

JANOME REPORT 2020





Chairman & CEO

Michio Ohba

Janome, founded as Japan's first domestic sewing machine manufacturer, will celebrate its 100th Anniversary in October 2021. Since its founding, Janome has aimed to promote people's creativity and contribute to prosperity all over the world, and has worked to improve society and culture by consistently providing valuable products and services.

Cumulative production of sewing machines surpassed 70 million units last December, which I am extremely proud of, because it is a testament of customer trust in Janome as a private enterprise—trust built over our history as a household sewing machine specialist manufacturer, providing products developed with the user's perspective in mind and manufactured to offer ease of use and high quality at the same time.

The Janome Group follows up on its medium term management plan, 'JANOME 2021 Navigation for the Future', and will pass its 100th Anniversary as a transit point, aiming to take on a flight to 'New Janome' with everlasting growth and development. Our target is to strengthen our business foundation by reinforcing our stronghold, that being our sewing machine business, and at the same time expanding our industrial equipment business with growth as the second pillar of Janome.

At this time when the global New Coronavirus pandemic shows no sign of waning and with continuing uncertainty as to when it will subside, the inherent value of the sewing machine as a manufacturing tool was rediscovered. This was triggered by mask making at many a household around the world, leading to escalating demand for this product. The industrial equipment business on the other hand is struggling with the increasing uncertainties of the global economic outlook affecting corporate sentiment negatively to postpone capital investment.

I believe, however, it is essential to cope swiftly and accurately with any changes in the business environment if a private enterprise wishes to grow and develop sustainably.

'JANOME REPORT 2020' is the second issue of our annual report following on from 'JANOME REPORT 2019' issued last year. I hope it will be of some help to you, investors, shareholders and other stakeholders to understand Janome Group

management philosophy, management policy and business strategies and realize what we aim to become. I would also appreciate if this works as the

first step to initiate a constructive dialogue between you and us to expand the corporate value of Janome and Group companies in the future.



President & COO

Makoto Saito

The Janome Group, which is approaching the 100th Anniversary of its founding in 2021, has endeavored to contribute to society based on the concept of sustainable growth that ESG (Environment, Social, Governance) is aiming to achieve at the same time as making efforts to expand our corporate value for further growth.

The Janome Group's utmost strength is the brand value of 'Janome', nurtured with our customers and all stakeholders over a history approaching 100 years. Our technological strength originates from sewing machine manufacturing, which has been refined over

time by our predecessors to have become a solid foundation on which to develop the robot and press technologies of the current industrial equipment business.

We cannot but thank all stakeholders for your unwavering support without which we could not have come this far to celebrate our centenary.

Janome, as one team with each and every one of our employees together on board, is committed to continuously realizing what we state in our Corporate Philosophy that 'Janome aims to promote people's creativity and contribute to prosperity all over the world', and 'works to improve society and culture by consistently providing valuable products and services'.

We will continue our efforts to fulfill our corporate social responsibilities and remain trustworthy for all stakeholders by making everyone's mind rich with every business activity we are involved in.

I would sincerely like to ask you all for your continued guidance and support of the Janome Group.

CONTENTS

CONTENTS

Message	1
Contents	3

VISIONS AND STRATEGIES

Corporate Philosophy	4
Corporate Value Creation Process	6
Management Vision	9
Actions taken to combat New Coronavirus	13
Medium-Term Business Plan	16

BUSINESS SEGMENTS

Business Sector Applications	18
Overview of Business Segments	20
Home Appliance Business	22
Industrial Equipment Business	26
Research & Development / Production System	29
IT Related Business	31

ACTIONS TAKEN FOR ESG

Actions taken for ESG	32
Actions taken for Stakeholders	36
Corporate Governance	43
Environment Report	56
Actions taken for Society	64
News & Topics	67

Financial Data & Corporate Profile

Financial Data	72
Corporate Information	77
Directors & Corporate Officers Directory	78
Sales and Service Network	80
Journey through the first 100 years	82

Notes from publisher

‘JANOME REPORT 2020’ is a comprehensive summary of our activities for 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 expand our corporate value.

[Reporting Period]

April 1st, 2019 to March 31st, 2020

*includes certain activities and events after April 1st, 2020

[Issue Date]

November 27th 2020

[Scope of Report]

Janome Sewing Machine Co., Ltd. and its domestic and overseas group companies

[Accounting Standard]

Japanese GAAP

[Reporting Vehicle]

Published on our website

https://www.janome.co.jp/ir/ir_janome_report.html

Notes on forecast

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.

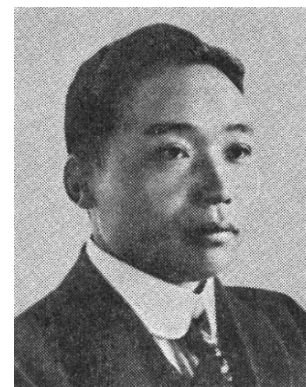
Please note that actual results and performances may differ due to various factors.

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 its founding in 1921, Janome has endeavored to develop and enhance clothing and fashion culture by manufacturing and distributing affordable sewing machines to many households. In the absence of any domestic manufacturer, Yosaku Ose, one of the founders of Janome, had a strong desire to create the first sewing machine made in Japan, at a time when the sewing machine market was dominated by foreign brands. In a time when clothing was far from abundant, sewing machines were gaining in presence as a must-have household appliance. This prompted Ose to found Janome with an unwavering determination that sewing machines must be domestically manufactured, which was also in line with the governmental goal of stimulating domestic industrial growth.



Founder Yosaku Ose

This is how the 100 year history of Janome started. Janome, founded with this determination of Ose, has since been a driving force in the industry to make clothing life better by manufacturing and distributing sewing machines with unyielding emphasis on technological innovation. It also played a prominent role in leading the industry to standardization in the 1940' s.

