," "strengthen supply chain," and "actively act and gain ground in important markets," based on our basic principle of "move forward with sustainable management to drive sustainable growth of the company." To this effect, we formulated the "action to implement management that is conscious of cost of capital and stock price" in February 2024. Under the recognition that the improvement of PBR is a critical management issue, we are working to maintain a PBR of 1x or greater by ① improving ROE, ② reducing the cost of shareholder capital, and ③ implementing measures for achieving sustainable growth.

3. Increasing our corporate value

Increasing corporate value is a matter of utmost concern to investors. Janome is striving to maximize corporate value by implementing the following initiatives.

① Business portfolio transformation and optimization: Janome has three core pillars of business: the home appliance business, focused primarily on sewing machines, the industrial equipment business, and the IT business. We leverage the mutually complementary strengths of these businesses to maximize synergy effects. In recent years, in particular, we have been increasing the added value of our IT business services to meet the demands of the age of digital transformation. This business segment is providing us with even greater competitive advantage. By optimizing our portfolio, we hope to stabilize our revenue and achieve further growth. We are also actively deliberating measures such as alliances and M&As to reinforce the profitability of each of our business segments.

② Promoting innovation: Janome places great importance on technological innovation, which is why we actively invest in research and development. The development of new sewing machine products that feature new technologies and the introduction of state-of-the-art solutions in the IT business segment is making especially large contributions to the enhancement of our competitiveness and the expansion of our market share. Through ongoing future innovation, we will launch new products and build more efficient production processes. We believe that this will improve our long-term corporate value.

③ Strengthening our global development: Further expansion into overseas markets is essential for increasing Janome's corporate value. By strengthening our global development efforts, we will increase the diversity of the markets in which we do business, diversifying risk and providing us a wider range of growth opportunities. Expanding into emerging markets, such as India, and partnering with local entities will contribute significantly to the growth of our sales and brand value.

④ Cost management and efficiency improvement: We are focusing on cost management in order to improve our business management efficiency. By reducing production costs and streamlining operations, we continuously strive to improve profit margins and corporate value. Specific efforts include the automation of production lines and the optimization of our supply chain.

⑤ Maintaining financial soundness: The soundness of a company's financial constitution is vital to the maintaining and increasing of the company's value. Janome maintains a stable financial foundation through appropriate capital structure and liquidity. In addition, efforts have been made to achieve a greater level of resilience to changes in the economic environment by reducing our cross-shareholdings and our assets, including the divestment and sell-off of non-business assets. We will continue with our sincere efforts to earn even greater trust from our shareholders through activities such as leveraging the treasury shares we have acquired, which contribute to sustainable growth, and deliberating on capital policies such as the acquisition of further own shares. We have also decided to issue interim dividends. We aim to provide returns to shareholders with a focus on progressive dividends, based on our stable financial foundation.

Janome will continue to implement financial strategies centered on optimizing capital costs and increasing corporate value. By reviewing and revising our capital composition and bolstering our internal reserves, we will reduce capital costs, optimize our business portfolio, promote innovation, strengthen our global expansion, manage costs, and improve efficiency. Through these initiatives, we will seek to increase our corporate value. These strategies will enable us to provide shareholders with stable returns and create a more solid foundation to support our long-term corporate growth and development.

Message from the Head of Research and Development

Leveraging our integrated manufacturing and marketing system to create new value



Yukio Hosaka

Senior Managing Officer, Research & Development Division Head

1. Structure of the Research & Development Division

The Research & Development Division endeavors to increase the competitiveness of our existing businesses and to create new businesses and new products.

While introducing the latest digital technologies and making Kaizen our keyword as we aim to improve our development speed and efficiency, we are also actively developing new product elements and, together with JANOME's subsidiaries, we are engaged in several medium and long-term projects to create new value.

2. Contributing to business growth

We have absolute confidence in the home-use sewing machine technological expertise upon which JANOME is built. Employing our unique home-use sewing machine know-how, we strive to develop even more advanced products at an accelerated cycle, working closely with our overseas sales companies to create products with the functions that customers need.

Utilizing the user-friendly interfaces derived from our home-use sewing machines, we put particular effort into the development of desktop robots and Electro Presses (servo presses) for the second pillar of our business, industrial equipment. High reliability and usability are important when choosing industrial equipment, so we use our advanced technical strengths, gained from long years of accumulated know-how and planning to meet our customers' needs.

Furthermore, we develop new technologies that we expect will be in demand from future customers.

When medium- or long-term development is needed, or when we must develop key technologies, our development structure allows us to carry out development independent of product commercialization. We separate product development and elemental technology development, carrying them out in parallel. This accelerates our product creation and enables us to engage fully in new technology development.

We strive to increase our corporate value through the development of unique products which respond to customer needs. We consider the intellectual property produced through our development activities, such as patents, trademarks, and design rights, to be important management resources. We also view the IP landscape as we consider our future business, selecting research areas accordingly.

For our existing products, we take a firm stance in protecting our intellectual property rights against counterfeit products, especially in developing nations.

3. Reinforcing our research base

In our research, we believe that people always come first. Our exceptional human assets are constantly learning through our certification system-based education and through our system of work site rotation, in which they do not work solely in Japan, where the manufacturing field is hollowing out, but also in overseas plants. Development operations and production technologies might seem, at a glance, to be unrelated, but experiencing foreign cultures and collaborating with numerous partner plants fosters more flexible ways of thinking and the ability to approach development from different directions, so developers returning from overseas assignments find themselves with an even greater range of opportunities to thrive. We believe that our expansive human asset network is another of our strengths.

We also see the promotion of open innovation as a way of strengthening our own research base, so we actively engage in joint development with universities, technical colleges, and affiliated companies. Nowadays, trying to do everything in-house slows down development, so we see open innovation as essential. Joint research projects not only accelerate development, but also enhance our own technical capabilities and serve as spaces for human asset growth, so we plan to engage in even more of these projects in the future.

4. Environmentally friendly products

Today, home-use sewing machines are increasingly used as hobby tools or for remaking clothing. We believe that one of the ways to engage with the environment is through making it possible, in this age of disposable clothing, to remake clothes using home-use sewing machines. This fosters greater use of sustainable products. To this end, we are, of course, committed to manufacturing products with lower environmental impacts, but our core concept goes beyond that, to communicating the reasonable pricing, user-friendliness, and design sensibilities of our products so that more people can benefit from them.

Our research team has created products and technologies from the ground up, going all the way back to when our Research & Development Division was known as the "Research and Development Center." The spirit of taking on new challenges is paramount; no matter how the times may change, we continue working tenaciously, without ever giving up, as we pave the way to the future.

Message from the Head of Production

Our motto, “The next process is our customer” is at the root of “JANOME quality”



Kazushi Kawaguchi

Director, Managing Officer, Production Management Division Head

1. Janome's Competitive Edge

One of the notable features of our business is our “integrated system of planning, development, production and sales.” There are few companies that handle everything in house, from the elemental research of fundamental technologies, development, production, and sales to after-sales services for customers. We believe that our system is extremely effective in enabling us to reflect customer feedback in our processes.

At our production sites, we have great confidence in our work as a manufacturer. Our steadfast dedication quality as our highest priority, is one of our company's strengths.

2. Building and strengthening our global supply chain

I would now like to talk primarily about sewing machines, our core business. In addition to our factory in Japan (Tokyo), we also have production companies in Taiwan and Thailand, manufacturing products that are supplied to customers around the world. Janome Taiwan was established in 1969. We were one of the first in our industry in Japan to venture overseas. The factory is now celebrating its 55th anniversary, and it continues to proudly hold its status as our main factory. Janome Thailand takes advantage of the lower labor costs of Thailand in comparison to Taiwan to specialize in low-cost products. Our production system leverages international specialization, with factories supplementing and complementing each other to promote the growth of the Group as a whole.

One of the reasons that we chose Taichung, Taiwan for our first overseas site was that there was a great deal of light industry in the area, with many component manufacturers able to supply us with sewing machine components. Other companies in our same industry have since expanded into Taichung, and Taiwanese production now accounts for roughly half of the world's sewing machine demand. The industry has grown tremendously, leading to Taiwan being known as the sewing machine capital of the world.

Through thick and thin, we have grown together with our suppliers, led by the concept of “coexistence and co-prosperity.” However, geopolitical risks are on the rise. Demand for parts is changing as products become more advanced and offer greater added value. Environmental problems must be dealt with, and the management of companies we do business with is being passed on to future generations. Due to these factors, we anticipate facing various challenges in the future. Product quality depends on component quality, which is why

we focus on quality as our top priority. We are also cultivating new suppliers to build and strengthen a supply chain that enables further cost reductions. We thoroughly provide our existing suppliers with advice and instruction on how to make further improvements.

3. Janome's production knowhow and techniques

Now, I would like to talk about our production expertise. I believe that to maintain our high level of quality, it is important that there be thorough compliance with the rules we have in place. Everyone in our Group shares the same philosophy, that in manufacturing, the next process is our customer. Building product quality into our production lines is a fundamental initiative that enables us to responsibly supply customers with the finest products.

4. Tokyo Factory's role as our Mother Factory

This stance is well established within the Tokyo Factory, which we call the “Mother Factory,” through its long history. Building sewing machines also requires the skills of expert craftsmen. While we actively promote automation of operations where automation is applicable, expert skills are still necessary for sewing machine assembly. One challenge we face is how to pass on these skills to future generations, which is why we lean toward process standardization and easy-to-assemble designs. The Tokyo Factory's mission is to improve quality, pursue higher levels of production efficiency, and transfer these expert skills to our overseas factories. Our Group's three factories will continue to spur each other on to new heights, doing their utmost to raise the level of our Group as a whole.

I look forward to the rediscovery of sewing machines as an everyday tool and seeing our machines used even more frequently in the lives of people in Japan and around the world.

TOPICS



Home Appliance Business



Selected as a Finalist in IDEA 2024

Horizon Memory Craft 9480 QC Professional was selected as a finalist in one of the three major design awards in the world, the IDEA (International Design Excellence Awards) 2024. This selection reflects the high regard for Janome's dedication toward craftsmanship throughout the entire process, from planning to design and production.

*IDEA (U.S.) is considered one of the three most prestigious major design awards in the world, along with the IF DESIGN AWARD (Germany) and the red dot award (Germany).

Our IDEA award achievement: Finalist selection



2012 Memory Craft 12000



2018 Memory Craft 6700P



2024 Horizon Memory Craft 9480 QC Professional



2019 AIR ARTIST



2023 Continental M17



Industrial Equipment Business

Exhibition at the 29th Mechanical Components & Technology Expo

We exhibited at the 29th Mechanical Components & Technology Expo held at Tokyo Big Sight for three days from June 19 (Wednesday) to June 21 (Friday), 2024. The expo showcased motors, bearings, screws, springs, and other mechanical components, as well as cutting, pressing, and other processing technologies, and surface treatment. Many manufacturers visited from the first day, resulting in approximately 70,000 visitors over the three days the event was held. At our booth, we displayed products including the new JR4000 Series Desktop Robot, along with the JR3000 Series Desktop Robot, JP Series 5/JP-S2 Series servo presses, and the JSP Series Automatic Screw Feeders, and drew significant interest from visitors.

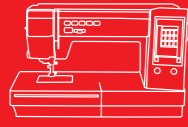


Scene from the venue



Next-generation desktop robot JR4000 Series

Business-Specific Strategies



Home Appliance Business



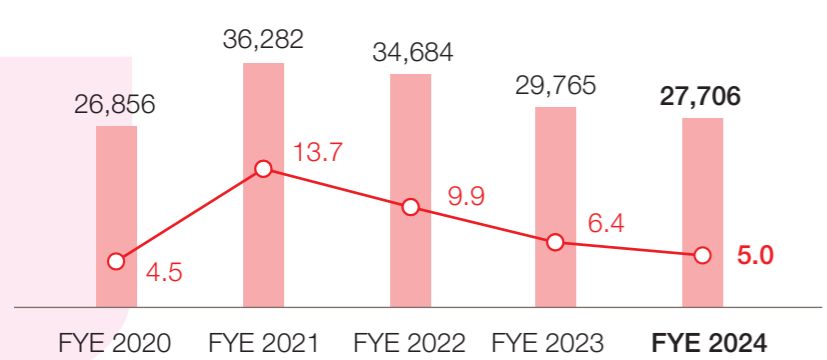
Takeyuki Oshima
 Director, Vice-President, in charge of Home Appliance International Business Division, in charge of Home Appliance Domestic Business Division

Summary of the fiscal year ended March 2024 and the current initiatives

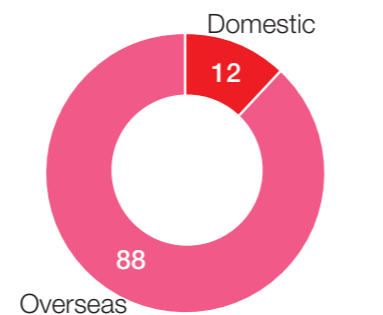
During the period under review, we launched new products and expanded sales, primarily in developed countries such as the countries of North America. Business remained relatively solid in Asian markets including India. However, we have been unable to fill the gap left by the loss of sales in Russia, which was once an important market for us, as a result of the Ukraine conflict. Furthermore, due to global inflation and other factors, the recovery of demand has been limited. In the domestic market, we have made progress in our preparation of a sales structure focusing on distributor sales, following our withdrawal from direct sales business. With respect to sales of sewing machines to schools, we have worked to expand our service offerings, such as holding workshops for teachers. As part of our current Mid-term Business Plan's "Made in Japan project," we are selling advanced sewing machines manufactured in our Tokyo Factory, and these sewing machines have been very well-received. We are also striving to create new demand through our communications, including our Bobinage activities and our participation in exhibitions. This business segment struggled due to the rebound from the boom in "stay-at-home demand," but it appears this decline has bottomed out. Our home-use sewing machines have drawn a great deal of attention from a sustainability perspective as they can be used to remake, reuse and recycle. We will continue to enhance our efforts to share the appeal of sewing machines.

Business Policy	Strategies and Targets
<p>Widely showcase the appeal of home-use sewing machines and lead the market by spreading their "culture and value" as a leading company in the industry.</p> <p>Improve Janome global brand recognition.</p> <p>Make up for the loss of Russian business through sales in other regions.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Aim to expand the sales of high value-added products in the essential markets of North America, Europe and Oceania. <input type="checkbox"/> Increase market share in India and expand sales of light alloy (aluminum) sewing machines, which have established a reputation for their excellent durability. <input type="checkbox"/> Reinforce after-sales service as well as customer support systems and strive to promote the JANOME brand through brand penetration. <input type="checkbox"/> Further exploitation of latent demand through various communication channels with customers. <input type="checkbox"/> Identify market needs through various channels and establish market share. <input type="checkbox"/> Plant seeds for future sewists by enhancing support for sewing education at schools and maintaining No. 1 share for schools in Japanese domestic market. <input type="checkbox"/> Dedication to offering attractive products.

Net Sales/Operating Profit Margin ■ Net Sales (million yen) — Operating profit margin (%)



Sales by Region (%)



Overseas

During the period under review, we engaged in active sales activities, such as launching four advanced models into the market for quilting enthusiasts, and worked to stimulate market demand.

Although the impact from the situation in Russia and Ukraine continues, the yen depreciation has driven relatively steady sales, primarily in North America, Europe, and India.

Business Environment: Opportunities and Risks

- Rebound in demand for home-use sewing machines, which was boosted by the COVID-19 pandemic
- Impact of the protracted situation in Ukraine on the economies of neighboring countries and loss of sales to Russia due to economic sanctions
- Soaring prices including energy prices, and a sense of uncertainty about the future
- Approaching the expanded sewing machine market due to the COVID-19 pandemic.

Strengths

- Wide variety product lineup from entry class to high value-added products
- In September 2023, launched the computerized quilting sewing machine Horizon Memory Craft 9480 QC Professional* and Continental M8 Professional into the market, as a leading company in the quilting machine market

*Selected as a Finalist in IDEA 2024 (See page 24)

- Launch of Skyline Series 10th anniversary model
- Products designed with usability in addition to quality and durability
- Integrated manufacturing and marketing system including planning, development, production and sales

Challenges

- Recover elsewhere lost sales to Russia
- Retain newly gained customers during the pandemic by maintaining their interest in home-use sewing machines
- Expedite the speed of capturing potential market needs, product planning & development activities, and timely production & delivery to the market
- Further increase the value of the Janome brand



International Quilt Market/Quilt Festival (Houston)

Domestic Market (Japan)

We sell products through diverse channels and carry out activities that provide people with opportunities to use sewing machines, with the aim of sharing the appeal of our products and the joy of sewing.