Times have changed dramatically with regard to clothing supply, to the point where ready-made wares abound in the market. This has inevitably altered demand for sewing machines, prompting Janome to play a new role in terms of the value that sewing machines can offer to society. The sewing machine, once an appliance to support the household by making new clothes as well as mending old, has now become an appliance to quench the user' s desire to create clothes or dresses to wear, to dress someone up, to simply possess, to give as a gift, and/or to simply show off. Research and Development has shifted its focus to technological innovation and functional development that can cater to sewers' expanding applications and needs.



1st domestically manufactured sewing machine 'Model 53 Pine 500 type'

The Corporate Philosophy above is determined with the founder' s beliefs and a changing business focus in mind, as well as the changing values and function of sewing machines.

Janome not only wishes to present appliances and services to enrich our customers' sewing lives, but also desires to actively support and facilitate the process whereby customers create whatever their imagination may guide them to and find sheer joy and fulfillment in their accomplished projects. Across all its businesses, Janome further desires to not only supply materials and functional products and services but also to engage universally in efforts to enhance societal and cultural development by bringing creative, original innovations to people' s lifestyles and business activities.

Main Businesses

Home Appliance Business

Manufacturing and sales of household sewing machines & related products




Industrial Equipment Business

Manufacturing and sales of desk top robots, servo presses, SCARA & Cartesian robots



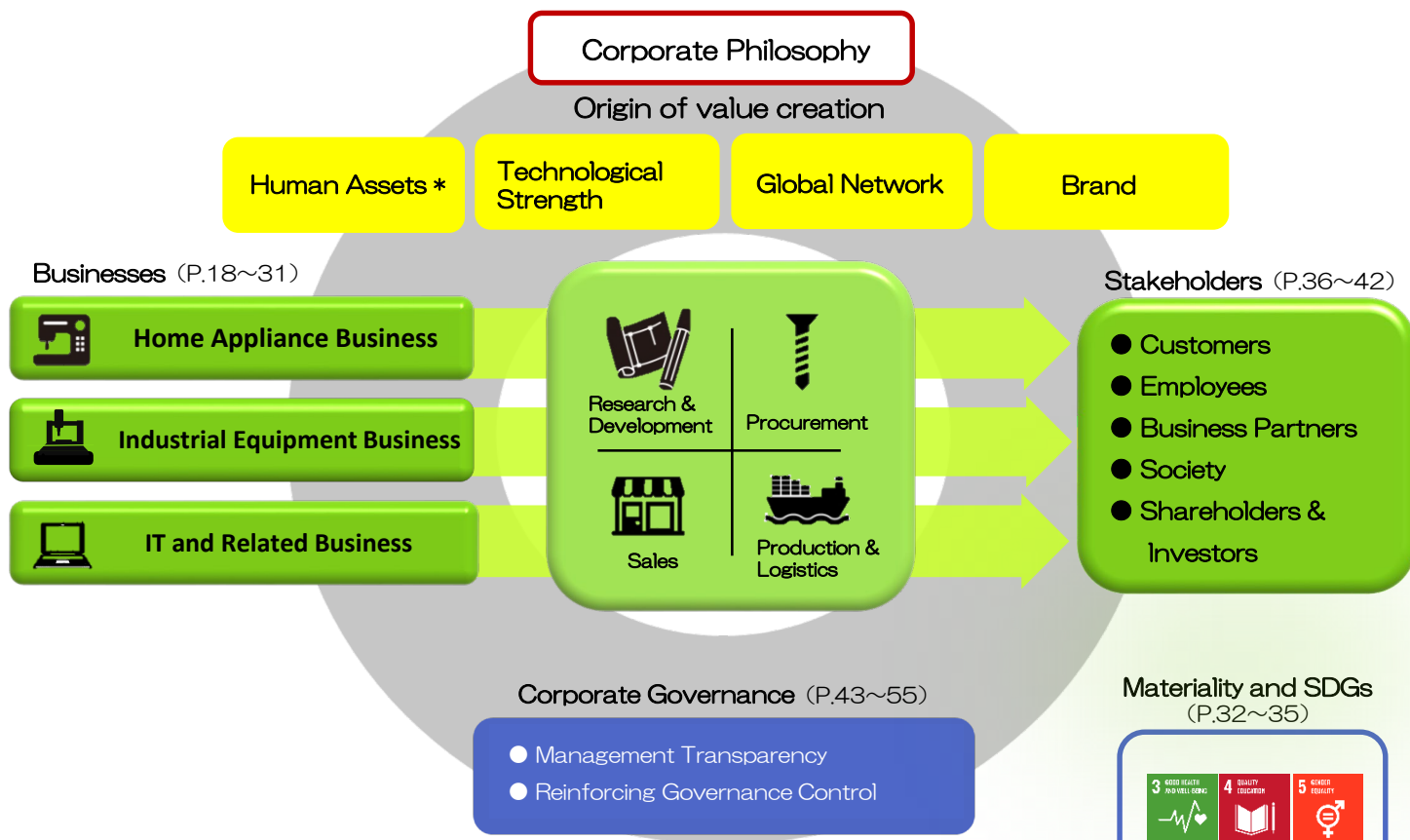
IT & Related Business

Systems integration & outsourcing, software development, sales & installation support



Corporate Value Creation Process

The Janome Group has offered to all stakeholders, rich and creative values by delivering top quality products and services supported by 'Human Assets', 'Technological Strength', 'Global Network' and 'Brand'. We are committed to further enhancing our corporate value by responding to various social challenges, and contributing to the realization of sustainable society.



Environmental and Social Challenges

- Global Warming ● Climate Change and its Mitigation ● Natural Disaster ● Energy Crisis
- Safe and Sound Product Supply ● Uninterrupted Procurement of Raw Materials
- Tightening Information Security ● Development of AI & IoT (Internet of Things)
- Reinforcing Governance Control ● Diverse Human Assets ● Widening Inequality



Actions taken for Environment & Society (P.56~66)

Environment

- Preservation of Environment ● Renewable Energy ● Conservation of Water Resources

Society

- Technological Innovation ● Rich and Creative Lifestyles ● Profit/Economic Development
- Creation of Environmentally-friendly Products

Human Assets

- Human Asset Development ● Creation of Comfortable and Fulfilling Workplace Environment
- Enhancing Respect for Human Rights and Diversity ● Safe and Health Conscious Lifestyle
- Support for Voluntary Education Efforts

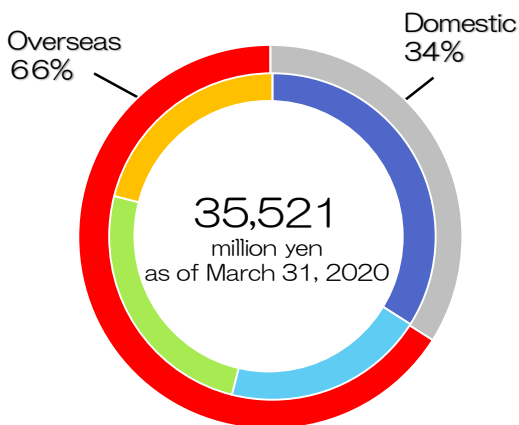
※Janome values employees as assets and describes them as such

Global network of production and sales units

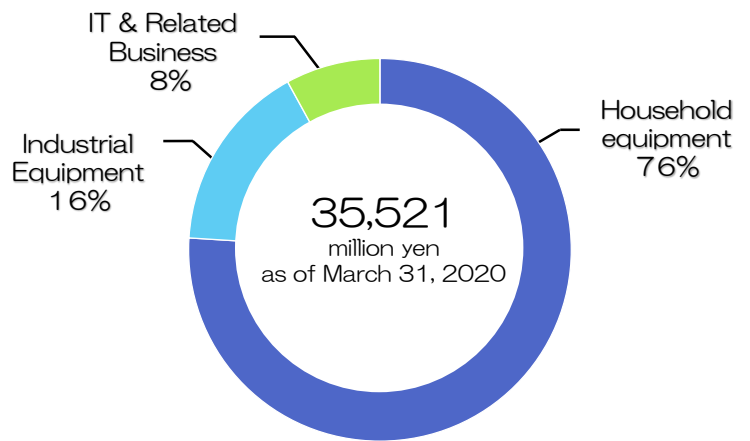
Janome has built a global network of 3 production hubs—Tokyo Factory in Hachioji, Taiwan and Thailand—and 17 sales units covering various markets around the world. Janome Taiwan Co., Ltd, founded in 1969, produces a range of sewing machines with its highly skilled technological capabilities, while Janome Thailand Co., Ltd, founded in 1988, with its high volume production capabilities, plays a key role to support Janome’s global strategy. Combined with Head Office providing support to those production hubs, Janome has built its global production structure to deliver products that cater to our customers’ needs.



Sales by Region



Sales by Segment



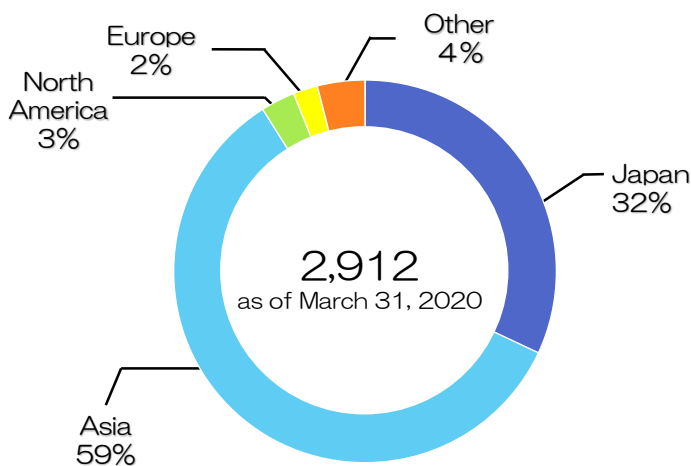
Region	Percentage
Japan	34%
North America	20%
Europe	25%
Other	21%

Household sewing machine sales subsidiaries constitute a major engine of the Janome Group's overseas sales activities. Headed by Janome America, Inc. with its long history going back to the 1960's, overseas sales subsidiaries have long played key roles in executing localized marketing strategy mainly in the North American, European and Australasian markets.

Janome Industrial Equipment America, Co., Ltd., founded in 2007, demonstrates the comparatively shorter history of industrial equipment sales subsidiaries, whose locations are mainly in major industrial areas associated with the automobile industry.



Employees by Region



※ 'JIE' stands for Janome Industrial Equipment

- Head Office
- Production Hub
- Household Sewing Machine Sales Subsidiary
- Industrial Equipment Sales Subsidiary



Representative Director
Chairman & CEO
Michio Ohba

Representative Director
President & COO
Makoto Saito

We aim to be reborn as
“New Janome” —a
company with transparent
management that
adequately discloses what it
does so you can see who we
are

Actions taken in the current business environment

The medium term Management Plan, ‘JANOME 2021 Navigation for the Future’, announced in the year 2019 presented what we aspire to be in the near future.

The centerpiece of this plan is for Janome, widely recognized as a specialist household sewing machine maker, to propel itself on a flight of growth to ‘New Janome’, firmly supported by the second pillar of the Janome Group, that being our Industrial Equipment business.

Further growth of the latter is called for to establish itself among key players in the industry, while continuous allocation of management resources is needed to maintain and reinforce the strength we have in our household sewing machine business.

Many people stayed at home in isolation for long periods of time due to the New Coronavirus pandemic and during this time, they created masks and other hand-made projects. An unexpected surge in demand for household sewing machines was thus brought about, so much so that our production capabilities at one point in time were stretched to the point where customers had to wait for products to be delivered. We have since suitably reviewed and updated our production processes so that our sewing machines are now delivered to our customers when they need them.

With ever-changing circumstances surrounding our business, and current market conditions demonstrating unexpected swings, it is far from easy to maintain on time deliveries. Accurate understanding of the present sewing machine boom, supported by marketing finesse should lead us to grasp the underlying current of essential development in our industry, so that we turn this sewing boom into a flow of business for many years to come. We will not cease to present exciting proposals and excellent services that will both capture potential demand and keep many customers occupied with sewing pleasure through our sewing machines.