Business Environment: Opportunities and Risks

- Increased direct interaction with customers via events etc.
- Sewing machine value re-evaluated in the light of "Remake and Reuse" activities
- Decline in household purchasing power due to rising prices
- Accelerating price reduction due to the prevalence of internet sales

Strengths

- High quality products with excellent durability and superb ease of use
- Demonstrating how to use and enjoy sewing machines via websites and social media
- Specialist sales support group supporting customers at workshops and events
- Store development to offer the experience and joy of creating your original sewing project
- Top share of the sewing machine market for schools

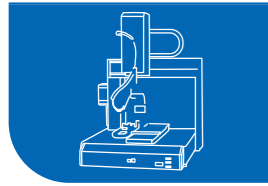
Challenges

- Dig further to uncover potential sewing needs and how to expand of the sewing population
- Identify merchandizing mix that suits new lifestyles and social behavioral changes
- Support for retailers with an aging sales staff
- Further support for sewing education by visiting schools



Model Epolku ~promoting sustainability~

Business-Specific Strategies



Industrial Equipment Business



Toshiya Takayasu
Director, Senior Managing Officer, Industrial Equipment Sales Division Head

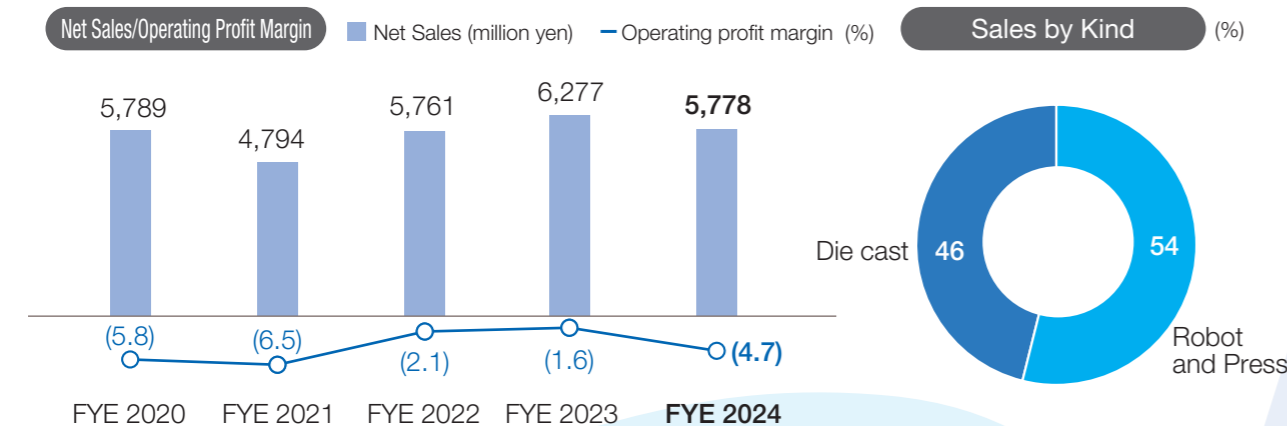
Summary of the fiscal year ended March 2024 and the current initiatives

During this period, in the industrial equipment business segment, we saw a global decline in machinery capital investment around the globe, epitomized by the slowdown of the Chinese economy, and a cautious stance toward investment projects, resulting in a decline in sales. On the bright side, the semiconductor shortage resolved, we added greater value to our products, and we reinforced our sales network. Thanks to these changes, we cultivated new markets, such as delivering machines which utilize Janome robots or delivering products for use by U.S.-based EV manufacturers and space development projects. Over the medium to long term, we expect to see new business opportunities created by rising needs related to realizing a decarbonized society and manufacturing industry manpower reduction, labor savings, electrification, and energy savings. However, we remain highly reliant on specific markets and R&D man-hours are lost dealing with EOL (end-of-life, referring to the cessation of production of electronic components) issues, so we must build a stable revenue base. Specifically, we need to expand sales of desktop robot tools and attachments, develop new applications, establish sales hubs in Japan and overseas, promote internal processing of components and strengthen our component supply chain, attract new customers such as customers involved in new energy sources or semiconductors, and aim toward sustainable growth.

In the industrial arena, energy-saving efforts are accelerating toward achieving decarbonization by 2050. Electrification, weight reduction, size reduction, and efficiency improvement of machinery with poor energy efficiency are keys to reaching this goal. Likewise, the electrification of automobiles and the electrification, modularization, and weight reduction of vehicle components are also imperative.

Our Electro Presses (servo presses) make revolutionary improvements to the energy savings, electrification, and press machine compactness compared with conventional hydraulic presses. Our servo presses are capable of small lot, broad mix production while ensuring quality management and traceability. These solutions are efficient and are not only friendly to the natural environment, but also improve workplace environments. Furthermore, our robot technologies contribute by addressing labor and manpower reductions. Used in high-precision manufacturing and assembly of electrical, electronic, and automotive components, our robots significantly improve productivity and quality. Furthermore, our die-cast aluminum products help reduce the weight of industrial robots, precision devices, and automobile components.

Business Policy	Strategies and Targets
<p>Efforts toward realizing a decarbonized society: Replace hydraulic or pneumatic presses with electrically powered motor-driven presses.</p> <p>Supply and provide support for assembly device systems tailored to customer needs.</p> <p>Allocate more human resources and hubs in critical markets and regions.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Propose systems and offer support for using our products to meet both the constantly rising needs to save labor and increase automation. <input type="checkbox"/> Reduce costs and decentralize and diversify our supply chain by strengthening our in-house production capacities and promoting in-house processing of certain components. Minimize risk and strengthen our production system. <input type="checkbox"/> Environmental considerations and strengthening of partnerships. <ul style="list-style-type: none"> • Accelerate promotional efforts to essential businesses such as the medical industry where the potential demand for Janome's original clean room model is high. • Promote replacement of hydraulic and pneumatic presses with servo presses for energy conservation and a safer working environment. • Strengthen partner company relationships. <input type="checkbox"/> In the die cast business, improve productivity and operational efficiency while continuing with our decarbonization efforts.



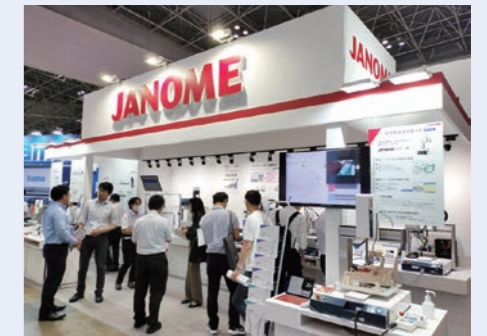
Robots & Servo Presses

Business Environment: Opportunities and Risks

- Growing need for automation to achieve small lot, broad mix production
- Increase in amount of precision work and demand for quality management resulting from weight reductions
- Acceleration of electrification aimed at realization of a decarbonized society
- Technological innovations in information/communication networks
- Decline in equipment demand in line with global recession resulting from geopolitical risks

Strengths

- Provision of user friendly, versatile program environments (robots)
 - ▶ User-friendly operations based on accumulated knowledge from home-use sewing machine production
 - ▶ Provision of program environments that enable customers to perform quality management on their own
 - ▶ Provision of dedicated software used in vertical startup of assembly processes (dispensing, screw tightening, depaneling)
- Efforts to reduce environmental impact and improve working environment (servo presses)
 - ▶ Acquired MF Eco Machine certification
 - ▶ Entry into the medical device business industry with clean-room-compatible presses
 - ▶ Leading the compact motorized press business as a top manufacturer
- Global support structure
 - ▶ Establish subsidiaries in major markets, providing comprehensive sales and technology support
 - ▶ Conformance with major standards in each area



Mechanical Components & Technology Expo

Challenges

- Flexibly develop products that meet diversifying customer needs
- Advanced technology development and human asset development
- Optimize supply chain
- Contribute to the realization of a sustainable society
- Build up our sales and support force both domestically and globally
- Expand product lineup and/or identify robot and press applications in growing sectors such as EV, medical, semiconductors and carbon neutral manufacturing
- Promote sales of devices that use Janome products and perform in-house fabrication of parts and components

Die Cast Products

Business Environment: Opportunities and Risks

- Response to climate change, such as reducing CO₂ emissions from fossil fuels
- Soaring raw material prices
- Increased competition for die-cast products other than automobiles in conjunction with the shift to EVs
- Human asset shortages

Strengths

- Integrated support from plaster casting prototype to mass production
- Capacity for both small lot, broad mix production and large lot production (three 350 ton machines and three 650 ton machines)
- Short delivery times
- Magnesium casting capabilities
- Capability to manufacture sizes of up to 1,250 tons
- Elimination of human error through promotion of automation in finishing and inspection processes
- Numerous opportunities for advancement of female employees

Challenges

- Initiatives to reduce CO₂ emissions
- Improve our technological strengths to stay one step ahead of market trends and differentiate ourselves from competitors
- Promoting manpower and labor saving
- Eliminate work assignments that are highly dependent on specific individuals

Business-Specific Strategies



IT Business

Summary of the fiscal year ended March 2024 and the current initiatives

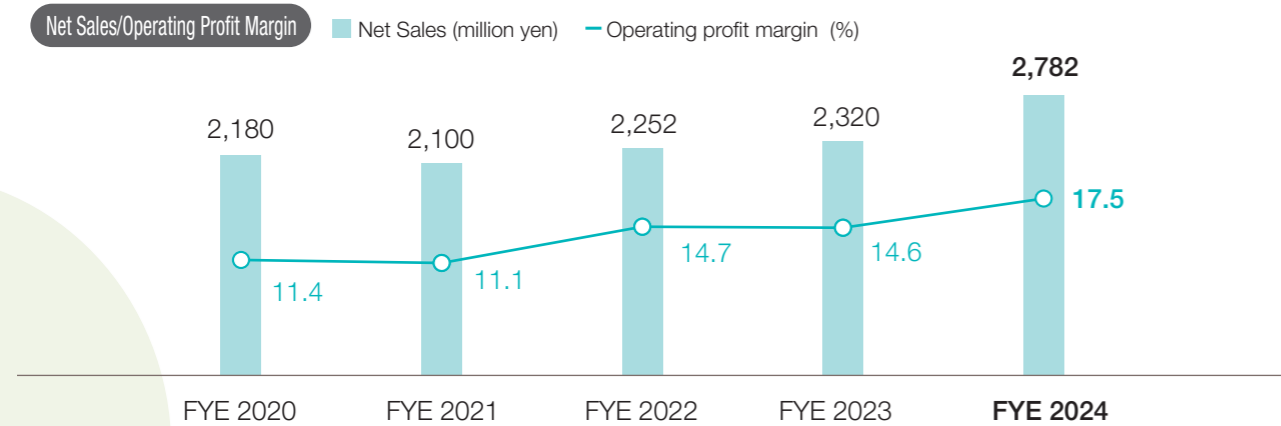
In the IT business, we, Janome Credia, provide software development, information processing services, and outsourced system operation and management. Amid the increase in the number of companies engaging in digital transformation (DX), in our mainstay software development business, we provide optimized solutions that address the business and operational challenges faced by customers in a wide range of industries and business fields, including not only manufacturing, but also construction, distribution, communications, and the service industry. We offer one-stop services that encompass everything from system architecture to maintenance, operation, and enhancement.

We will continue to improve our productivity and conduct thorough quality management to provide services that satisfy customers. We will also leverage our knowledge and experience to build business models that are responding to changing times, such as low-code development or AI usage. Through this, we aim to provide speedy and reasonable services aligned with changes in the environment, meeting the needs of corporates.



Masayuki Okada
President and Representative Director, Janome Credia Co., Ltd.

Business Policy	Strategies and Targets
<p>Drive DX strategy in the Janome Group and expand external sales of system development and IT solutions based on this experience.</p> <p>Establish strong position as a partner who can solve tasks together with customers.</p>	<p>Establish a solid position as our customers' IT partner and grow together with our customers.</p> <ul style="list-style-type: none"> Build and develop a reliable relationship with customers Reinforce our hiring and human asset development efforts. Further enhance our strengths, such as BI solutions and embedded system development. Leverage our track record as an asset to grow our customer base.



Total Solution Packages

In the IT business, we propose optimized solutions that address the management and operational challenges faced by customers in a wide range of industries and business fields. We offer one-stop services that encompass everything from system construction to maintenance, operation, and enhancement.

Business Environment: Opportunities and Risks

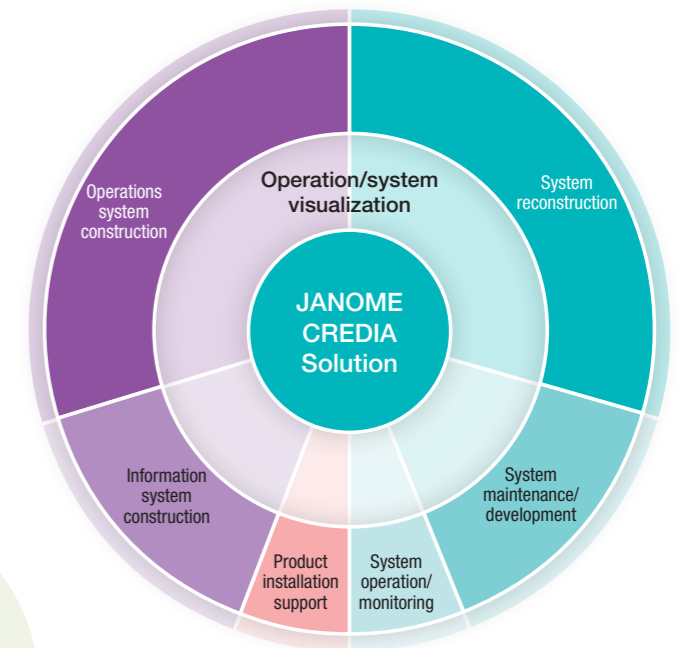
- Respond to the constantly changing IT industry
- Accelerated IT investment sparked by corporate management motivation for digital management
- Increasingly apparent human asset shortages while market scale expands

Strengths

- Track record of system construction in diverse industries and business fields
- One-stop services that go beyond simple system development to encompass proposal, development, maintenance, operation, and enhancement
- Embedded system development technologies based on accumulated knowledge from development of sewing machines and industrial robots

Challenges

- Improve our technological edge with research and development capability one step ahead of the market trends
- Building business models that leverage low code development tools, AI, etc.
- Recruit and train IT engineers



TOPICS

Research and investigation of development methods that leverage low code development tools and AI

To meet the market's demand for low costs, rapid turnaround, and high quality, we are conducting research and investigation to establish development methods that utilize low code development tools and AI.

Janome commenced our efforts in investigation, research, and assessment, with the aim of applying them to sewing machine development, robot development, and the development of external sales systems by Janome Credia, subsidiary of the Janome group. With the aim of creating new business models, we are conducting effectiveness evaluations (for productivity, maintainability, etc.), developing our human assets, and building up a wealth of know-how.

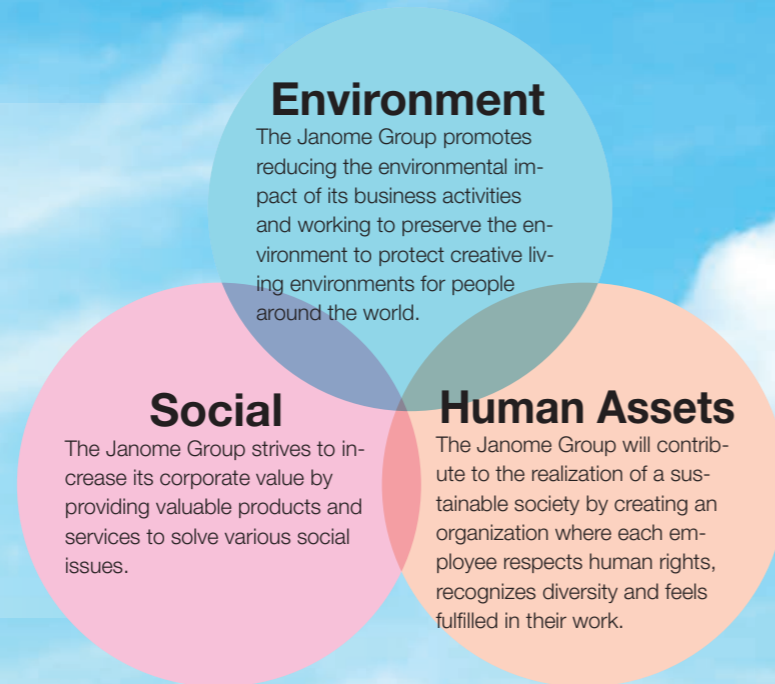


Sustainability

Sustainability Management

Basic Sustainability Policy

The Janome Group endeavors to increase its corporate value by contributing to the realization of a sustainable society through its corporate philosophy of “aiming to promote people’s creativity and contribute to prosperity all over the world” and “working to improve society and culture by consistently providing valuable products and services” and business activities based on the corporate value creation process in accordance with this philosophy.



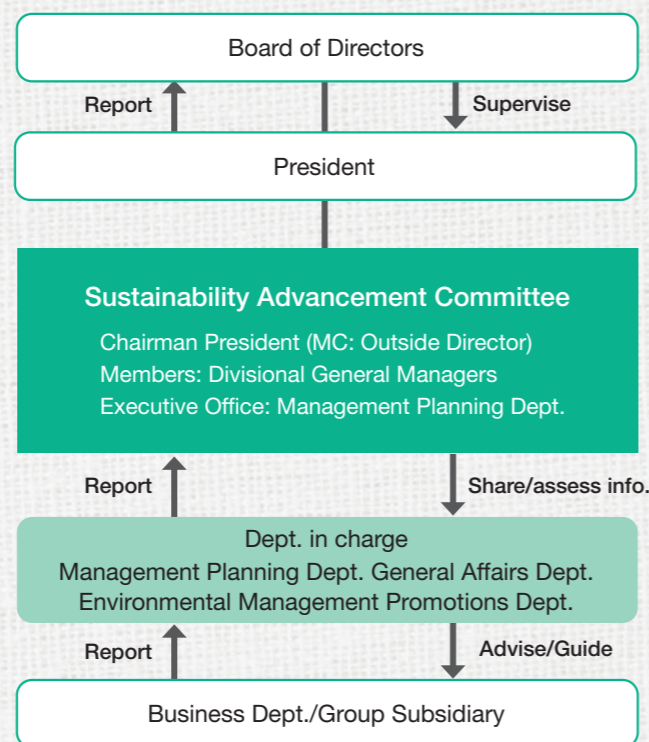
Sustainability Advancement Committee

Based on the articulate recognition of the importance of ESG management, Janome set up Sustainability Advancement Committee to accelerate promoting and approaching to sustainable management as announced in our Mid-term Business Plan, “Reborn 2024,” so that the resolutions of social challenges including SDGs are expedited.

The President chairs the committee with attendance of the Divisional General Managers where material matters concerning sustainability are discussed and challenges, targets and measures to resolve as well as the outcome of the preceding material matters resolution and evaluation thereof.

An outside director leads the meeting of the committee as we expect the discussions to go beyond the internal business decisions and/or executions to sustainability matters in breadth, depth and activation.

Sustainability Advancement Structure Flow Chart



Contributions to achieve the SDGs achievements

Janome believes contributing to realize sustainable society is one of our corporate social responsibilities and will pursue achieving each goal of SDGs by executing business operations from each perspective of ESG.

Janome is what it is today because of a century of support by society, environment and people we have received. It has been a century of incessant conflicts and war, famine and poverty in some parts of the world and human rights have sometimes been neglected. Along the process of industrial revolution and ensuing economic development, there occurred environmental destructions, pollution and waste of natural resources and social inequalities and injustices abounded in many forms and manners. Modern society faces a wide variety of challenges, which call for the global participation and cooperation of all the countries on the planet earth, if we seriously mean to solve them. Janome, as a corporate citizen, will tackle those challenges for solutions to ensure sustainable growth of our own as well as the realization of the sustainable society.



*Sustainable development goals (SDGs) are the international commitment to realize sustainable and better world by year 2030, as documented in 'The 2030 Agenda for Sustainable Development', adopted at United Nations summit in September 2015.

Initiatives for sustainable growth

ESG allocation	Target theme	Main measures	Relevant SDGs
Environment (Environment for the earth) P.33 to P.38	Considerations for environmental load Environmental Preservation	<ul style="list-style-type: none"> Activities to enhance the awareness of the environmental issues Major Environmental Objective, Activities and Achievement Environmental consideration activities at respective business operations Actions taken for Recommendations of the TCFD 	
	Preparation and actions for natural disasters	<ul style="list-style-type: none"> Established Business Continuity Plan Self defense fire drill Safety confirmation system training 	
Social (Value co-creation/ Human asset development) P.39 to P.42	Sustainable economic growth Rewarding workplace Human asset development Respect for human rights	<ul style="list-style-type: none"> Proceed on Mid-term Business Plan Actions taken for Human capital 	
	Workplace safety	<ul style="list-style-type: none"> Health and Safety Committee Safe driving lecture 	
	Technology succession	<ul style="list-style-type: none"> Improve product development capabilities Quality control system Customer support 	
Governance (Corporate Governance) P.45 to P.54	Reinforcement of governance	<ul style="list-style-type: none"> Reinforcement of corporate governance Risk management Compliance 	
	Peace and fairness	<ul style="list-style-type: none"> Fair trade and procurement Exclusion of anti social forces, cooperation with Association of organized crime prevention 	



Actions Taken for Environment

Environmental issues of the earth are the global matters of concern. We strongly believe it is only natural for a private enterprise consuming sizable energy and resources for its business executions to engage in such activities as environmental load reduction and preservation of the environment. The Janome Group would like to take this one step further to include environmental factors themselves directly in its business activities, so that environmental activities will be identified as business opportunities, achievement of which directly enhances our corporate value.

Home-use sewing machines and industrial equipment, major products we manufacture and distribute, have inherent “environmentally friendly and conscious” characteristics. We will improve those characteristics further in our future product development and modifications. Increased efforts will be made to promote environment-related activities along the line of Janome’s “Environment Policy” and its bylaw “Green Procurement Guidelines” on top of the factors regarding environmental load reduction already built-in from the supply chain and production phase to every other phase of our business activities.

Group Environment Policies

Philosophy

The Janome Group is resolved to conduct its corporate activities while paying appropriate attention to conserve the natural environment as well as to contribute to sustainable development of society, based on the recognition that one of the most significant universal challenges to mankind is to “conserve the global environment where man lives in harmony with nature.”

Policies

1. Janome takes on the challenge to reduce CO₂ (carbon dioxide) emissions in every phase from the production to delivery of its products and services.
2. Janome promotes the 3R movement, namely “Reduce,” “Reuse” and “Recycle,” in every phase of its business process to conserve resources as well as to reduce energy consumption.
3. Janome also aims to contribute to society from an environmental perspective, by creating products and services that help reduce environmental load.
4. Janome maintains strict control of hazardous substances that are detrimental to people and the environment, thereby aiming to reduce environmental risks.
5. Janome proactively discloses its overall environmental consideration activities.

Training and initiatives to enhance awareness for environmental issues

In order to create a sustainable society in harmony with the environment, it is necessary to first have an accurate understanding of the environment and then take action to address challenges. To this end, we conduct training and activities to enhance awareness for environmental issues aimed at reducing the environmental impact of our operations and conserving the environment.

During the period of FYE2024, Janome Diecasting (Thailand) Co., Ltd. conducted training in waste separation and has worked to ensure appropriate management.



Training session in waste separation; Janome Diecasting (Thailand) Co., Ltd.

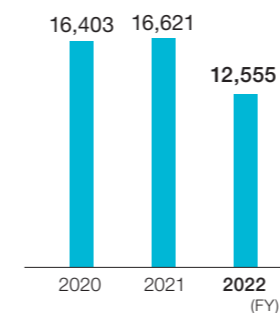
Major Environmental Objectives, Activities and Achievements

The Janome Group sets environmental targets and conducts activities in accordance with the Group Environmental Policy and the environmental policies of each Group company. Our objectives, activities and achievements are shown below. We are developing activities to reduce environmental impact by understanding the environmental impact generated by our business activities

Theme	Key Environmental Objective	Site	Milestone Achievements																		
3Rs (reduce, reuse,* recycle) promotion Conserve energy and resources	*Recycle by strict waste separation	All sites	<ul style="list-style-type: none"> Recycle box installed at every business unit in the Head Office building Recycled polypropylene band & cardboard box 																		
	*Energy conservation by individual business and operation unit	All sites	<ul style="list-style-type: none"> Solar power generation system Introduce and replace with LEDs (light emitting diodes) Replace with environment-conscious equipment, etc. 																		
Reduce CO ₂ output volume	Lower than preceding fiscal year results	All sites	<ul style="list-style-type: none"> See graph below *FY2022 Governance and risk management on sustainability Detailed on page 38 																		
Develop environmentally friendly product	Mainly of sewing machine & industrial equipment	Head Office	<ul style="list-style-type: none"> Activities at Research & Development Detailed on page 35 																		
Toxic substance control	Reduce chemical substance usage with due care and management	All sites	<ul style="list-style-type: none"> Conduct appropriate management and surveys, fully aware of the impact on the human body and the environment Prevent hydraulic leak (Diecast Thailand) 																		
Disclosure of information	Publication of JANOME REPORT	Head Office	<ul style="list-style-type: none"> Published “JANOME REPORT 2023” 																		
Maintain and improve environmental management system	Renew and retain ISO14001 and Eco-action 21 certification	All sites	<ul style="list-style-type: none"> Renewal and retention of certification <table border="1"> <caption>ISO certification status of the Group</caption> <thead> <tr> <th>Company Name</th> <th>ISO14001</th> <th>ISO9001</th> </tr> </thead> <tbody> <tr> <td>Head Office</td> <td>○</td> <td>○</td> </tr> <tr> <td>Diecast</td> <td>— (Eco-action 21)</td> <td>○</td> </tr> <tr> <td>Taiwan</td> <td>○</td> <td>○</td> </tr> <tr> <td>Thailand</td> <td>○</td> <td>○</td> </tr> <tr> <td>Diecast Thailand</td> <td>○</td> <td>○</td> </tr> </tbody> </table>	Company Name	ISO14001	ISO9001	Head Office	○	○	Diecast	— (Eco-action 21)	○	Taiwan	○	○	Thailand	○	○	Diecast Thailand	○	○
			Company Name	ISO14001	ISO9001																
	Head Office	○	○																		
Diecast	— (Eco-action 21)	○																			
Taiwan	○	○																			
Thailand	○	○																			
Diecast Thailand	○	○																			
Environmental Education	All sites	<ul style="list-style-type: none"> Providing information to employees through the Company’s intranet, including information related to the calculation of CO₂ emissions, as well as regulations on chemical substance control and hazardous materials Training in waste separation (Diecast Thailand) 																			
Comply with the environmental laws and regulations of the countries where we have business operations	All sites	<ul style="list-style-type: none"> Comply with the laws and regulations on air and water pollution and noise control of the countries where we have business operations 																			

Abbreviations Head office: Janome Corporation / Diecast: Janome Diecasting Co., Ltd. / Taiwan: Janome Taiwan Co., Ltd. / Thailand: Janome Thailand Co., Ltd. / Diecast Thailand: Janome Diecasting (Thailand) Co., Ltd. / All sites: Head office and subsidiaries

CO₂ Emission Scopes 1, 2 (t-CO₂)

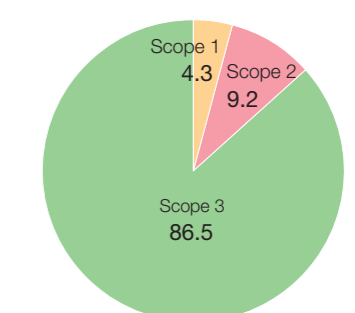


Trends in CO₂ Emissions (in three years) (t-CO₂)

		FY2020	FY2021	FY2022	YoY (%)
Scope 1	Direct emissions	4,352	4,341	3,996	92
Scope 2	Indirect emissions	12,051	12,280	8,559	70
Scope 3	Indirect emissions aside from Scopes 1 and 2	118,535	113,567	80,851	71
Total	Supply chain emissions	134,938	130,188	93,406	72

The Scope 3 calculation scope includes only the Head Office
(Note) The figure calculated for Scope 3 for the Head Office and consolidated subsidiaries in FY2022 is 153,910 t-CO₂

CO₂ emissions by scope in FY2022 (%)



*CO₂ emissions during FY2023 are currently being calculated.

Scope of calculation: The Company and its consolidated subsidiaries

Actions Taken for Environment

Environmental consideration activities at respective business operations

Let us present our environmental consideration activities at respective business operations.

Actions Taken for Research & Development Operations

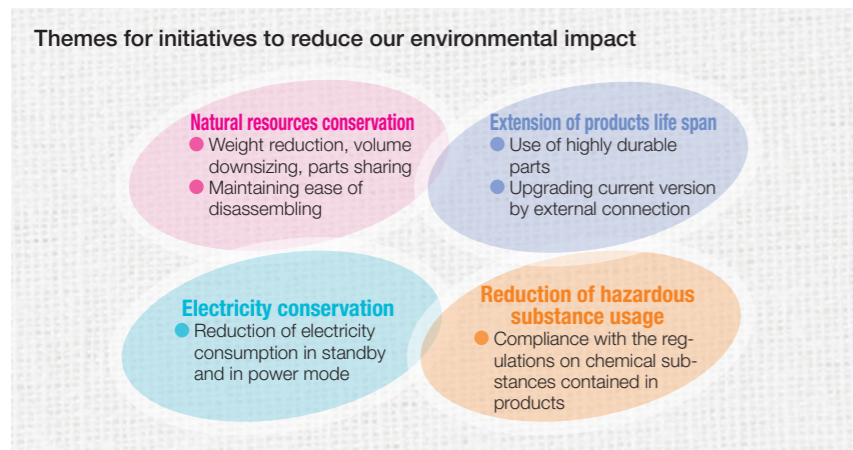
In our effort to reduce the negative burden that our products themselves may have on the environment, Janome takes on challenges such as below in the research and development stage of our home appliance and industrial equipment products.

ABS resin* used for external parts, for certain recently developed sewing machines is reduced as compared to the existing models. Promotion is under way for energy conserving and long-life LED lights.

We also recognize that sewing machines are environmentally friendly and sustainable as they have always been the only productive goods available at home, and since the product itself is used for remaking and reusing.

To further pursue the sustainable characteristics of sewing machines, that incorporate new perspectives into development without being bound by conventional approaches, with the aim of creating products that seamlessly fit into homes and are used for a long time. For example, we are collaborating with sales and planning departments to develop products with appealing designs that reflect the latest trends.

*ABS resin is a collective term of acrylonitrile butadiene styrene copolymerized synthetic resin



Together with addressing the above-mentioned challenges, we employ original evaluation standards for industrial equipment product development in further consideration of the environment.

A summary of the standards is below.

Recyclability	Percentage usage of recyclable ferrous metal parts and renewable resin parts to the total parts
Compliance with safety regulations	Structure and design complying with laws and regulations that the intended destinations require such as RoHS Directive*1, REACH Regulation*2, UL Standards, CE Marking, KCs Mark (Korean Certification Mark), OSHA, etc.
Other	Promote further unitization, improve assimilability, increase exchangeability of maintenance parts



*1 The RoHS Directive is a regulation that restricts the use of certain hazardous substances in electrical and electronic equipment, which was implemented in the EU in July 2006.
 *2 The REACH Regulation is a comprehensive regulation for the registration, evaluation, authorization and restriction of chemical substances in the EU, which was implemented in the EU in June 2007.

New servo press models were tested using the same evaluation standards for existing models and fared equally or better than the existing models in all criteria. New models are also equipped with two-hand control devices, "Switch Boxes"—an additional safety feature for the operator in compliance with EN574*. Even when making considerations for safety and the environment, we do not compromise on functions and features—the fundamental value of our industrial equipment.

*EN574 dictates safety requirements for designing and selecting two-hand control devices.

Environmentally Friendly Products

We are committed to contributing to society from an environmental perspective by creating products that help reduce environmental impact.

Janome Servo Press compatible with clean room

Janome offers a high-precision servo press compatible with clean room standard Class 10*, equivalent to ISO146441-1 Class 4, as a prospective product for the medical market. Main features are as follows:

- Special airtight construction prevents dust generation
- Conductive coating on press exterior stops static electricity
- Press is usable both inside and outside of a clean room environment

We are also making an effort to help customers replace hydraulic and pneumatic presses with our more environmentally friendly electrically powered presses.

*Federal Standard 209D



Clean Room Compatible JP Series 5 Two-Handed Switch Model

Products that have acquired MF Eco Machine Certification

Our JP Series 5 servo presses are "MF Eco machine" certified by the Japan Forming Machinery Association (JFMA)* as environmentally friendly products. One requirement for certification is a reduction in total power consumption of 20% or more compared with conventional machines. The JP Series 5 achieves energy savings by reducing power consumption by 23% or more compared with conventional pressing machines.

In addition, the JP Series 5 is a safe and environmentally friendly product which meets various domestic and international standards for safety, hazardous substances, and other environmental requirements.

*The Japan Forming Machinery Association established its own specialized "MF Eco machine" certification criteria, which a certification council consisting of JFMA members and outside experts use to evaluate, certify, register and publicize "MF Eco machine" products.



Actions taken for Procurement Operations

Janome Group documented "Green Procurement Guidelines" in 2011, and has been monitoring, in coordination with each production business unit, to remain compliant with various regulations on chemical substances contained in our products. We are also monitoring, in cooperation with our suppliers, to ensure that prohibited substances are not used at all or are used to the extent allowed, and to demand correction in case there exist any non-compliance on the part of any supplier with relevant regulations.

▶ Green Procurement Guidelines https://www.janome.co.jp/esg/pdf/greensupply_e_4.7.pdf

Actions taken for Production and Distribution Operations

Each production hub is taking steps to streamline its operations and to reduce overall manufacturing cost as well as to reinforce and improve its electricity saving and environmentally friendly operation system, while constantly monitoring the necessity for renewal and repair of its production system. Additionally, appropriate storage and disposal of waste water and oil discharged during production is strictly monitored to maintain operational compliance with the environmental considerations.

Use of returnable steel pallets for delivery from Janome Taiwan Co., Ltd. to Tokyo Factory has gradually been expanding for some time, while these pallets, on their way back to Janome Taiwan Co., Ltd, are stored in idle space of a container of parts shipment to Taiwan, saving an extra transportation cost.



Reduction of electricity consumption by installing curtains Janome Thailand Co., Ltd.

Actions Taken for Environment

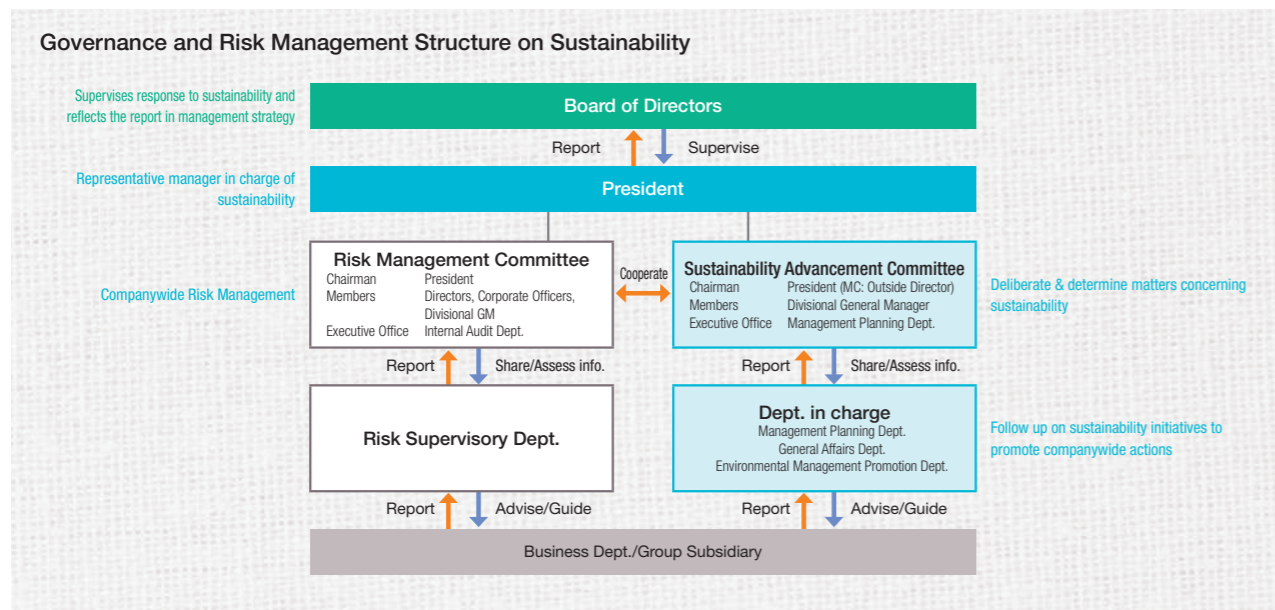
Governance and risk management on sustainability

Corporate Governance

Janome aims to both help realize sustainable society and medium to long term expansion of the corporate value by taking into account sustainability factors in its management decisions.