The Industrial Equipment Business, on the other hand, has faced an uphill battle, plagued by a halt in investment triggered by US-China trade friction, followed by a slowdown in overall manufacturing sector activities caused by the New Coronavirus pandemic. The global economy is slowly showing signs of

recovery, however it will take a little longer before investment activities get back on their normal track. The New Coronavirus is further clouding the future outlook with ominous signs of a further explosive spread of the infection.

While normal business activities are under severe strain, the biggest challenge is how to put the industrial equipment business back on its original growth path. We are testing what we can do, for example web business meetings and automating equipment proposals designed to reduce person to person contact in order to deal with and take advantage of the current challenging circumstances. We are determined to maintain our business flow and interfacing with business partners, so that we can get a head start when the market regains some form of normalcy. As discussed in our Medium Term Management Plan, we will continuously allocate our resources to develop our networks in prospective markets such as South East Asia, and to make new business proposals to various industries including medical businesses so that we can expand our wide ranging sales network further.

See page 16 for Medium Term Management Plan

Impact of New Coronavirus and future challenges

The New Coronavirus, first identified in December 2019, instantly spread through the world and caused severe damage to Janome as it did to the global economy.

Private enterprises encounter various risks in their daily business activities such as natural disasters and changes in global situations. When faced with a totally unanticipated situation, we believe prompt and accurate action is of utmost importance to contain its impact on our businesses.

One instance of such actions is to construct a sturdy and resilient supply chain. While multiple suppliers are secured for parts procurement to mitigate risk, Taiwan still provides the major concentration of our suppliers. The impact of the New Coronavirus on Taiwanese part suppliers did not go so far as to close down their factories, thus having minimal impact on our part supplies. However, it brought home to us the important management lesson of hedging risk and called upon us to instigate further geographical diversification of parts procurement as well as to strengthen our supply chains in preparation for any potential parts production factory closures and disruption of logistic chains.

With regard to general preventive measures against contagious infections, multiple measures were introduced to secure the health and safety of our employees in the face of the New Coronavirus pandemic. Major examples are a working environment review, avoidance of large scale meetings, flexible working hours and working from home. Working from home was a new concept, introduced with little time for preparation, and it revealed some of our structural deficiencies regarding remote networking environments, but at the same time, presented a prime opportunity to introduce DX, digital transformation, and upgrading of networking infrastructure with stable or higher productivity and little risk.

Like us, many companies are struggling to combat the New Coronavirus. While some of the issues may be new and inherent to this pandemic, most others however, are ones that merely revealed themselves from beneath the surface, where they have been hiding for some time. We are applying the lessons learned from this experience to review and revise our business activities and corporate behavior so that we will continue to conduct our businesses as a good corporate citizen by responding to requests from society.

See page 13 for our actions taken to combat New Coronavirus

Actions taken for ESG

We respect the importance of E (Environment), S (Social) and G (Governance), each of which is a fundamental virtue Janome seeks to exemplify in our corporate activities.

Measures to reduce CO2 emission and to conserve resources and electricity are some of the environment related activities put in place for the production sector using ISO14001 as a tool. Research and Development sector is actively engaged in developing products with substantial considerations to user safety on top of the environmentally-friendly development and production process based on our original evaluation guidelines.

For S (Sustainable) D (Development) Gs (Goals), in conjunction with ESG, we would like to use what is familiar to our employees— ‘manufacturer’ s responsibility’ and ‘fulfilling work’ —as a pathway for this movement, and will associate these familiar terms with individual business activity so each can accomplish their own SDG one by one. Such individual accomplishment, achieved by each employee turning a wheel of his or her own PDCA (Plan, Do, Check and Action) cycle, may seem small, but when combined across Janome should generate enormous momentum to turn the company’ s engine of growth and will add substantial fuel to propel us in our challenge to contribute to the realization of a sustainable society.

We respect and value our ‘human assets’ and aim to maintain lively working environment where each and every employee can realize his or her best potential. Measures are in place to reduce overtime, to promote usage of paid leave and to promote and improve child care and nursing care support—all geared towards each employee realizing their optimal work life balance. Diversity education activities in FYE March 2019 featured an LGBT seminar.

As noted earlier, in FYE March 2020 with little preparation, we implemented a working from home system, driven by the immediate need to maintain the health and safety of our employees in the face of the outbreak of the New Coronavirus. This effort gave us a valuable opportunity to experience a flexible working style, and to review the personnel evaluation system in judging the effectiveness of working outside the office. While taking into account changes in the business environment, we will continue our review and retain the elements that work for Janome so that overall working style can be improved.

In terms of corporate governance, we are aiming to become a company with more transparency by which you can see what we are. Janome adopts the corporate structure of a Company with Audit and Supervisory Committee. We believe the structure warrants reinforcing Board of Directors’ authority to supervise and audit as well as to enhance fairness, transparency and efficiency of management.

While complying with Corporate Governance Code is no doubt a must, we should not be content with simply institutionalizing the code by documenting the rule book of governance along these lines. We should rather break away from adhering to the verbiage and make adequate adjustment in interpreting the code to reflect what’ s different and original in Janome’ s system. We will continuously endeavor not only to maintain a corporate environment of free discussion but also to improve business rules and executions with valuable input from outside directors.

We will continue to disclose the business strategies so determined as described above and the resulting financial information to all stakeholders by various communication vehicles in a timely manner.

For Actions taken for ESG, see page 32

For a private enterprise to maintain sustainable growth

Expansion of corporate value for Janome means ‘to aim to promote people’ s creativity and contribute to prosperity all over the world’ as set forth in our corporate philosophy. For Janome celebrating the 100th Anniversary in 2021, it has been a century of creating valuable products with the art of manufacturing and with the user’ s perspective in mind. While corporate value is often measured by a simple calculation such as total market capitalization, Janome looks beyond this mathematical calculation and considers it as the aggregate amalgamation of respective value determined by how each stakeholder evaluates his or her relationship with Janome. Corporate value to Janome is the value created and mutually enhanced based on a sound relationship with each and every stakeholder--customers, employees, business partners, society in general and investors—each value is then added together to constitute Janome’ s overall corporate value.