The Sustainability Advancement Committee oversees the overall activities of the Group in efforts to address social challenges such as the SDGs.

The committee, held periodically, deliberates material matters on sustainability, determines the challenges, targets and measures as well as assesses the validity. An outside director leads the committee to include objective views on material matters concerning sustainability of the Group to avoid leaning on the decision making based on the internal logics. Summaries of such deliberations are reported to the Board of Directors more than once a year, which in turn supervises the environmental activities of the entire Janome Group as well as determines important policies regarding climate change and reflect them in the management policies and business strategies.

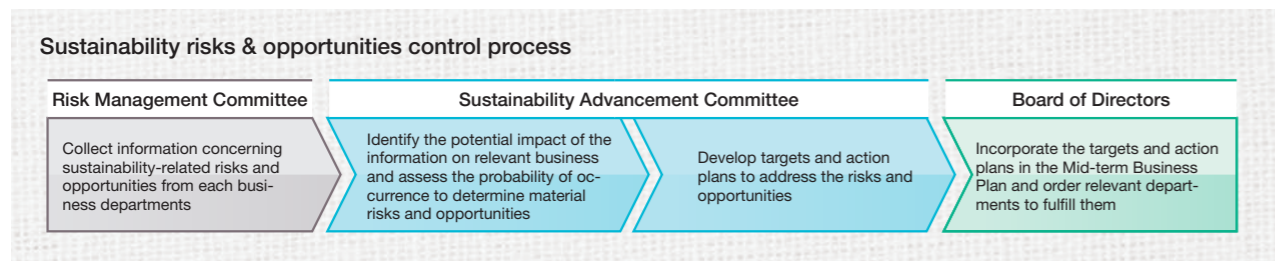


Risk management

The Risk Management Committee is organized to identify and proactively deal with the potential risks Janome and the Group Companies may be involved in and to minimize its impact, in case the risk is materialized, for our swift recovery back to the normal course of the business. The committee is responsible for collecting information, developing the risk management systems and training employees. The committee monitors and conducts risk evaluation of Janome and the Group Companies, with whom it shares these findings so the risk shall be monitored and reduced.

The Compliance Committee and the other committees organized for each purpose compose the system to monitor and control the overall risk of the Janome Group Companies.

The Risk Management Committee meets twice a year to identify risks and opportunities throughout the Group and discuss appropriate responses, and reports to the Board of Directors. The risks and the opportunities concerning sustainability are shared with the Sustainability Advancement Committee, where the priority and specific actions are determined after deliberation with the outcome of the committee to be reported to the Board of Directors. The Board of Directors receives reports related to sustainability risk management from both the Risk Management Committee and the Sustainability Advancement Committee and supervises them.



Strategies

A scenario analysis was conducted based on 2°C and 4°C rise scenarios based on TCFD recommendations, and identified the risks and opportunities on the value chain including our business and assessed the potential financial impacts thereof.

As a result, scenario analysis revealed that a 4°C rise does more harm to de-carbonization and gives rise to increased occurrences of natural disasters with catastrophic intensity, exerting us to address more physical damages to the production facilities and the supply chain. Whereas a 2°C rise scenario impacts production and procurement in terms of the increased cost to comply with new laws, regulations such as carbon tax and increased use of plastic regulations. As de-carbonization progresses, we will recognize as opportunities increasing replacement demand for environment-conscious products, lower carbon material, improving energy efficiency features and further commoditization of parts as consumer behavior changes highlighting demands for environmentally friendly products.

Risks and Opportunities for the Janome Group

(Timeline) Short term: Present - around year 2025 Medium term: around year 2030 Long term: around year 2050

Type	Climate-related Risks & opportunities	Potential Financial Impacts	Categories	Timeline	
Risks	Policy & Legal	Carbon Tax/Emission Trading Scheme	Increased operating and energy costs triggered by the introduction of carbon tax and emission trading scheme	Expenditure	Medium to Long term
			Increased selection and implementation costs associated with the research and introduction of alternative resources triggered by the plastic regulations and additional costs of voluntary recall of the existing products	Expenditure	Medium to Long term
		Energy cost fluctuation	Increased cost to purchase green power to comply with the increased renewable energy ratio	Expenditure	Medium to Long term
	Market	Increased cost of components & parts	Global shortage of energy saving components driven by the same competition in response to the growing needs for energy saving measures pushed up the cost of goods purchased	Expenditure	Medium to Long term
		Changing customer behavior, and uncertainty in market signals	Loss of sales opportunity due to the delay in response to the rising expectation of customers for environmentally conscious products	Revenue	Medium to Long term
		Acute	Increased occurrence of natural disasters	Increased occurrence of typhoons, thunderstorms, and torrential rains give rise to the risk of flooding and blackouts which may prevent employees from coming to work, or lead to factory shutdowns, which involves the risk of sales opportunity loss by a prolonged shutdown period, capital cost of repairing damaged facilities, increased insurance premiums and interruption of parts procurement due to the supply chain stoppage.	Expenditure/Asset
Chronic	Changes in environment due to global warming		Rising temperatures reduce the cooling efficiency of building housing production facilities, leading to deterioration of the working environment and may result in increasing operational errors and reducing productivity as well as accelerating employee turnover.	Expenditure/Asset	Long term
Opportunities	Energy Source	Enter into Carbon Market	In comparison to hydraulic and pneumatic presses, servo presses need only 10 to 20% of electricity in reproducing low noise and clean environment, which is less harsh for the operator and the work itself. On top of CO ₂ emission reduction, it is expected to reduce parts disposal achieved by precision pressure control reducing the defect rate, contributing to conserving the environment.	Revenue	Medium to Long term
	Products & Services	Development and/or expansion of low emission goods and services	Accelerated usage of low carbon materials, further introduction of electricity saving products and common application of necessary parts will be sought so that consumers may possibly identify more values to the products.	Revenue	Short to Medium term
	Resilience	Participation in renewable energy programs and adoption of energy efficiency measures, resource substitutes/diversification	Create new demand by launching products employing brand new technology.	Revenue	Long term

Metrics and Targets

The Janome Group, with its global operations, is exposed to various impacts climate change may exact. Not to mention its inherent needs as a going concern to minimize those impacts for the stable continuation of its businesses, Janome believes, as a corporate citizen, it is endowed with a social mission to proactively engage with environmental issues for legitimate solutions.

Based on this concept, we are calculating the CO₂ emissions from our business activities in accordance with the GHG Protocol as part of our efforts to address climate change. The scope of calculation is for the Company and its consolidated subsidiaries for all Scopes, 1, 2, and 3. Next step is to discuss and elaborate on those metrics to determine numerical CO₂ emission reduction target as well as practical measures to reach those targets, with Sustainability Advancement Committee taking initiative to guide the discussion and determination on the right track.

The Janome Group is always engaged in more environmentally conscious business activities to seek realizing sustainable society and increasing corporate value further.

Actions Taken for Society



For example, as part of rank-specific education, we conduct “third year training” for employees in their third year with the Company, with the objective of clarifying their own strengths and abilities and determining their future direction by reviewing their past work experience and recognizing the importance of autonomous career development. Other initiatives to promote self-development include online English conversation training, correspondence courses, and e-learning for those who wish to participate.

In-House Environmental Improvement Policy

The Janome Group is committed to creating a better working environment. We conduct health checks and stress management on a regular basis to keep our employees healthy and have safety as a top priority. Through the activities of the Health and Safety Committee, we work to prevent workplace accidents and improve the working environment by promoting safety measures and an accident reporting system. Furthermore, with the aim of improving the internal environment and making it easier for employees to work, we are promoting various initiatives to improve the workplace environment and make it suitable for business execution as well as a work environment prepared for safety and health.

Promoting Work Style Reforms

Janome has employees with diverse backgrounds, working in regular and non-regular positions, regardless of gender. We are endeavoring to make the company an even better place to work in order to achieve better business performance, improve productivity, and allow our staff to enjoy fulfilling personal lives outside of work. To achieve work-life balance, we have established a system that facilitates employees to take leave and work in accordance with life events such as childbirth, childcare, and nursing care.

We intend to further reduce overtime hours and promote the use of annual paid leave by reviewing the way we approach our work and business processes and by introducing digital tools. This will improve labor productivity and enhance work-life balance.

Acquisition of Tomonin symbol mark

We have long been proactive in creating a support system for balancing work and nursing care, and in 2020 we acquired the Tomonin Mark, a symbol for promoting the development of a “workplace environment that allows the balancing of work and nursing care.”



Acquisition of Eruboshi symbol mark

On March 19, 2024, we were certified by the Minister of Health, Labor, and Welfare under the Act on Promotion of Female Participation and Advancement in the Workplace, and acquired the Eruboshi (Level 3) certification mark.

We have actively promoted female career advancement, including the expansion of the childcare leave system, and we have met all five certification criteria: recruitment, continued employment, work styles including working hours, manager ratio, and diverse career path.



Acquisition of the TOKYO Papa Ikugyo Promotion Companies registration mark (Bronze)

On July 8, 2024, we were certified by the Tokyo Metropolitan Government and acquired the TOKYO Papa Ikugyo Promotion Companies registration mark.

The mark we acquired was Bronze, which is awarded to companies where the male childcare leave acquisition rate is between 50% and 75% (with eligibility conditions, such as male employees who have taken a total of at least 15 days of leave in the last two fiscal years).

We are also focusing on encouraging childcare leave for male employees through means such as allowing 14 days of paid postnatal paternity leave. We will continue our efforts to improve the male childcare leave acquisition rate by promoting a better understanding in the workplace and the division of labor.



Actions Taken for Human Capital

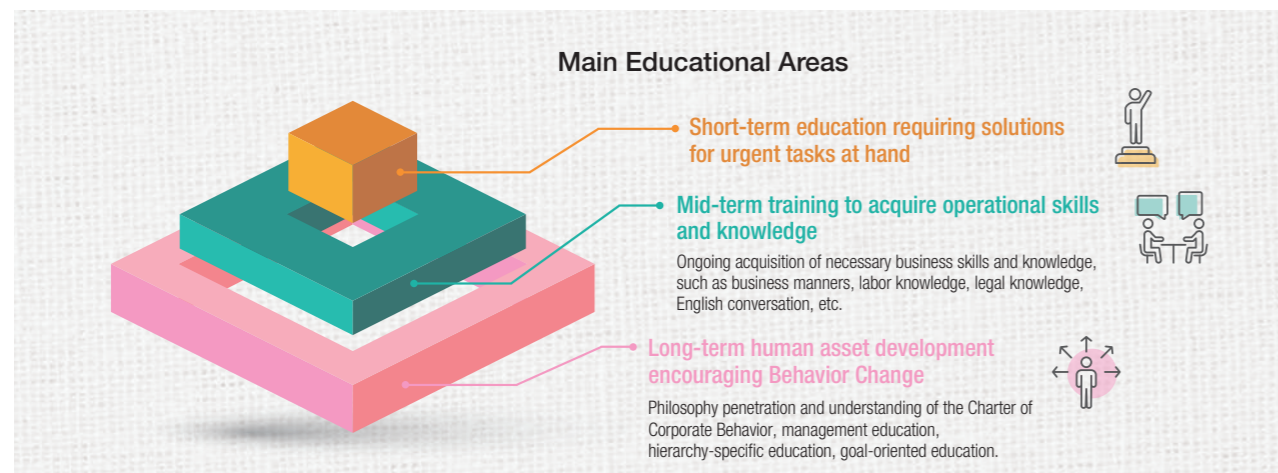
Human Asset Development Policies

The Group considers people to be the most important factor of a company, because a company is run by people and is supported and grows through the vitality of its people. In accounting, people tend to be recognized as expenses such as wages and labor costs, but we believe that people should be positioned as capital because they are the backbone of a company. Therefore, regardless of whether business conditions are good or bad, recruitment and training must naturally be carried out continuously and reliably. For this reason, we believe people are assets.

Policies

1. Janome provides opportunities and support rewarding each employee’s “desire to grow” and “need for change.” Each employee will proactively and willingly pursue self-growth and self-improvement.
2. As the level of growth increases, education gradually progresses from “being taught” to “learning” and then to “thinking”. Janome encourages employees to observe themselves objectively, reflect from diverse perspectives, gain awareness, and grow autonomously.
3. Janome strives to provide employees with opportunities to gain beneficial experiences, as learning through work experience brings about significant growth. Employees will not waste these experiences, approaching their work with a sense of challenge and without fear of failure.
4. Some educational issues require urgency and immediate effect, but in general, human asset education is not, and should not be, a quick-fix process. The key is for people to face each other robustly, continue to grow together (co-growth), and enhance each other’s skills.

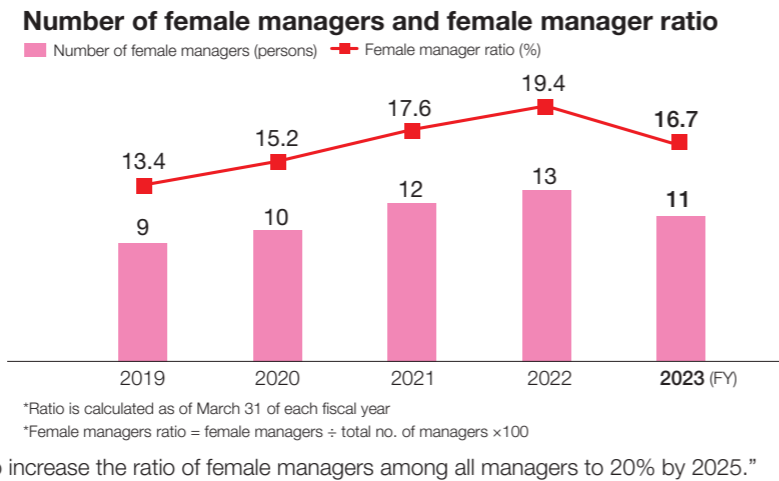
Main Educational Areas



Actions Taken for Society

Promotion of Women's Activities

Janome Group respects gender diversity, and in particular, with regard to the promotion of women's activities, we believe that the full utilization of the abilities of female employees contributes to the development of the company, and we take for granted the enhancement of the childcare leave system and equal opportunity between men and women when assessing salary increases and promotions. Janome designed in 2020 the "Voluntary Action Plan regarding promoting female employees to the managerial ranks including directorship," setting "the target to increase the ratio of female managers among all managers to 20% by 2025."



Respect for Human Rights

Janome has established an internal committee, the "Human Rights Education Promotions Committee," driven by the awareness that it is one of the corporate social responsibilities to promote human rights education activities. The committee is a driving force to stage human rights education seminars to enhance each and every employee's awareness of human rights, thereby creating a comfortable working environment free of discrimination and where human rights are respected. As part of these efforts, we invite external lecturers to conduct seminars on human rights education to help employees understand that human rights are a part of our daily lives. One week in December is designated as Human Rights Education Week, when we solicit human rights awareness slogans from employees and their families, and the internal competition winners' slogans are sent to external organizations. These are some of the activities in which we engage in our effort to enhance and spread awareness of human rights across the entire Janome Group.

Janome, as a member of the "Industrial Federation for Human Rights, Tokyo" as well as other boards, has been participating as a corporate citizen in activities aimed at enhancing human rights awareness of society, with also a wish to establish respecting human rights as Janome's corporate culture.

Hosting factory tours for elementary school students

We accommodate elementary school students for company tours as part of their social studies curriculum. There are various tour courses, including a lecture on the mechanism of sewing machines from our Sewing Education Partnership Department, which aims to familiarize students with sewing machines and provide an opportunity to experience manufacturing through a tour of the Tokyo factory on the headquarters premises.



Installing greenhouses and donation of agricultural equipment to nearby schools

Group company, Janome Diecasting (Thailand) Co., Ltd., supports classes at nearby schools as an initiative to contribute to the local community. The company has installed greenhouses for growing vegetables and donated equipment for agricultural work such as shovels and hoes. The greenhouse was replaced due to the deterioration of the greenhouse previously installed. The company continues to engage in such support activities.



Actions Taken for Local Communities

Cooperating in Practical Classes at the Tokyo Metropolitan Hachioji-Nishi Special-Needs Education School

At Tokyo Metropolitan Hachioji-Nishi Special Needs Education School, which is located near the Company, various practical classes are conducted to prepare students for entering the workforce. Cleaning and cafe service classes that are usually held on campus are also offered off-campus. Since September 2022, we have been cooperating with these practical classes by providing a place for students to engage resourcefully in hands-on activities in an environment different from their usual setting.

We will continue to value our ties with the local community and continue to work with them in various ways.



Holding Visiting Classes

We also conduct visiting classes mainly for nearby schools in an aim to promote children's familiarity with sewing machines from a young age and to support teachers in their lessons. In addition, we also hold regular online training seminars for home economics teachers to acquire basic knowledge and skills so that they can teach how to use sewing machines in classes with confidence.

We support teachers, including those in charge of home economics and those less familiar with sewing machines, in acquiring the appropriate knowledge and skills so that they can conduct practical classes with a sense of familiarity and confidence in a safe and secure manner.



A scene from visiting classes for children

Supporting the Pink Ribbon Movement

Group company, Janome America, Inc., conducted an event in support of the American Cancer Society (ACS) in October 2023.

Under the slogan of "Janome is Going Pink!" the campaign was proposed by Janome America's Human Resources Department to align with October's Pink Ribbon Month to raise awareness for early breast cancer detection. The campaign encouraged employees to donate to the ACS, and those who donated \$10 or more received a T-shirt printed with the event's original logo. A total of \$1,750 was donated through this campaign, and the company's name was also listed on the ACS website. On the day of the event, about 20 volunteers wearing T-shirts marched around the head office for about 20 minutes to raise awareness of the pink ribbon movement.



Corporate Governance

Directors and Audit & Supervisory Committee Members' Directory (As of October 1, 2024)

Directors



Makoto Saito

Representative Director
President

In charge of Internal Audit Department

- April 1978 Joined the Company
- April 2011 Corporate Officer
- April 2015 Managing Officer
- June 2017 Director
- April 2018 Senior Managing Officer
- June 2019 President, in charge of Internal Audit Department (current position)
- April 2023 Representative Director, President (current position)



Takeyuki Oshima

Director
Vice-President

In charge of Home Appliance International Business Division, in charge of Home Appliance Domestic Business Division, Chairman of Janome Credia Co., Ltd.

- April 1987 Joined the Company
- June 2017 Corporate Officer
- April 2021 Managing Officer
- June 2022 Director (current position)
- Oct. 2023 In charge of Home Appliance International Business Division (current position), in charge of Home Appliance Domestic Business Division (current position)
- April 2024 Vice-President (current position)
- Aug. 2024 Chairman of Janome Credia Co., Ltd. (current position)



Toshiya Takayasu

Director
Senior Managing Officer

Industrial Equipment Sales Division Head, President of Janome Industrial Equipment (Shanghai) Co., Ltd.

- April 1987 Joined the Company
- April 2013 Corporate Officer
- April 2016 Managing Officer
- June 2016 Director (current position)
- April 2018 Senior Managing Officer (current position)
- June 2021 Industrial Equipment Sales Division Head (current position)
- June 2023 Chairman of Janome Industrial Equipment (Shanghai) Co., Ltd. (current position)



Hitoshi Doi

Director
Senior Managing Officer

Management Planning Division Head, Administration Division Head

- April 1985 Joined Saitama Bank, Limited (currently Resona Bank, Limited)
- April 2020 Managing Officer, the Company
- June 2020 Director (current position)
- April 2021 Senior Managing Officer (current position)
- Oct. 2023 Administration Division Head (current position)
- Aug. 2024 Management Planning Division Head (current position)



Kazushi Kawaguchi

Director
Managing Officer

Production Management Division Head, in charge of Quality Assurance Department, Chairman of Janome Taiwan, Co., Ltd.

- April 1982 Joined the Company
- April 2016 Corporate Officer
- April 2019 Managing Officer
- June 2019 Production Management Division Head, Chairman of Janome Taiwan, Co., Ltd. (current position)
- June 2020 Director, in charge of Quality Assurance Department, the Company (current position)
- April 2021 Senior Managing Officer
- April 2023 Managing Officer (current position)



Fumiaki Nakajima

Outside Director Independent

- April 1983 Joined Showa Electric Wire and Cable Co., Ltd. (currently SWCC Showa Holdings Co., Ltd.)
- June 2016 Representative Director and President
- June 2019 Director, the Company (current position)
- April 2020 Outside Director, Audit & Supervisory Committee Member, Tokyo Water Co., Ltd. (current position)
- Jan. 2021 Executive Officer and Divisional Associate General Manager of International Division, Senshu Electric Co., Ltd. (current position)



Shoko Sugino

Outside Director Independent

- April 1973 Registered as attorney, Joined Fujibayashi Law Firm
- April 1994 Partner (current position)
- June 2018 Corporate Auditor, Takeei Corporation (current position)
- June 2019 Outside Director, Japan Securities Finance Co., Ltd. (current position)
- June 2022 Director, the Company (current position)



Yasuyo Tanaka

Outside Director Independent

- Mar. 1979 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.)
- June 2011 Representative Director and President, Asahi Kasei Ability Corp.
- April 2014 Representative Director and President, Asahi Kasei Amidas Corp.
- Feb. 2017 Member, Central Labour Relations Commission (current position)
- June 2022 Director, The Institute for International Business Communication G (current position), Director, the Company (current position)

Directors/Audit & Supervisory Committee Members



Mitsuhiro Sakizuki

Director
Directors/Audit & Supervisory Committee Member

- April 1978 Joined Saitama Bank, Limited (currently Resona Bank, Limited)
- April 2005 Joined the Company
- April 2011 Corporate Officer
- April 2015 Managing Officer
- June 2017 Director
- April 2019 Senior Managing Officer
- June 2020 Director/Audit & Supervisory Committee Member (current position)



Ryoji Shimada

Outside Director
Audit & Supervisory Committee Member Independent

- Oct. 1992 Joined Osaka Office of Asahi Shinwa & Co. (currently KPMG AZUSA LLC)
- May 1997 Registered as certified public accountant
- Oct. 1997 Joined Tokyo Office of Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)
- July 2007 Opened Solution Square Corporation, Director (current position)
- July 2007 Opened Shimada CPA Office, Director (current position)
- June 2022 Director/Audit & Supervisory Committee Member, the Company (current position)



Mamoru Sumida

Outside Director
Audit & Supervisory Committee Member

- April 1979 Joined Saitama Bank, Limited (currently Resona Bank, Limited)
- April 2007 Joined Daiei Real Estate & Development Co., Ltd.
- June 2021 Director
- June 2022 Director/Audit & Supervisory Committee Member, the Company (current position)
- July 2024 Advisor, Tokiwabashi Advisory Co., Ltd. (current position)



Nozomi Kurahashi

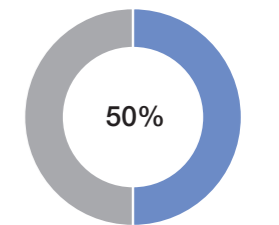
Outside Director
Audit & Supervisory Committee Member Independent

- Dec. 2012 Registered as attorney
- Jan. 2013 Joined Tanaka Law Office (current position)
- June 2024 Director/Audit & Supervisory Committee Member, the Company (current position)

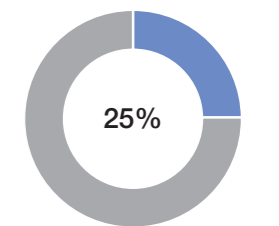
Skill matrix of Directors

Name	Position at the Company	Attribute	Corporate management	Research/Technology	Production/Procurement	Sales/Marketing	Overseas experience	Finance/Accounting	Legal affairs	Work style reforms/D&I
Makoto Saito	Representative Director, President		●	●	●		●			
Takeyuki Oshima	Director, Vice-President					●		●		●
Toshiya Takayasu	Director, Senior Managing Officer		●			●	●			
Hitoshi Doi	Director, Senior Managing Officer					●		●		●
Kazushi Kawaguchi	Director, Managing Officer		●	●	●		●			
Fumiaki Nakajima	Director	Outside Independent	●				●			
Shoko Sugino	Director	Outside Independent							●	
Yasuyo Tanaka	Director	Outside Independent	●							●
Mitsuhiro Sakizuki	Directors/Audit & Supervisory Committee Member					●		●		●
Ryoji Shimada	Directors/Audit & Supervisory Committee Members	Outside Independent						●		
Mamoru Sumida	Directors/Audit & Supervisory Committee Members	Outside				●		●		
Nozomi Kurahashi	Directors/Audit & Supervisory Committee Members	Outside Independent							●	

Ratio of outside directors



Ratio of female directors

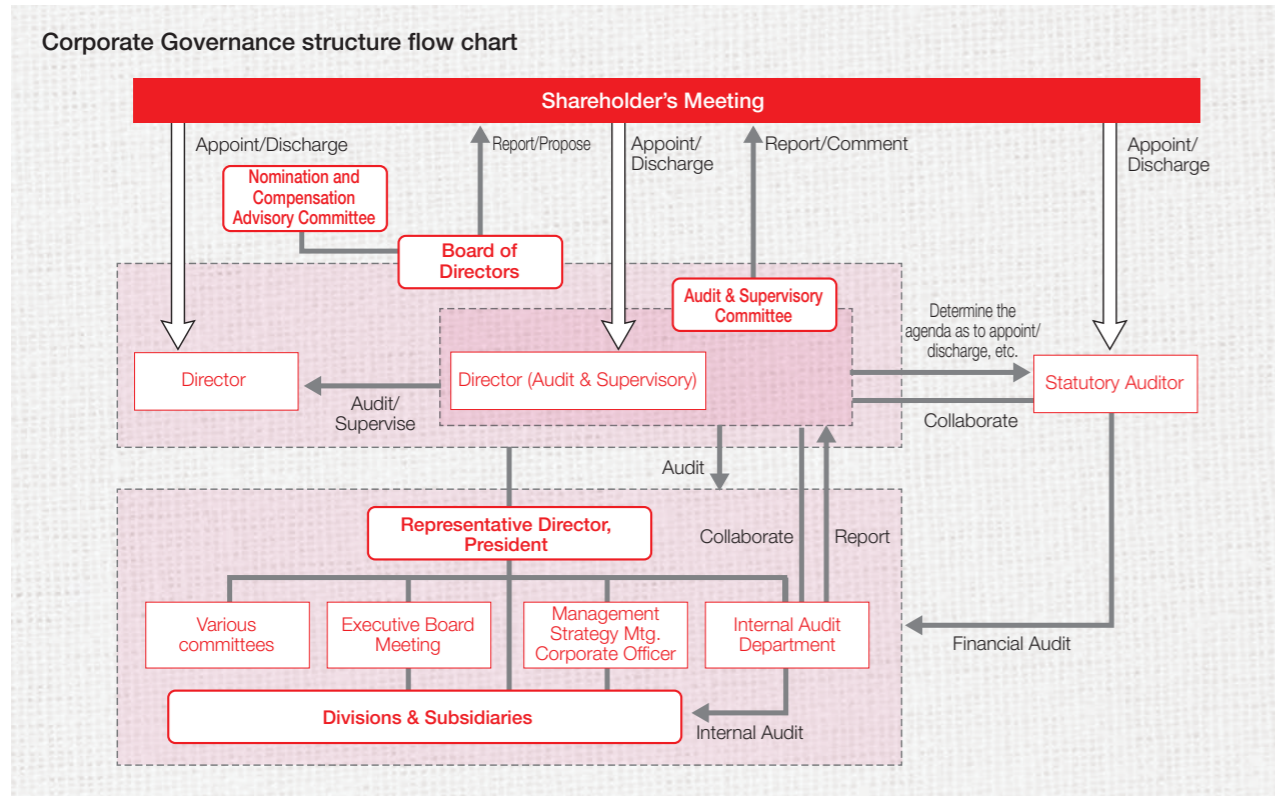


Actions Taken for Corporate Governance

Basic principles of Corporate Governance

Janome is committed to continuously upgrading corporate governance practices, which are indispensable to fulfilling its corporate social responsibility by (i) maintaining a fair and sound relationship with various stakeholders, (ii) securing adequacy of business executions and credibility of the financial reporting and (iii) strictly observing relevant laws and articles of incorporation, etc.

▶ Corporate Governance (Basic Principles of Corporate Governance) <https://www.janome.co.jp/esg/governance.html> (Japanese only)



Janome adopted a “Company with Audit & Supervisory Committee” system as its governance structure. The system not only allows the Board of Directors to delegate authority to the Committee to expedite decision-making and business execution, but also reinforces the Board of Directors’ authority to supervise and audit, thereby fairness, transparency and efficiency of the management are expected to be enhanced.

Board of Directors The Board of Directors authorizes important management matters and supervises the execution of business activities. The current Board of Directors is comprised of 12 directors of whom six are outside directors. With the abundant experience and expertise each outside director possesses in corporate management, legal affairs, finance, treasury and/or accounting, they fulfill adequate supervising functions by making comments and proposals to the Board of Directors from their independent and objective perspectives. Five outside directors satisfy Independence Criteria as determined by Janome. They are also registered with the Tokyo Stock Exchange as Independent Directors satisfying the requirements thereof. The Nomination and Compensation Advisory Committee is set up as an advisory committee to the Board of Directors, where important matters concerning the nomination and the compensation of the directors, etc. are deliberated and advised to the Board of Directors so that objectivity and transparency of the decisions are warranted.

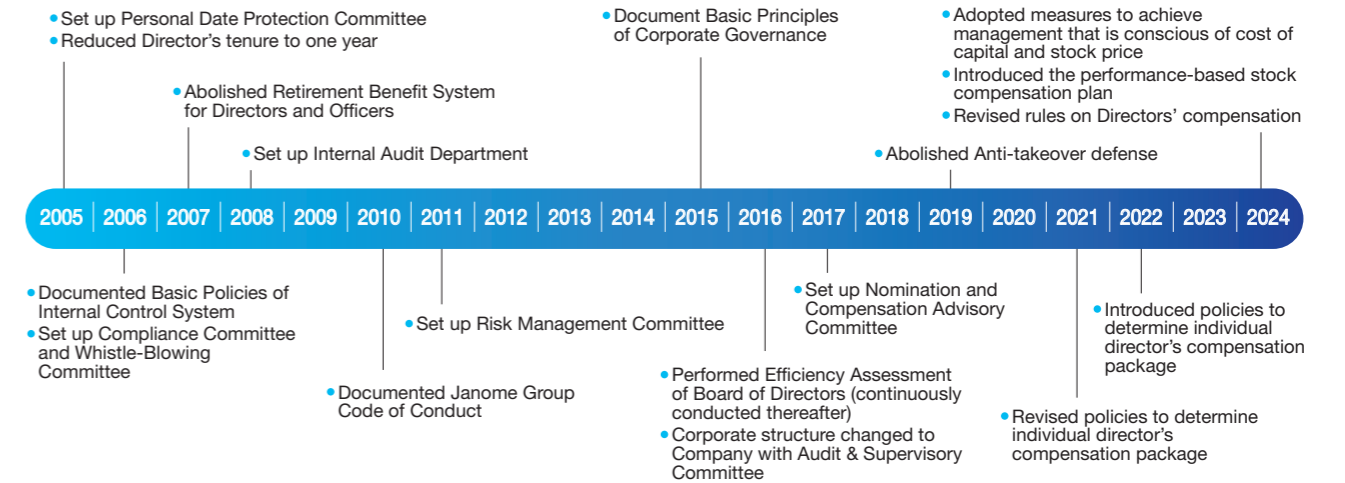
The Executive Board Meeting, organized under the Board of Directors, deliberates important management matters and reports the matters of critical importance to the Board of Directors for further deliberation and final determination.

Audit & Supervisory Committee The Audit & Supervisory Committee, by way of exercising its authority to make a statement on voting rights exercised at the Board of Directors as well as the nomination and the compensation of the director candidates at the general meetings of the shareholders etc., audits legality and validity of the decisions of the Board of Directors and the executions of business activities by the executive directors. The committee ensures validity and efficiency of its audit by exchanging comments and insight as well as providing information to the periodical reports made by Internal Audit Department and Treasury Department.

The Corporate Officer system has been introduced to separate business executions from their supervision. The system is designed to articulate its authority at the business front and to expedite business executions, and thereby the efficiency of the supervisory function of the Board of Directors is expected to be enhanced. A Management Strategy Meeting, consisting of the ranks above Corporate Officers, is held to discuss and fully deliberate the pending challenges and issues of each business sector. Janome Group Presidents meetings are periodically held to exchange information on the respective business executions so that the Group as a whole shares the same level of motivation to maintain reasonable and compliant management. Overseas subsidiaries meetings are also periodically held to exchange and share important matters and to standardize global operations at the appropriate level.

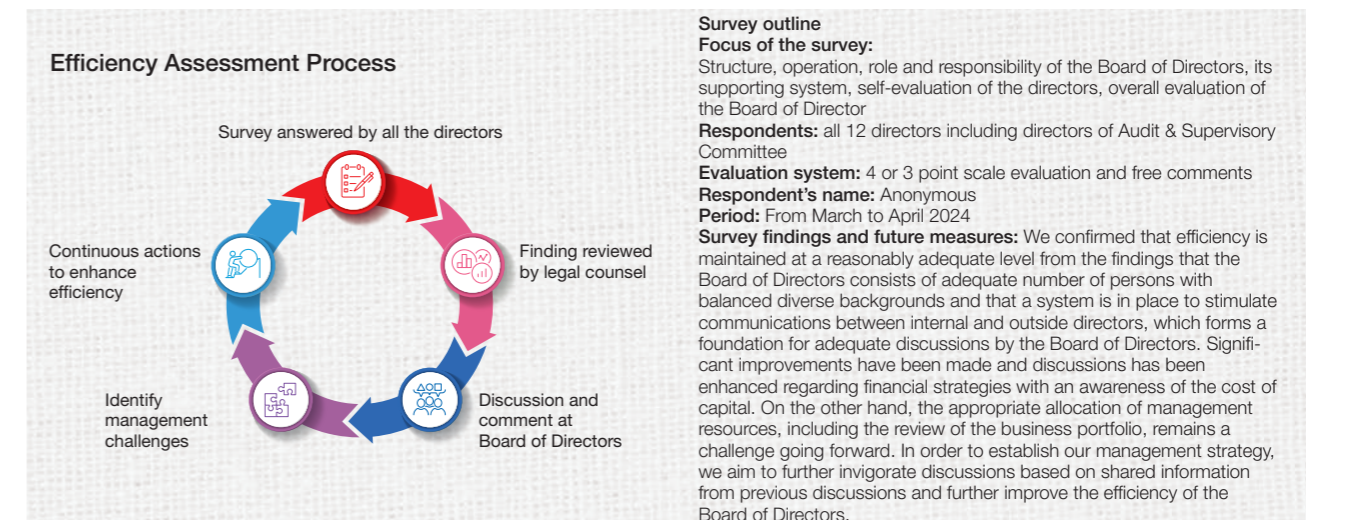
Nomination & Compensation Advisory Committee The Committee consists of four members (two directors and two independent outside directors), and is chaired by an independent outside director. As an advisory body to the Board of Directors, it discusses matters related to the appointment, discharge, and remuneration of directors, corporate officers, fellows, and others.