In order to contribute to society as well as to sustain the growth of Janome, which has been built up over the years, we believe that we must break through the status quo and continue to grow, develop and survive. The rapidly changing business and management environment calls for proactive strategies to cope with the changes as well as investment to finance the execution of the strategies. Profit generation is the key to achieve this. It is then essential to capitalize on our strength of excellent quality in our strategy. As an integrated manufacturing and sales company, it is easy for us to incorporate customer feedback into our sales, manufacturing, and development activities, and our strength lies in building open relationships with our customers. We listen closely to our customers and endeavor to reflect their requests in product development promptly. This process has proven effective in enhancing quality and in giving customers further comfort, safety and satisfaction. We believe that the accumulation of these efforts will generate new resources and drive growth, facilitating the leap to “New Janome” .

Actions taken to combat New Coronavirus

The New Coronavirus global pandemic has dramatically changed various aspects of our lives. Wearing a mask daily, maintaining social distance and new work styles such as working from home—are some things that were scarcely familiar to us but have rapidly spread through society under the buzz word ‘With Corona way of life’ leading to a new way of life.

The Janome Group is proactively taking this new situation as a prime opportunity to innovate our business at the same time as taking every possible measure to contain and minimize the negative impact of the pandemic on our businesses.

Major risks of New Coronavirus and counter measures taken



※Avoiding the 3Cs means to avoid ‘Closed spaces with poor ventilation’, ‘Crowded places with many people nearby’ and ‘Close-contact settings such as close-range conversations’

Major actions taken so far

Infection control at head office

Janome has taken various infection control measures to ensure the health and safety of all stakeholders such as employees, their family members and customers. Examples of these measures are refraining from making business trips and customer visits, downsizing and reduction of large scale internal meetings, maintaining social distance in the work place, and installing partitions between personal work areas. We are innovating our work style by introducing working from home and flexible working hours, supported by appropriate upgrades of the home network environment to replicate what is available at head office.



Installed droplet prevention partitions

New Coronavirus Infection Control Central Head Quarters is established

Janome Group promptly established Central Head Quarters, as required by the BCP (Business Continuity Plan) where updates of each Head Office Division and Subsidiaries are compiled and shared. Central Head Quarters makes swift decisions on the course of action, as each division and subsidiary is required to comply with requests of respective governing organizations, whether central or local, domestic or foreign.

Members of CHQ

Chief Commanding Officer	Representative Director and COO President
Members	Department Head Officers
Secretary	General Manager of General Affairs

Actions taken for escalating demand for household sewing machines

The spread of the New Coronavirus infection forced many governments of the world to curb or restrain nonessential outings, leading many people to reconsider how to spend time at home. This, coupled with the global boom of making one's own masks at home, necessitated by a massive shortage of mask supply, caused the demand for household sewing machines to escalate suddenly. Ensuing lifestyle changes, precipitated by the New Coronavirus infection, stimulated an untapped reservoir of demand, and this so-called 'stay-at-home' demand, initially thought a passing fad, has grown to become a major flow supporting our sales at an elevated level. The Janome Group is allocating significant resources to swiftly deliver sewing machines to where ever customers want, mainly by reinforcing the overseas production hubs of Taiwan and Thailand.

Domestic sales sectors have met with dwindling opportunities for customers to experience Janome's high quality and to enjoy creating their own projects, as major exhibitions were suspended and cancelled one after the other, and sewing classes planned at direct and owner branches as well as at antennae shops had to be cancelled due to voluntary closure or shorter operating hours requested by the government.

While direct communication paths are being curbed, we are actively using You Tube, Instagram and other social media to send out a message of how attractive sewing is. At the same time, we are using the internet to stimulate direct communication with a wide range of customers by sending up-to-date, useful tips on how to hand make your own masks using a sewing machine.



Posting messages on social media regarding fighting New Coronavirus

Contribution to society

Major actions (See page 64 for details)

- Donated masks sewn by Janome machines to local schools (Janome Taiwan Co., Ltd.)
- Donated mask covers for Surgical N-95 masks sewn by Janome machines upon request from the local police department (Janome America Inc.)
- Supported Japanese boxed lunches offer to medical workers (Janome America Inc.)



Janome Taiwan staff making masks with sewing machines

Janome Group companies will continue their support for local communities in various ways so that people around the world can regain their ordinary way of living as soon as they possibly can when the New Coronavirus pandemic is contained.

Actions we contemplate taking after New Coronavirus is contained

◆ Impact of The New Coronavirus on our businesses

- Global shortage of masks, coupled with more time to spend at home created mask sewing boom, resulting in explosive demand for household sewing machines
- The New Coronavirus pandemic exacerbated already deteriorating investment environment plagued by US-China trade friction, resulting in industrial equipment business slump

◆ Change in lifestyles

- More time spent at home
- Consumers' purchasing behavior shifted from retail outlets—brick and mortar, to internet stores—click and mortar
- New working style including working from home became new norm

◆ Actions we contemplate to take from now on

- Focusing on sales activities to stabilize and permeate sewing culture throughout more households
- Create new opportunities to communicate with customers from new angles
- Promote DX (digital transformation) further
- More focus on internet sales and expansion of conventional sales channels
- More focus on developing new sales support materials and identifying and developing new business ventures

Medium Term Management Plan

Medium Term Management Plan “JANOME 2021 Navigation for the Future “
(FYE March 2020 to March 2022)

Passing our 100th Anniversary as a transit point, we aim to take on a flight of growth to
“New Janome” with constant growth and development for the next century

Basic Policy

1. Flight to “New Janome”

- Reinforce the foundation of our main strength household sewing machine business
- Establish our industrial equipment business as the second pillar of growth to take us forward from being a specialist sewing machine maker on a flight to “New Janome”

2. Reinforce earning base by reducing manufacturing cost and marketing administrative expenses

- Continue to confront the manufacturer’s eternal challenge of production cost-cutting, while maintaining high standards of quality.