Actions Taken to Strengthen Corporate Governance Structure



Efficiency Assessment of the Board of Directors

Janome conducts an annual survey of the directors for the purpose of assessing the efficiency of the Board of Directors and endeavors to improve efficiency thereof by analyzing and assessing the survey results.



▶ Efficiency Assessment of the Board of Directors https://www.janome.co.jp/ir/pdf/evaluation_2024.pdf (Japanese only)

Director's Nomination Policy

The candidates for the Janome directors are selected from a wide variety of the human assets based on our nomination policy. After discussion with and advice by the Nomination and Compensation Advisory Committee, final candidates are cautiously deliberated further by the Board of Directors before the nomination. The director candidates of those who are to be the directors of the Audit & Supervisory Committee require the prior approval of the Audit & Supervisory Committee. An Executive Management member's selection is originated by the Representative Director from among the human assets with potential to contribute to both sustainable growth of Janome and the Group companies and medium to long term expansion of corporate value. The Board of Directors carefully deliberates Representative Director's selection and makes a nomination. In case a director fails to fulfill his responsibility in terms of financial performance, for example, the Nomination and Compensation Advisory Committee deliberates his discharge considering his overall performance and if the committee deems appropriate, may advise the Board of Directors of his discharge.

▶ Corporate Governance (Basic Principles of Corporate Governance) <https://www.janome.co.jp/esg/governance.html> (Japanese only)

Actions Taken for Corporate Governance

Reasons for the Selection of Skill Categories in the Skill Matrix

Corporate management	To achieve its management philosophy and increase its corporate value, the Company needs directors who have experience in management and a track record as a business operator. Additionally, to further grow by pursuing new possibilities and developing a business portfolio strategy beyond the home appliance business and the industrial equipment business, the Company needs directors who have experience in management and a track record as a business operator in various industries.
Research/Technology	To further develop technical capabilities gained over years and innovative products incorporated with high specification, uncompromising quality and advanced technologies, the Company needs directors who have extensive experience and deep insight in the fields of research/development and technology.
Production/Procurement	To bring enhanced-performance and high-quality products to market, keep improving production reliability, and establish a firm reputation for the "Janome standard of quality," the Company needs directors who have extensive experience and deep insight in the fields of production and procurement, for example, on speedy delivery of attractive products meeting market needs as well as cost reduction and productivity enhancement in consideration of producing right products in right places.
Sales/Marketing	To expand sales by aggressively working in important overseas markets for the home appliance business and also to make continuous efforts to expand the industrial equipment business to new industries such as the car industry shifting towards EVs and the medical and infrastructure-related industries, the Company needs directors who have deep insight on market trends and the development of sales strategies.
Overseas experience	To strengthen and promote global development in each business field, the Company needs directors who have overseas business management experience and are familiar with local lifestyles and business environments.
Finance/Accounting	To achieve both financial soundness and capital efficiency, the Company needs directors with deep insight on financial and accounting who can provide accurate financial reporting, establish a solid financial foundation, and contribute to the formulation of substantive financial strategies and capital policies including shareholder returns.
Legal affairs	To further strengthen the management oversight function of the Board of Directors and establish an appropriate governance structure, the Company needs directors with legal expertise as well as deep insight on risk management, compliance, and corporate governance.
Work style reforms/D&I	To create a working environment and human resource strategy that enable each and every employee to maximize their abilities as one that constitutes the foundation for sustainable corporate value enhancement, the Company needs directors with deep insight in the field of human resource development, including the promotion of diversity.

Independence Criteria for Outside Directors

Janome documented the Independence Criteria for Outside Directors to maintain fairness and transparency in enforcing appropriate governance control. The directors satisfying those standards are registered with the Tokyo Stock Exchange as Independent Directors satisfying the requirements thereof.

▶ Corporate Governance (Independence Criteria for Outside Directors) <https://www.janome.co.jp/esg/governance.html> (Japanese only)

Director's Compensation

Compensation for FYE March 2024 is as below.

Type of directors	Total compensation (in millions of yen)	Total compensation by kind (in millions of yen)		Number of directors in each category
		Fixed compensation	Performance linked bonus	
Directors (excluding Audit & Supervisory Committee Directors and Outside Directors)	150	122	28	5
Audit & Supervisory Committee Directors (excluding Outside Director)	24	24	—	1
Outside Directors	40	40	—	6

- Notes 1. Total amount of remuneration, etc. for each director is not stated because there is no director whose amount paid exceeds 100 million yen.
 2. The 90th General Meeting of Shareholders held on the 17th of June, 2016 resolved that total annual compensation for directors (excluding Audit & Supervisory Committee director) shall not exceed 240 million yen and the same for Audit & Supervisory Committee director shall not exceed 80 million yen.
 3. Remuneration for the employee portion of the employees also serving as directors is not to be included in the calculation above. Persons falling in this category do not currently exist in the company.

Introduction of a Performance-Based Stock Compensation Plan for Directors and Officers

A proposal regarding the introduction of the plan was submitted and approved at the 98th Annual General Meeting of Shareholders held on June 21, 2024.

Janome has decided to introduce the Plan, aiming to raise the motivation to contribute to improving performance and increasing corporate value over the medium-to-long term by further clarifying the link between the compensation of directors and officers and the performance and stock value of the company and by having directors and officers share not only the benefit of higher stock prices, but also the risk of lower stock prices with Janome's shareholders.

▶ Corporate Governance (Compensation, etc. for directors) <https://www.janome.co.jp/esg/governance.html> (Japanese only)

Basic Profit Distribution Policy

Janome's basic profit distribution policy is to reinforce the sound financial foundation by maintaining a strong equity base at the same time as seeking to maximize the shareholder profit by pursuing to improve capital efficiency.

Target dividend payout ratio to the shareholders is set at 30% of the fiscal year end consolidated net profit attributable to owners of parent, as we determine the actual payout considering overall capital position by taking into account exercising various options including stock repurchase.

Dividend History

	95th FYE March 2021	96th FYE March 2022	97th FYE March 2023	98th FYE March 2024	99th FYE March 2025
Dividend (Yen)	25	40 <small>*15 yen of the dividend was paid out as an interim dividend in celebration of the 100th Anniversary since our founding.</small>	25	25	40 (forecast) <small>*15 yen of the dividend was paid out as an interim dividend</small>
Consolidated net profit attributable to owners of parent	3,945	2,549	(393)	1,131	1,500 (forecast)
Payout Ratio	12.2%	30.3%	—	41.6%	48.9% (forecast)

▶ List of IR News <https://www7.janome.co.jp/global/news/>

Major Activities of Outside Directors (FY2023 Results)

	Name	Number of meetings attended		Major Activities
		Board of Directors	Audit & Supervisory Committee	
Outside Director	Fumiaki Nakajima	19/19	—	Capitalizing on his management experience and wide ranging expertise, he advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. As a member of Nomination and Compensation Advisory Committee, he voices opinions about these matters, fulfilling his duties to supervise decision-makings and business executions.
	Shoko Sugino	19/19	—	Capitalizing on her professional expertise as practicing lawyer, she advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. She also supervises management and business execution by expressing candid opinions from an independent and objective standpoint.
	Yasuyo Tanaka	19/19	—	Capitalizing on her management experience and wide human resources sector expertise, she advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. She also supervises management and business execution by expressing candid opinions from an independent and objective standpoint.
Outside director of Audit & Supervisory Committee	Keizo Tanaka	19/19	20/20	Capitalizing on his professional expertise as practicing lawyer, he advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. As a member of the Nomination and Compensation Advisory Committee, he voices opinions about these matters. Furthermore, at regular face to face meetings, etc. with the Representative Director, he voices his opinions from an independent and objective point of view, fulfilling his duties to supervise decision-making and business execution.
	Ryoji Shimada	19/19	20/20	Capitalizing on his professional expertise as certified public accountant, he advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. Additionally, at regular face to face meetings with the Representative Director, he voices his opinions from an independent and objective point of view, fulfilling his duties to supervise decision-makings and business executions.
	Mamoru Sumida	19/19	20/20	Capitalizing on his management experience and wide ranging expertise, he advises and makes proposals to the Board of Directors so that validity and adequacy of decision-makings is warranted. Additionally, at regular face to face meetings, etc. with the Representative Director, he voices his opinions from an independent and objective point of view, fulfilling his duties to supervise decision-makings and business executions.

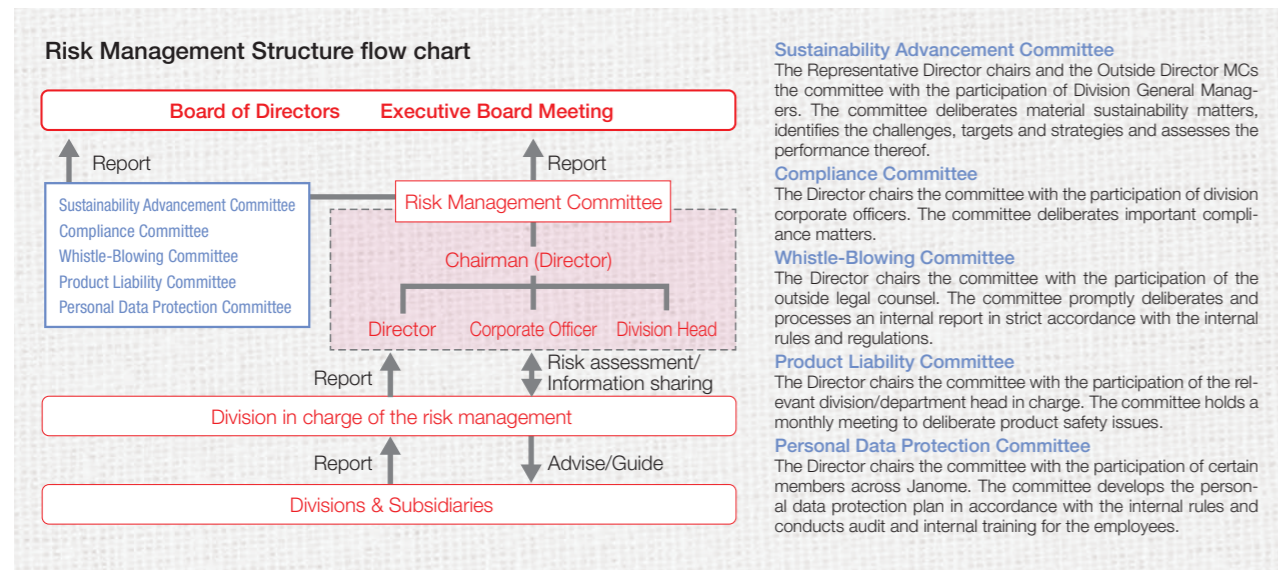
- Notes 1. In addition to the above number of Board of Directors meetings held, there was one written resolution deemed to have been adopted by the Board of Directors pursuant to Article 370 of the Companies Act and Article 22 of the Articles of Incorporation.
 2. Outside Director Keizo Tanaka retired as of June 21, 2024.

Actions Taken for Corporate Governance

Risk Management

Risk management structure

The Risk Management Committee is organized to identify and proactively deal with the potential risks facing Janome and the Group Companies and to minimize their impact, in case a risk is materialized, for our swift recovery back to the normal course of the business. The committee is chaired by the Division Director with the members consisting of those above the manager ranks. It is responsible for collecting information, developing the risk management systems and training employees. The committee monitors and conducts risk evaluation of Janome and the Group Companies, with whom it shares these findings so the risk shall be monitored and reduced. The Compliance Committee and the other committees, organized for each purpose as described below, collectively with the Risk Management Committee compose the system to monitor and control the overall risk of the Janome Group Companies.



Business Continuity Plan (BCP)

Janome documented the Business Continuity Plan in preparation for such emergency situations as a massive earthquake strike with its epicenter right beneath the Tokyo Metropolitan Area, an outbreak of infectious disease such as the New Coronavirus and an internal information system breakdown. The plan defines how precautionary measures should be prepared and deliberated as well as what actions and procedures should be followed upon the actual disaster situations.

Additional measures developed to secure the safety of the employees in emergency situations are (1) Disaster Response Manual laying out the points to remember and the basic responses to take in disaster situations, (2) Emergency Essentials Takeout Box containing minimum supply of essentials, delivered to each and every employee on top of an additional supply of essentials and protective goods stored at appropriate locations and (3) Employee Safety Confirmation System, periodically tested for its validity and employee's awareness of risk preparation.

Major business risks

In reference to the risks which may potentially impact its management results, stock price and financial positions, Janome separately discloses the 'individual risks' inherent to particular businesses and the 'universal risks' prevalent in all its businesses in its Securities Reports and will aim to avoid the occurrence of those risks and to minimize the impact at the time of their occurrences.

Listed below are the "universal risks."

Currency fluctuation risk	Active overseas business expansion of the home appliance and the industrial equipment has kept the overseas net sales ratio to consolidated net sales at around 70%. While currency fluctuation risk is minimized by active use of forward contracts as well as foreign currency nettings between Janome and its overseas subsidiaries, we cannot totally escape the adverse effects of currency fluctuation on the Janome Group business performance as the substantial portion of the overseas net sales are transacted in the local currencies.
Purchasing cost increase risk	Coupled with the efficient production allocation among the production facilities in Japan, Taiwan and Thailand reflecting the changes in global trend of demand, the global parts procurement helps reduce and stabilize overall purchasing costs. While the Production Management Division supervises both domestic and foreign production facilities to continuously strive to minimize the impact of increases in purchasing cost, increase of raw materials such as iron, aluminum, copper and resin may adversely impact the Group business performance.
Country risk	Each country where we possess a production facility as well as sales/distribution network is exposed to the potential changes in the political system, legal and regulatory environment, political climate and economic conditions, occurrence of earthquakes, typhoons and other natural disasters, outbreak of war and terrorist attacks which may disrupt the continuation of business activities and adversely impact the Group business performance.

Quality control risk	Janome products are backed by a long history of manufacturing know how. The PL (Product Liability) Committee is set up to monitor the safety of our products, and any issues identified are deliberated at a monthly meeting. The Quality Assurance Department leads the companywide activities to promote quality control across entire Janome Group and strives to grasp the progress on quality audit and pending quality issues of the sewing machines and the industrial equipment produced by Janome and the Group Companies in both domestic and overseas markets. Should a serious quality issue arise, the Group business performance may be exposed to the adverse impact of having to sustain the cost associated with recall of the product and/or damage to the brand.
Market environment change risk	Whilst we cannot escape battling against competitors in our effort to maintain and expand our business, we continuously strive to improve the quality of our products and services by combining our resources and strength of development, production and sales to withstand and cope with such threat. Substantial changes in the market environment, however, such as steepening competition may adversely impact the Group business performance.
Interest rate change risk	Some of our interest bearing debt is subject to interest rate changes. Rise in the market interest rate shall increase our interest payment burden and may adversely impact the Group business performance and financial positions.

▶ Actions Taken for Corporate Governance Risk management <https://www.janome.co.jp/esg/governance.html> (Japanese only)

Compliance

"The Janome Group Code of Conduct" is documented as the basic principles of compliance of the Janome Group companies along which each and every director and employee must conduct sound business practices with sublime ethical standards and endeavor to achieve sustainable growth as well as to expand corporate value.

Compliance promotion system

The Company has established a Compliance Committee, chaired by a director, for the purpose of ensuring and promoting compliance. The committee is responsible for the development of the Group's compliance system, education, and collection of information.

In addition, in accordance with internal reporting regulations, the Company has established an "Internal Reporting Hotline" with an outside attorney as a contact person for consultation regarding organizational or individual violations of laws, regulations, etc., or misconduct. All directors, officers, employees, and retired employees of domestic group companies, including temporary employees, can report anonymously by telephone, e-mail, fax, in writing, or in person. Whistleblowers are protected from demotion, salary reduction, dismissal, or other disadvantageous treatment in accordance with the Whistleblower Protection Act and the Company's Whistleblower Handling Regulations, and adequate follow-up is provided to protect whistleblowers. We strive to prevent compliance violations by promptly investigating reports and taking appropriate measures and countermeasures.

Compliance promotion activities

The Company has established the "Group Compliance Regulations," and "Compliance Committee" consisting of the Internal Audit Dept, as the executive office plays a central role in ensuring the Group's Compliance.

Major activities include distribution of e-mail magazine named compliance newsletters, posting compliance information on the Company's intranet, holding seminars, and conducting awareness surveys and questionnaires to raise compliance awareness.

Personal Data Protection

Janome thoroughly protects and controls personal data in strict observance of the Personal Data Protection Policy. The Personal Data Protection Committee leads the activities based on this policy to establish "The Personal Data Protection Plan" and conducts audit and internal education so that "proper personal data protection" as defined in "The Janome Group Code of Conduct" is achieved.

In February 2024, an internal training workshop was held on the theme of the appropriate handling of personal information, with a legal advisor as a lecturer. This provided an opportunity to reconsider the handling of confidential information, including personal information.

▶ Personal data protection policy <https://www7.janome.co.jp/global/privacypolicy/>

Establishment of Internal Control

In order to promote more appropriate management of the entire Group, core management committee meetings and domestic Janome Group Presidents meetings are periodically held to report and exchange information on respective business executions so that the Group as a whole shares the same level of motivation to maintain reasonable and compliant management. Overseas subsidiaries meetings are also periodically held to exchange and share important matters and to standardize global operations at the appropriate level. We will ensure the soundness and transparency of management and promote the strengthening of the internal control system based on our rules on internal control audits.

Roundtable with Outside Directors

Contributing to the realization of a prosperous society from both cultural and business aspects through value creation unique to Janome



Yasuyo Tanaka

Outside Director

Ryoji Shimada

Outside Director

Fumiaki Nakajima

Outside Director

How do you view the role expected of you as an outside director?

Shimada As an Audit and Supervisory Director, I believe that it is of utmost importance to audit the business execution of internal directors from an independent standpoint. In particular, as Janome is a global company with operations all over the world, I strive to provide broad and high-level advice in areas such as accounting and internal control, including for overseas subsidiaries and affiliates, by utilizing my knowledge and experience as a certified public accountant. I also believe that it is important to provide timely feedback to the Board of Directors on any important matters that come to my attention through communication with the Internal Audit Department and the accounting auditor.

Nakajima For Janome to continue growing as a company whose existence is widely acknowledged by society, it is essential to be sincere in responding to the expectations and concerns of all stakeholders involved in the Company, including shareholders, investors, business partners, customers,

local communities, and employees. I believe that the role of an outside director is to provide support in a supervisory capacity, helping to find common ground among stakeholders even when their positions differ, and ensuring that management reflects diverse opinions and ideas in a balanced manner.

Tanaka While internal directors responsible for business execution are required to make management decisions regarding business performance and urgent issues, outside directors are expected to maintain a certain distance from the execution side and provide advice and suggestions from an objective, long-term perspective. I believe that bringing together the two different perspectives—internal and external—is the first step toward improving the effectiveness of the Board of Directors, so I speak up without hesitation when I feel I need to say something, even if I know it goes against common sense and customs within the Company or the views of the execution side. Even if the internal directors do not fully understand my thoughts in the moment, I think it's important that my comments are recorded and remembered so that they are reflected in the actual execution of business in some form.

How do you evaluate the effectiveness of the Board of Directors?

Shimada I believe that the composition of the Board of Directors is currently appropriate, with the addition of a new female outside director starting in the fiscal year ending March 2025, as the ratio of female directors has improved from 16% to 25% and the ratio of outside directors has reached 50%. The outside directors have a well-balanced composition in terms of skill sets as well, with each member providing useful advice from their own unique perspectives.

In terms of business operations, we take time to discuss and have a thorough discussion until all opinions are expressed during the meeting. The chairman then makes an appropriate summary. Furthermore, I believe that the proactive approach to accepting new ideas, for example, by quickly incorporating requests and suggestions that arise during opinion exchange sessions among outside directors, has also led to improvement in the Board of Directors' effectiveness.

Nakajima Board of Directors meetings are held in a very open atmosphere, which I think is an influence of the chairman, President Saito, where comments made by outside directors are taken seriously and everyone is free to honestly express their opinions.

In addition, the effectiveness of the Board of Directors has steadily improved as opinions and suggestions from Board members are reflected in operations through annual effectiveness evaluations. For example, in response to a comment that "material issues cannot be discussed in depth within board meeting hours", a dedicated discussion session separate from the Board of Directors is now set up, utilizing web platforms and other methods. I feel that Janome deserves high praise for achieving results by implementing the PDCA cycle based on effectiveness evaluations.

Furthermore, even matters resolved at Executive Board Meetings, Management Strategy Meetings, or other such meeting bodies, that do not require resolution by the Board of Directors are reported if deemed to be a strategic theme directly relating to management. As outside directors, we do not attend these meetings related to the execution of duties, so I feel that this system is extremely important in terms of sharing information with internal directors.

Tanaka I believe there is a positive atmosphere at Janome's Board of Directors meetings and that I can make bold statements as an outside director. Since I was appointed as an outside director in June 2022, I have been able to see the progress of the Mid-term Business Plan, "Reborn 2024," from its inception to the present day through the eyes of a third party not familiar with the background and process leading up to its formulation. Looking back on the business environment thus far, I believe that the past two years have truly called into question the effectiveness of the Board of Directors. The situation showed clearly slowdown, in Janome's business performance which was due to the pullback from the special demand fueled by the COVID-19 pandemic. All Board members have sought to evolve the Board of Directors through trial and error, taking their time to carefully discuss and make decisions on various topics that

need to be resolved, such as the withdrawing from the direct sales business that had been run for many years. Through such processes, I feel that the effectiveness of the Board of Directors has greatly increased.

Please tell us about the progress of the Mid-term Business Plan, "Reborn 2024," which is now in its final year, and your awareness of future issues.

Shimada The current Mid-term Business Plan started in the fiscal year ended March 2023. Unfortunately, Janome has not been able to improve its business performance due to drastic changes in the external environment, such as the prolonged Russia-Ukraine crisis, the slowdown of the Chinese economy, and soaring prices worldwide. However, even amid this challenging environment, the Company has been steadily making progress with its initiatives based on the Mid-term Business Plan, such as accelerating measures to tap into new markets in the home appliance and industrial equipment businesses, particularly in India and Southeast Asia, and responding to the growing demand for IT investments in the IT business, backed by companies' efforts to promote DX. I feel that we are beginning to see the signs of this in the first quarter of the fiscal year ending March 2025.

With regard to the matter of sustainability, the establishment of the "Sustainability Advancement Committee" in April 2022 dramatically pushed Janome's sustainability activity forward. With this committee at the helm, several cross-divisional projects, such as the redevelopment of the Hachioji headquarters renewal project and in-house processing project, are currently underway. I look forward to seeing the fruits of these initiatives going forward.

Nakajima As for the progress of the current Mid-term Business Plan, although Janome faced a very difficult business environment until the fiscal year ended March 2024, the second year of the plan, it has viewed this crisis as an opportunity to continue to make proactive efforts to overcome difficulties. As a result, I believe that the Company is finally starting to make a comeback.

It is natural to aim for growth under the Mid-term Business Plan, but unexpected changes in the environment can cause ups and downs in performance. However, even if performance falls short, the Company must ensure it makes necessary investments to reach the next stage, regardless of short-term performance. For growth investments, I believe it is important to identify strategic areas during the formulation process of the Mid-term Business Plan. Looking back on Janome's history, it is clear that technology is the source of its strength. For more than 100 years since its founding, the Company has achieved growth and expansion by providing high-quality products, driven by its strength in technology development. Janome is now starting to formulate the next Mid-term Business Plan, which will kick off in the fiscal year ending March 2026. First of all, it will be essential to thoroughly discuss and recognize the future direction of technology development, which is the source of Janome's growth. I believe that it will also be important to systematically invest

Roundtable with Outside Directors

in improving operational efficiency through the introduction of IT systems and AI.

Tanaka The sewing machine has made it possible for anyone to do time-consuming needlework easily in a short amount of time. In other words, it is an invention that has essentially helped improve people's quality of life. Today, it allows Janome to contribute to the realization of a sustainable society. This exactly embodies Janome's corporate philosophy of "working to improve society and culture by consistently providing valuable products and services," and I believe it has led to the technological development efforts carried out in pursuit of quality that Mr. Nakajima mentioned.

The fiscal year ending March 2025 marks the final year of "Reborn 2024." This Mid-term Business Plan was formulated to return to Janome's roots as a company and clearly determine the direction it is aiming for over the long term, as indicated by the name "Reborn." I look forward to discussing together how Janome can link this to the next Mid-term Business Plan.

Nakajima Along with technology development, it is also important to consider how to get Janome products to gain traction in the market. In this regard, I feel that the Janome brand has immeasurable power. When people hear the name Janome, the first thing that comes to mind is sewing machines. This brand recognition is a major advantage that should be utilized to the fullest extent. I look forward to seeing the Company conduct more proactive PR activities.

What are your thoughts on strengthening human capital in line with Janome's growth strategies?

Nakajima In the previous integrated report, President Saito stated that "amassing the abilities and contribution of each and every human asset is indispensable in reaching the targets set." I agree with this sentiment completely. It is essential for Janome to strengthen and promote human capital management. This is because none of the three businesses Janome operates—home appliance, industrial



equipment, and IT—is about pursuing automation. Rather, the Company aims to streamline the work required to create what people want, elevate people to a higher level of thinking, and create opportunities and mechanisms in which they can fulfill their roles in collaboration with people.

Shimada In achieving sustainable growth, the Company needs to further improve its technical capabilities and accurately grasp the different needs of different countries in the global market and leverage them to expand our market presence. None of these can be achieved without utilizing the skills of company employees. Securing and retaining talented human assets is an urgent challenge, thus it is vital that Janome further strengthens its human capital management with a focus on investing in people.

Tanaka Recruitment, training, work style reforms, etc. are all important themes, but I personally believe that employee engagement, or, specifically, "how well Janome can nurture human assets who genuinely love the company," is the key to improving business.

What has particularly impressed me since taking up my post is that not only do the President and Directors remember the names and faces of employees, but they also take the time to listen directly to presentations by regular employees and speak to them at exhibitions and events, showing how close the management is to the field. I was very impressed by this homely atmosphere. Also, at the antenna shop "Bobinage," I came across a staff member enthusiastically explaining to a customer what they love about a particular sewing machine, and it made me realize that the employees themselves are fans of Janome's products. I believe that cherishing the "loves" of such employees is the basis of engagement.

Janome is not concerned with numbers such as "X% females" or "X% engineers," but rather is carefully carrying out initiatives focused on "how rewarding can work be for employees," and I would like to support these efforts to the best of my ability. When it comes to the promotion of women's participation in the workforce, I believe that "being a woman" is simply another characteristic, so I don't think there is any need to be particularly concerned about the ratio of female employees or female managers. As I have spent a large portion of my career as an ordinary company employee, I would like to exchange various opinions and discuss topics with Janome's female employees as colleagues who share the same characteristic of "being a woman." I want to convey that everyone has huge potential and that the scenery changes once you step out into the wider world, and it would be my greatest pleasure to help you all take on various challenges.

What do you think is the type of person Janome needs in top management?

Nakajima Janome has a very high overseas business ratio, and compared to companies that operate solely in Japan, it can be affected by a wider range of factors, such as country risk and exchange rate fluctuations. I think that a major challenge for top management will be how to realize the optimal balance on a global scale.

Tanaka I believe that what is required of top management

for Janome's sustainable growth going forward is to maximize the capabilities of the management personnel around them, such as directors, corporate officers, and managers. To do so, top management needs to send a clear message and put mechanisms in place to embody this message so that management personnel can have a better understanding of their management responsibilities and expected roles than ever before. In September 2024, Janome introduced a new performance-based stock compensation plan for internal directors, corporate officers, and fellows. I believe that these measures will not only further increase the motivation of all those involved, but will also help to make the idea of being involved in management and the position itself more attractive within the company, which will in turn lead to increased aspirations for promotions and engagement among regular employees and middle-level employees, who are candidates for the next generation of executives.

Finally, do you have a message for Janome's stakeholders?

Shimada Although the domestic market for sewing machines will likely see limited growth in the future, there are regions around the world where demand is expected to grow significantly, such as Asia including India. By providing high-quality products to these regions to help improve living standards and contribute to prosperity, I believe that Janome will be able to continue to achieve sustainable growth. As mentioned earlier, there is also considerable room for growth in the IT business as a result of DX, and I expect it to become one of the pillars of Janome's business in the future. In addition to the share repurchase in accordance with the shareholder return policy set in the Mid-term Business Plan, the Company is working to enhance shareholder returns by, for example, paying an interim dividend from the fiscal year ending March 2025, resulting in dividends from surplus paid twice a year instead of once a year. I sincerely hope that all stakeholders will look forward to Janome's future growth and continue to offer their support.

Nakajima To accomplish its corporate philosophy, I believe



that Janome needs to share its goals with all stakeholders and work together with them to solve social issues. The Company has the tools to access the cultural domain through the home appliance (sewing machine) business and the business domain through the industrial equipment business, and aims to realize a prosperous society from these two completely different directions. A company that seeks to use its business operations to solve social issues in this way can be said to be unique even on a global scale. My message to stakeholders is, "I would like to ask for your continued support as Janome works to solve social issues from various angles."

Tanaka I believe that "craftsmanship" is a privilege granted only to us humans on Earth. Since its founding, Janome has been helping people weave happiness through its "craftsmanship" with sewing machines. Now, these business sites have expanded worldwide. The Company has also expanded its business areas to include craftsmanship at production sites for the automotive and electronic equipment industries with robots and servo presses that utilize the expertise cultivated through sewing machine manufacturing. Moving forward, Janome is aiming to expand the adoption of its products to the medical and aerospace fields in addition to automobiles and electronics, and to take on new possibilities in "craftsmanship." In addition to the many creations born from Janome's sewing machines, we will continue our efforts to create exciting works in a variety of fields, with an eye toward the future. I sincerely ask for your continued support in these endeavors.

Consolidated Financial Data for the Past 11 Fiscal Years

		FY2013 [FYE Mar 2014]	FY2014 [FYE Mar 2015]	FY2015 [FYE Mar 2016]	FY2016 [FYE Mar 2017]	FY2017 [FYE Mar 2018]	FY2018 [FYE Mar 2019]	FY2019 [FYE Mar 2020]	FY2020 [FYE Mar 2021]	FY2021 [FYE Mar 2022]	FY2022 [FYE Mar 2023]	FY2023 [FYE Mar 2024]
Financial Highlights												
Net sales	(Millions of yen)	44,696	46,019	42,661	38,855	40,778	38,153	35,521	43,839	42,916	38,571	36,476
(Overseas net sales ratio)	(%)	69.6	71.0	68.6	66.0	65.9	66.2	66.1	69.0	73.2	70.4	72.4
Gross profit	(Millions of yen)	17,266	17,704	17,698	16,804	16,125	14,945	14,272	18,494	17,332	16,146	14,167
Operating profit	(Millions of yen)	2,905	2,961	2,466	2,477	2,075	1,150	1,158	4,931	3,659	2,120	1,716
Ordinary profit	(Millions of yen)	2,353	2,711	2,646	2,137	2,110	1,359	1,049	5,032	3,824	2,400	1,763
Profit attributable to owners of parent	(Millions of yen)	1,460	1,860	1,548	1,607	1,391	880	424	3,945	2,549	(393)	1,131
Capital expenditure	(Millions of yen)	716	1,186	1,118	363	611	821	709	439	775	574	423
Depreciation	(Millions of yen)	1,119	1,199	1,504	1,423	1,369	1,355	1,407	1,103	1,117	1,133	1,045
Research & development	(Millions of yen)	1,258	1,359	1,462	1,426	1,428	1,470	1,384	1,438	1,435	1,466	1,504
Financial Position												
Total assets	(Millions of yen)	51,409	54,054	51,240	52,052	51,009	50,657	49,360	53,674	54,572	51,118	50,821
Net assets	(Millions of yen)	18,117	21,696	21,949	23,941	25,172	25,873	25,381	30,316	33,428	33,364	34,996
Equity	(Millions of yen)	17,465	20,941	21,184	23,098	24,310	25,020	24,550	29,359	32,475	32,616	34,203
Financial benchmark												
Capital adequacy ratio	(%)	34.0	38.7	41.3	44.4	47.7	49.4	49.7	54.7	59.5	63.8	67.3
Rate of return on equity (ROE)	(%)	8.8	9.7	7.4	7.3	5.9	3.6	1.7	14.6	8.2	(1.2)	3.4
Cash flow situation												
Cash flows from operating activities	(Millions of yen)	3,801	2,386	2,256	2,239	2,882	2,073	1,512	6,475	219	3,361	2,068
Cash flows from investing activities	(Millions of yen)	(654)	(1,664)	(752)	(625)	(701)	(1,108)	(677)	(648)	150	(523)	230
Free cash flow	(Millions of yen)	3,147	722	1,503	1,613	2,181	964	834	5,826	369	2,837	2,298
Cash flows from financing activities	(Millions of yen)	(2,059)	(1,406)	(1,399)	(1,010)	(2,709)	(943)	(298)	(3,161)	(3,368)	(2,464)	(2,432)
Per share data												
Book-value per share (BPS)	(Yen)	903.42	1,083.27	1,095.86	1,194.87	1,257.54	1,294.30	1,269.95	1,518.73	1,679.93	1,687.25	1,865.47
Earnings per share (EPS)	(Yen)	75.56	96.25	80.11	83.14	71.98	45.54	21.94	204.12	131.89	(20.34)	60.13
Dividend per share (DPS)	(Yen)	0	0	0	10	10	15	15	25	40*	25	25