3. Accelerate product development and develop products which anticipate demand

- Develop products which anticipate potential customer demand and bring them to the market at a much faster pace

4. Concentration and efficient utilization of management resources

- Improve investment efficiency by identifying priorities and making selections accordingly

5. Human asset development

- Educate and train staff and pass on expertise and technology to the next generations

6. Expand corporate value

- Improve already sound relationship with all stakeholders including shareholders and employees
- Improve profit generating structure and reinforce corporate health and fitness
- Medium term numerical target:
Operating Income to Net Sales (Operating Margin): 8%
Equity to Asset Ratio: 50%, ROE: 8%, ROA: 7%

Key Strategies

Home Appliance Business (See page 22)	<ul style="list-style-type: none">• Overseas : Drive the industry as a leading company and strive to improve the health of the market• Domestic : Promote area marketing by utilizing existing domestic infrastructure to its fullest extent
Industrial Equipment Business (See page 26)	<ul style="list-style-type: none">• Actively engage in identifying and developing promising and untapped overseas markets• Promote package deals of products and associated equipment
Production Department (See page 29)	<ul style="list-style-type: none">• Cost reduction by replacing suppliers and reviewing procurement methods• Reconfigure overall production system with a view to determining optimum production locations
Research and Development Department (See page 29)	<ul style="list-style-type: none">• Accelerate the product development process and design with overwhelmingly high quality
All Departments (See page 32)	<ul style="list-style-type: none">• Centenary project• Expansion of corporate value• Promote CSR (Corporate Social Responsibility) activities• Human asset development

Numerical Target and Progress

(million yen)

	FYE March 2019 results	FYE March 2020 results	FYE March 2021 revised forecasts	FYE March 2022 targets
Net sales	38,153	35,521	40,000	45,000
Operating income (Operating income to net sales)	1,150 3.0%	1,158 3.3%	3,800 9.5%	3,600 8.0%
Ordinary income (Ordinary income to net sales)	1,359 3.6%	1,049 3.0%	3,600 9.0%	3,500 7.8%
Profit attributable to owners of parent	880	424	2,600	2,300
Total assets	50,657	49,360	—	52,000
Net assets (Equity ratio)	25,020 49.4%	24,550 49.7%	—	26,000 50.0%
ROE (Return on equity ratio)	3.6%	1.7%	—	8.0%
ROA (Return on asset ratio)	2.7%	2.1%	—	7.0%

※ See pages after 72 for our financial results for FYE March 2020

KPIs (Financial Indicators)

The Janome Group has set forth the key financial ratios below as medium-term goals for 'Expansion of Corporate Value', one of the basic policies determined by the Medium Term Management Plan.

Key financial ratios

Operating income to net sales (Operating margin): 8%

Return on equity ratio: 8%

Return on asset ratio (Ordinary income on net asset ratio): 7%

Operating income represents inherent profitability of business activities, while ROE and ROA benchmark efficiency in utilizing equity for the former and asset for the latter. Janome evaluates its corporate value from a financial perspective by taking a comprehensive view of those basic financial ratios.

In FYE March 2020, the 1st year of the Medium Term Management Plan, the household appliance business managed to record a certain level of results, thanks to sales activities focused on promoting high value added products. While the North American market enjoyed a buoyant performance of newly launched products, the European and emerging markets, including Russia continued to suffer. While the Domestic household appliance business retained its top share in the market, it did not succeed in stemming the slide in total unit sales. Meanwhile, 'stay-at-home' demand triggered by the spread of the New Coronavirus infection turned the tide in sewing machine sales in and out of the country.

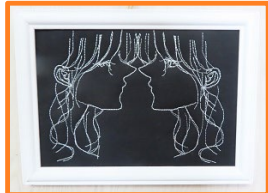
Increasing capital expenditure restraint, induced by protracted US-China trade friction, was accelerated by the spread of the New Coronavirus, exacerbating the already battered market environment for the industrial equipment business. Various measures were implemented to stem the tide, such as establishing a business sales unit in the promising market of Mexico, but a substantial decline in orders continued for robots, servo presses and die-cast related business, meant that the industrial equipment business recorded an operating loss.

Consequently, KPIs (Key performance indicators) for FYE March 2020 resulted in operating income to net sales of 3.3%, ROE of 1.7% and ROA of 2.1%, substantially off targets.

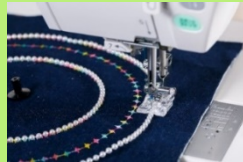
Business Segment

Some sewing machine projects created to enrich your life

Tapestry created with Digitizer, embroidery data digitizing software



Hat decorated with beads, sewn with beading foot



Quilt project



Embroidery couching with yarn



Tote bag embroidered with yarn

Dress



Lace embroidery



Accessories made with lace embroideries



Cushion decorated with applique



Pot cover



Book cover

Applications of robots and presses which support production sites



Overview of Business Segments

FYE March 2020 Total sales: ¥35,521 Million

Home Appliance Business

Janome's Home Appliance Business offers a wide range of sewing machines from regular sewing to overlock and embroidery so that many sewers with varying applications and requirements can enjoy creating hand-made projects.

◆Overseas Sales

The Janome Group continuously develops new models, refreshes and expands its product lineup to satisfy the varying needs of our customers in more than 100 countries. Janome has expanded its reach into overseas markets as a leading household sewing machine company by establishing 13 overseas sales subsidiaries. While we continue to identify potential distributors for future expansion, we are also providing active support to sales agents and third party distributors.

North America is the largest market of all in the world where the entire range of sewing machines from top-end to entry level are distributed through two distribution channels. Mid to upper range models are mainly distributed through specialized dealers with dedicated sales and service staff who provide sufficient advice and follow up support to customers, while entry level models are mainly distributed through mass merchandizers.

The Janome Group has also gained substantial level of support in European markets through its sales subsidiaries in UK, Germany, Netherland and Switzerland as well as OEM sales to several European brands. We are also looking to expand our share in other markets by actively promoting area marketing to suit individual needs of each market.