*15 yen paid in mid-term to celebrate its centenary

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024		As of March 31, 2023	As of March 31, 2024
ASSETS			LIABILITIES		
Current assets			Current liabilities		
Cash and deposits	7,336	7,510	Notes and accounts payable - trade	1,836	2,005
Notes receivable - Trade	783	656	Short-term borrowings	3,984	3,149
Accounts receivable - Trade	5,787	6,606	Income taxes payable	136	206
Merchandise and finished goods	6,482	6,317	Provision for bonuses	567	612
Work in process	834	758	Provision for director's bonuses	—	60
Raw materials and supplies	3,933	4,336	Other	3,285	2,341
Other	849	710	Total current liabilities	9,809	8,375
Allowance for doubtful accounts	(296)	(325)	Fixed liabilities		
Total current assets	25,710	26,570	Lease liabilities	799	730
Fixed assets			Deferred tax liabilities for land revaluation	3,107	2,917
Property, plant and equipment			Retirement benefit liability	3,836	3,568
Buildings and structures, net	4,977	4,817	Other	202	232
Machinery, equipment and vehicles, net	864	828	Total non-current liabilities	7,944	7,449
Land	12,921	11,927	Total Liabilities	17,754	15,825
Construction in progress	55	98	NET ASSETS		
Other property, plant and equipment, net	1,783	1,659	Shareholders' equity		
Total property, plant and equipment	20,602	19,331	Share capital	11,372	11,372
Intangible assets			Capital surplus	0	0
Other intangible assets	644	626	Retained earnings	12,156	13,234
Total intangible assets	644	626	Treasury shares	(325)	(1,025)
Investments and other assets			Total shareholders' equity	23,204	23,581
Investment securities	1,504	1,750	Other comprehensive income		
Deferred tax assets	1,822	1,570	Valuation difference on available-for-sale securities	136	109
Other	845	987	Land revaluation difference	6,977	6,548
Allowance for doubtful accounts	(12)	(15)	Foreign currency translation adjustment	2,159	3,717
Total investments and other assets	4,160	4,293	Adjustment of defined benefit plans	139	246
Total fixed assets	25,407	24,250	Total accumulated other comprehensive income	9,412	10,621
Total Assets	51,118	50,821	Non-controlling interests	747	793
			Total Net Assets	33,364	34,996
			Total Liabilities and Net Assets	51,118	50,821

Consolidated Statement of Income / Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	38,571	36,476
Cost of sales	22,425	22,308
Gross profit	16,146	14,167
Sales, general and administrative expenses		
Sales expenses	2,296	1,451
Advertising expenses	586	530
Salaries and allowances	5,736	5,275
Provision for bonuses	289	284
Provision for bonuses for directors (and other officers)	—	60
Retirement benefit expenses	158	126
Rent expenses on land and buildings	471	417
Depreciation	256	182
Research & development	1,414	1,467
Other	2,815	2,656
Total sales, general and administrative expenses	14,025	12,450
Operating income	2,120	1,716
Non-operating income		
Interest income	12	29
Dividend income	74	70
Exchange rate gains	184	209
Other	191	198
Total non-operating income	463	507
Non-operating expenses		
Interest expenses	78	99
Financing expenses	63	22
Business restructuring expenses	—	243
Other	41	94
Total non-operating expenses	183	460
Ordinary income	2,400	1,763
Extraordinary profits		
Gain on sale of investment securities	1	136
Gain on sale of fixed assets	7	162
Total extraordinary profits	8	299
Extraordinary losses		
Loss on business restructuring	1,816	—
Loss on sale and retirement of non-current assets	163	63
Impairment loss	51	288
Extra retirement payments	—	56
Loss on sale of investment securities	—	1
Total extraordinary losses	2,031	409
Income before income taxes	377	1,654
Income tax, resident tax and business tax	754	338
Income tax adjustment	205	133
Total taxes	960	472
Profit (Loss)	(582)	1,181
Profit attributable to non-controlling interests (Loss)	(189)	50
Consolidated net profit attributable to owners of parent (Loss)	(393)	1,131
Profit (Loss)	(582)	1,181
Other comprehensive income		
Valuation difference on available-for-sale securities	46	(27)
Foreign currency translation adjustment	720	1,587
Adjustment of defined benefit plans	272	107
Total other comprehensive income	1,039	1,667
Comprehensive income	457	2,849
Comprehensive income attributable to:		
Owners of parent	624	2,769
Non-controlling interests	(167)	79

Consolidated Financial Statements

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total Net Assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Reversal of revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,372	—	13,447	(325)	24,495	89	6,562	1,460	(133)	7,980	952	33,428
Changes during period												
Dividends of surplus			(483)		(483)							(483)
Loss attributable to owners of parent (Loss)			(393)		(393)							(393)
Purchase of treasury shares				(0)	(0)							(0)
Purchase of shares of consolidated subsidiaries		0			0							0
Reversal of revaluation reserve for land			(414)		(414)							(414)
Net changes in items other than shareholders' equity						46	414	698	272	1,432	(205)	1,227
Total changes during period	—	0	(1,290)	(0)	(1,290)	46	414	698	272	1,432	(205)	(63)
Balance at end of period	11,372	0	12,156	(325)	23,204	136	6,977	2,159	139	9,412	747	33,364

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total Net Assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Reversal of revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,372	0	12,156	(325)	23,204	136	6,977	2,159	139	9,412	747	33,364
Changes during period												
Dividends of surplus			(483)		(483)							(483)
Consolidated net profit attributable to owners of parent			1,131		1,131							1,131
Purchase of treasury shares				(700)	(700)							(700)
Purchase of shares of consolidated subsidiaries					—							—
Reversal of revaluation reserve for land			429		429							429
Net changes in items other than shareholders' equity						(27)	(429)	1,557	107	1,209	45	1,254
Total changes during period	—	—	1,077	(700)	377	(27)	(429)	1,557	107	1,209	45	1,632
Balance at end of period	11,372	0	13,234	(1,025)	23,581	109	6,548	3,717	246	10,621	793	34,996

Consolidated Statement of Cash Flows

(Millions of yen)

For the fiscal year ended March 31, 2023

For the fiscal year ended March 31, 2024

Cash flows from operating activities		
Profit before income taxes	377	1,654
Depreciation	1,133	1,045
Loss on business restructuring	1,816	243
Impairment loss	51	288
Increase (Decrease) in allowance for doubtful accounts	(48)	(12)
Increase (Decrease) in retirement benefit liability	(458)	(445)
Interest and dividend income	(87)	(100)
Interest expenses	78	99
Increase (Decrease) in trade receivables	963	(291)
Increase (Decrease) in inventories	1,479	997
Increase (Decrease) in trade payables	(296)	40
Gain (Loss) on sale of investment securities	(1)	(135)
Other	349	(317)
Subtotal	5,360	3,066
Interest and dividend received	85	103
Interest paid	(78)	(99)
Income taxes paid	(2,006)	(100)
Payments for business restructuring	—	(903)
Net cash provided by (used in) operating activities	3,361	2,068
Cash flows from investing activities		
Payments into time deposits	(0)	(244)
Proceeds from withdrawal of time deposits	188	261
Proceeds from sales of investment securities	6	180
Purchase of property, plant and equipment	(574)	(423)
Proceeds from sales of property, plant and equipment	21	980
Purchase of intangible assets	(88)	(107)
Purchase of shares of subsidiaries and associates	—	(331)
Other	(76)	(86)
Net cash provided by (used in) investing activities	(523)	230
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,728)	(1,002)
Purchase of treasury shares	(0)	(700)
Cash dividends	(483)	(482)
Dividends paid to non-controlling interests	(37)	(34)
Other	(215)	(213)
Net cash provided by (used in) financing activities	(2,464)	(2,432)
Effect of exchange rate changes on cash and cash equivalents	(145)	326
Increase/(decrease) in cash and cash equivalents	227	192
Cash and cash equivalents at beginning of period	7,037	7,265
Cash and cash equivalents at end of period	7,265	7,457

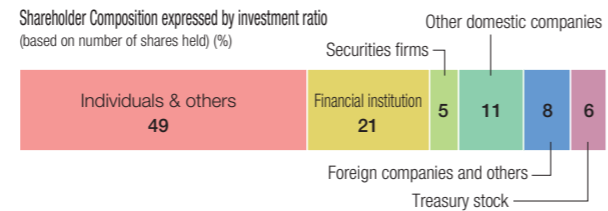
Company Overview/Stock Information

Company Overview (as of March 31, 2024)

Company Name	JANOME Corporation
Founded	October 1921
Incorporated	June 1950
Head Office	1463 Hazama-machi, Hachioji, Tokyo, Japan
Paid-in Capital	11,373 million yen
No. of Employees	2,422
Fiscal Year End	March 31

Stock Information (as of March 31, 2024)

Number of shares issued	19,521,444
Number of shareholders	14,933 (down 2,752 from March 31, 2023)



Directors' Directory (as of October 1, 2024)

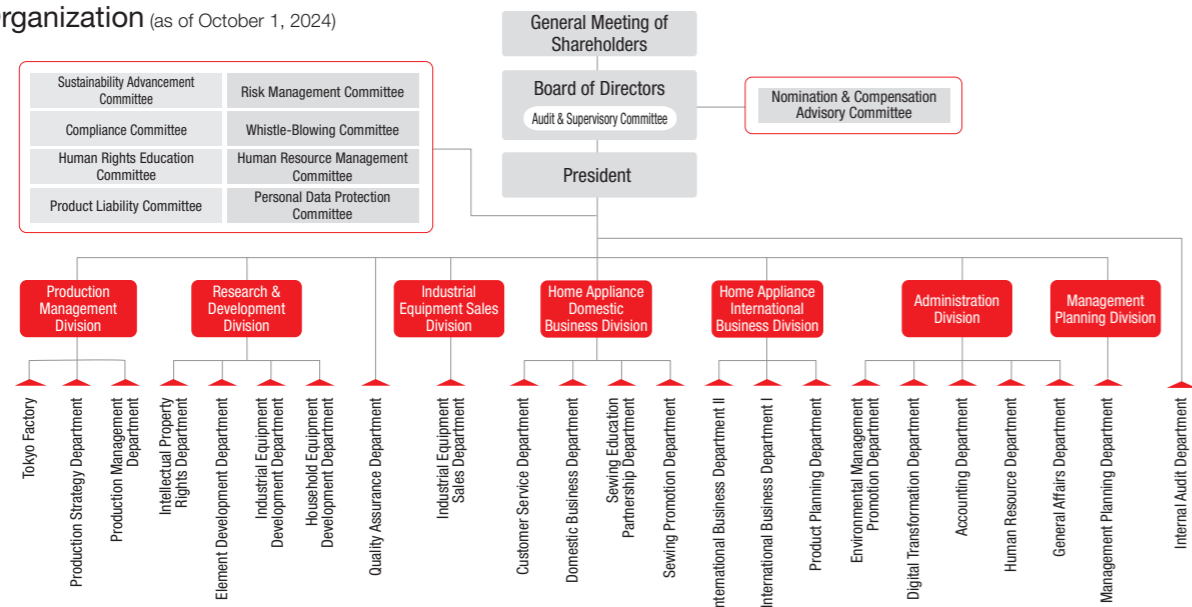
Directors

Representative Director President	Makoto Saito	In charge of Internal Audit Department
Director Vice President	Takeyuki Oshima	In charge of Home Appliance International Business Division, In charge of Home Appliance Domestic Business Division, Chairman of Janome Credia Co., Ltd.
Director Senior Managing Officer	Toshiya Takayasu	Industrial Equipment Sales Division Head, Chairman of Janome Industrial Equipment (Shanghai) Co., Ltd.
Director Senior Managing Officer	Hitoshi Doi	Management Planning Division Head, Administration Division Head
Director Managing Officer	Kazushi Kawaguchi	Production Management Division Head, In charge of Quality Assurance Department, Chairman of Janome Taiwan Co., Ltd.
Director	Fumiaki Nakajima	
Director	Shoko Sugino	
Director	Yasuyo Tanaka	
Director	Mitsuhiro Sakizuki	Audit & Supervisory Committee Member
Director	Ryoji Shimada	Audit & Supervisory Committee Member
Director	Mamoru Sumida	Audit & Supervisory Committee Member
Director	Nozomi Kurahashi	Audit & Supervisory Committee Member

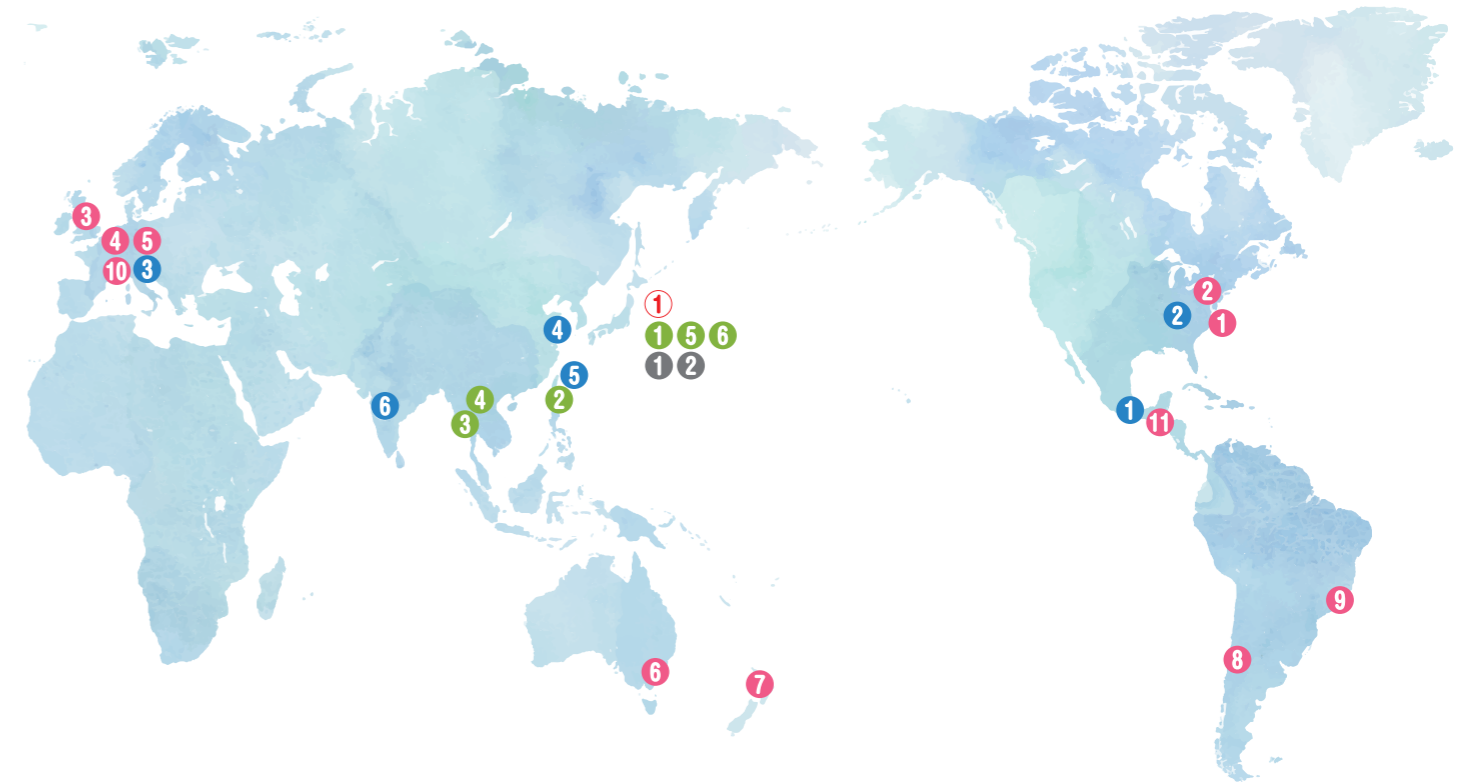
Corporate Officers/Professional Fellows

Senior Managing Officer	Yukio Hosaka	Research & Development Division Head, General Manager of Element Development Dept.
Managing Officer	Hiroyuki Kobayashi	Home Appliance Domestic Business Division Head, General Manager of Domestic Business Dept.
Managing Officer	Shinji Tsunoda	Home Appliance International Business Division Head
Corporate Officer	Tsugunari Yamada	President & CEO of Janome America, Inc., Janome Canada, Ltd.
Corporate Officer	Norishige Ando	Home Appliance Domestic Business Division Vice Head, General Manager of Sewing Education Partnership Dept.
Corporate Officer	Yoshihito Sakashita	Vice Chairman (General Manager) of Janome Taiwan Co., Ltd., Chairman of Janome Industrial Equipment Taiwan Co., Ltd.

Organization (as of October 1, 2024)



Global Network (as of October 1, 2024)



Head Office

① JANOME Corporation Hachioji, Tokyo

Production Hubs

- ① Tokyo Factory Hachioji, Tokyo
- ② Janome Taiwan Co., Ltd. Taichung, Taiwan
- ③ Janome Thailand Co., Ltd. Sriracha, Thailand
- ④ Janome Diecasting (Thailand) Co., Ltd. Kabin Buri, Thailand
- ⑤ JANOME Diecasting Co., Ltd. Tsuru, Yamanashi
- ⑥ ARTEC Co., Ltd. Sakata, Yamagata

Service Hubs

- ① JANOME CREDIA Co., Ltd. Chuo-ku, Tokyo
- ② JANOME SERVICE Co., Ltd. Hachioji, Tokyo

Overseas Major Sales Company

- ① Janome America, Inc. New Jersey, U.S.A
- ② Janome Canada Ltd. Ontario, Canada
- ③ Janome UK, Ltd. Stockport, UK
- ④ Janome Europe B.V. Nieuw Vennep, The Netherlands
- ⑤ Janome Deutschland GmbH Mörfelden-Walldorf, Germany
- ⑥ Janome Australia Pty. Ltd. Melbourne, Australia
- ⑦ Janome New Zealand. Ltd. Auckland, New Zealand
- ⑧ Comercial Janome Latin America Ltda. Santiago, Chile
- ⑨ Janome Do Brasil Comércio De Máquinas Ltda. Sao Paulo, Brazil
- ⑩ Elna International Corp., S.A. Geneva, Switzerland
- ⑪ ① Janome Mexico S. de R.L. de C.V. Mexico City, Mexico
- ⑫ JIE USA, Inc. Illinois, U.S.A
- ⑬ JIE Europe GmbH Bickenbach, Germany
- ⑭ JIE (Shanghai) Co., Ltd. Shanghai, China
- ⑮ JIE (Taiwan) Co., Ltd. Hsinchu, Taiwan
- ⑯ JIE India Pvt. Ltd. Haryana, India

*JIE stands for Janome Industrial Equipment.