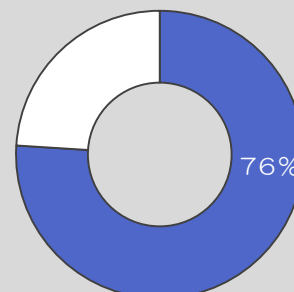
◆Domestic Sales

Janome covers the country with its direct and owner branch network, providing customers with conscientious services and aiming to make the best use of face to face sales backed by profound knowledge and a local human network of experienced sales staff. Local community based staff listen closely to customers' voices to identify their potential needs, which sometimes leads to the development of brand new products. Janome also distributes through a wide range of other sales channels such as multi-brand sewing shops, mass merchandizers and internet sales. Janome also develops and sells special school models to more than 20,000 elementary to high schools across the country with after sales support provided by specialist staff—thereby making substantial contributions to school education.

We have also set up community spaces in and out of the branches to offer many of our customers opportunities to touch and actually use sewing machines where we organize from time to time sewing classes and workshops, conducted by sewing celebrities and invited experts.

Domestic Sales also includes sewing related software and pattern paper as well as a series of 24 hour home bath systems, 'Yu-meijin', hot bath master, and other wide-ranging life amenity products and services as we support rich and creative lifestyles.

Home Appliance Business
Division sales as % of total sales



FYE March 2020 sales
¥26,856 million



Sewing machine model
for overseas market



Sewing machine model
for domestic market



Overlock machine



24-hour home bath system

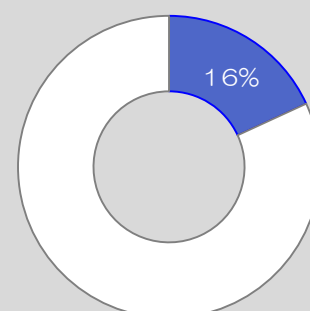
Industrial Equipment Business

Janome has steadily been expanding the foundation of Industrial Equipment business which has now grown to be the second pillar of Janome. Based on 'High Precision Position Control Technology' nurtured over the history of household sewing machine development, the Industrial Equipment Division is engaged in developing, manufacturing and selling industrial equipment and parts. Desktop robots, SCARA robots, Cartesian robots and Servo Presses are the major products, proactively marketed and traded to the manufacturing sector in IT, electronics, automobile parts businesses in both domestic and overseas markets.

Sales and service activities are supported by domestic branches in Nagoya and Osaka and overseas subsidiaries in the U.S., Germany, China and Taiwan.

Group companies are also engaged in manufacturing and sales of die cast and plaster cast products with existing clients being wide range of automobile parts and industrial equipment manufacturers. We are looking to expand our client base making the best use of our logistic advantage of having factories both in Kanto, the metropolitan Tokyo area; and Kansai, the metropolitan Osaka area.

Industrial Equipment Business
Division sales as % of total sales



FYE March 2020 sales
¥5,789 million yen



Desktop robot



Servo Press



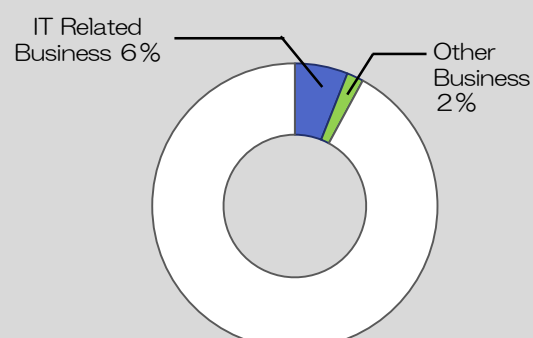
SCARA robot

IT Related and Other Businesses

The Janome Group businesses expanded from household sewing machines and industrial equipment into IT and related business offering IT software and data processing services. Other businesses include maintenance services to support the clients of our sewing machines as well as 24 hour hot bath systems and real estate lease business.



IT Related Business & Other
Business sales as % of total sales



FYE March 2020 sales

IT Related Business sales 2,180 million yen
Other Business sales 695 million yen



Summary of FYE March 2020

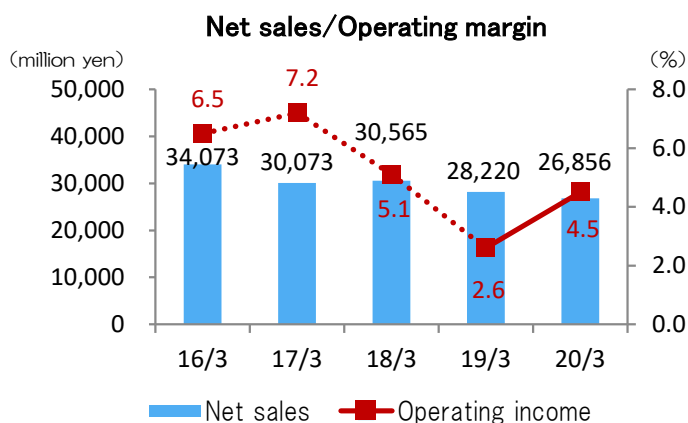
The highlight of the household equipment business is that the Continental M7 Professional (CM7P), top of the line quilting machine launched in overseas markets, gained international acclaim winning two prominent design awards (See page 69 for further details).

The North American market in particular, our focus when selling such high value-added products as the CM7P, has sustained modest recovery. In the European market, on the other hand, challenging conditions continued, while the performance of emerging markets was sluggish due to local currency depreciation. The recovery the Russian market demonstrated in the fourth quarter did not go so far as to offset weak sales in other regions. Additionally, the spread of the New Coronavirus has created a severely negative business environment, particularly at overseas sales subsidiaries where corporate activities have inevitably been constrained.

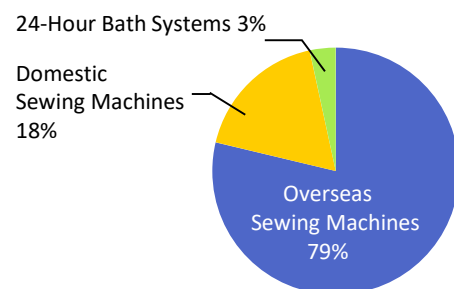
Lockdown and restrictions on going out, on the other hand, shed a new light on how to spend time at home, and this, coupled with the mask making at home boom, spurred new interest in sewing machines, leading to escalating demand for household sewing machines.

As a result, sales of sewing machines in the overseas and Japanese markets totaled 1,330,000 units (down 120,000 units compared to the corresponding period of the previous fiscal year).

Overall, net sales in the household equipment business were 26,856 million yen (down 1,364 million yen compared to the previous fiscal year), with operating income of 1,209 million yen (up 476 million yen).



Home Appliance Sales Mix



※ Common expenses allocation standards were revised in FYE March 2019. Operating Income to Net Sales ratio of the terms preceding to FYE March 2018 are shown after revision by the same standards for reference purpose.

Expanding its global reach as a leading household sewing machine company

Business Principles

- Put into practice * 'Sangen Principle' to enhance customer satisfaction
 - * 'Sangen Principle' means to go to the site, make direct observations, and determine the facts
- Spin the PDCA cycle efficiently aiming to establish highly profitable operation
 - *PDCA stands for Plan, Do, Check and Action

Strategy and target

- Aim to expand sales of high value added products in the essential markets of North America and Europe.
- Strengthen sales potential by improving service and support structure as well as enhancing brand image
- Endeavor to spread higher value added products to more households in Russia and India, while retaining No.1 share in both markets.
- Expand light alloy aluminum sewing machine market, widely perceived for its excellent durability, in rapidly growing Asian market

Business Environment: Opportunity and Risk

- Sudden spread of the New Coronavirus infection led to the shortage of masks, driving the necessity to make own masks at home. More time to spend at home due to the infection, created new interest in crafts, leading to an unexpected surge in demand for household sewing machines.
- Expansion of internet sales accelerated price competition of sewing machines
- Global economic instability plagued by trade frictions and US economic sanctions
- Gradual increase of customers using sewing machines to create handmade quilting and other projects as a hobby

Strengths

- Substantially rich product lineup to accommodate wide ranging customer requests from beginners to sewing veterans
- Fine sewing finish, excellent durability & high quality
- All sewing machines manufactured in-house without any outsourcing
- Only one among top sewing machine makers to produce (1) full aluminum body model with excellent durability that has been a long seller model and (2) flat-bed type machine operable with both treadle and electricity for emerging markets
- Promoting diversity by sending overseas as trainees and employees irrespective of age or sex

Current Actions

- Sending videos and conducting on-line classes for first time buyers of sewing machines to demonstrate the joys of sewing
- Making the best use of Janome North America, a virtual subsidiary covering the North American continent, as well as a European Representative Office to promptly capture each market's trends and promote area marketing further, while reinforcing sales backup and support systems.

Challenges

- Accommodate the sudden boost in demand
- Help more customers learn the joy of creating something and the charms of sewing machines, thereby stimulating the sewing industry as a whole
- Feed R&D Division with market demands more closely and promptly to develop attractive new products with original features and designs not to be found elsewhere
- Endeavor to expand our market share by reinforcing dealer education and by improving the level of their service quality
- Articulate area and merchandizing for Janome and Elna brands in each market to improve brand recognition further and to enhance the brand image of both brands.

Top domestic sewing machine maker supplying attractive products through multiple sales channels

Business Principles

- Offer customers opportunities to enjoy sewing machines and attractive products and aim to expand sewing machine market

Strategy and target

- Create opportunities for customers to touch and feel sewing machines such as exhibitions, sewing events and classes that should stimulate demand for sewing machines
- Cement top domestic market share
- Offer individual merchandizing mix best suited for each distribution channel—direct & ownership branch network, internet and mass merchandizer

Business Environment (Opportunity and Risk)

- Spread of the New Coronavirus and resulting need to make own masks at home, coupled with ‘stay-at-home’ phenomenon led to the escalating demand for household sewing machines
- Stringent doorstep sales regulations and dwindling target customers due to lifestyle changes
- Accelerating price reduction due to the prevalence of internet sales
- Increasing demand for hobby and craft sewing such as quilts, cosplay and pet wear dress making
- Reducing hours at school for students to interface with sewing machines caused by reduction of home craft classes in school curriculum.

Strengths

- Utilizing various sales channels other than sewing machine specialty stores such as the internet and mass merchandizer outlets
- Face to face sales method at direct sales networks enables tailor made offer and follow-up service fine-tuned for individual customers in each locality
- Reflecting customers’ requests collected from direct & ownership branch networks directly in product development
- High quality products with excellent durability and superb ease of use
- Sales support specialist group which proposes and offers new applications to existing functions and features that add new perspectives to the joy of creating your own project.

Current Actions

- Providing materials, such as sending videos and offering pattern paper to support making masks at home in response to New Coronavirus. Offering environment conscious support such as sending videos and offering free kits for handmade reusable shopping bags to reduce plastic waste
- Promoting area marketing to suite individual locality
- Displaying sewing machines at exhibitions and events as well as sewing classes at branch stores and antennae shops to demonstrate the joy of creating your own projects.
- Stimulating demand by effectively utilizing social media platforms such as YouTube and Instagram.
- Offering younger generations more chances to become familiar with sewing machines by supporting the use of sewing machines at schools.

Challenges

- Dealing with the sudden escalation of demand for sewing machines
- Offer enjoyable projects other than just making masks to demonstrate the lasting joy of creating your own projects with sewing machines
- Develop new sales support materials and store displays to entice those customers who have not had a chance to visit branch stores
- Recruit and train new sales staff to supplement the dwindling sales force due to aging
- Upgrade sales support structure for sewing machine specialty stores
- Offer high quality and high value added products to avoid being swamped by price competition
- Increase sales and follow up service and support to elementary, junior-high and high schools



Supporting the joy of creation with pattern paper

Sun Planning Co., Ltd. designs, makes and distributes sewing patterns with the aim of guiding users with pattern papers to discover joy of sewing, helping to enrich their lives and minds.

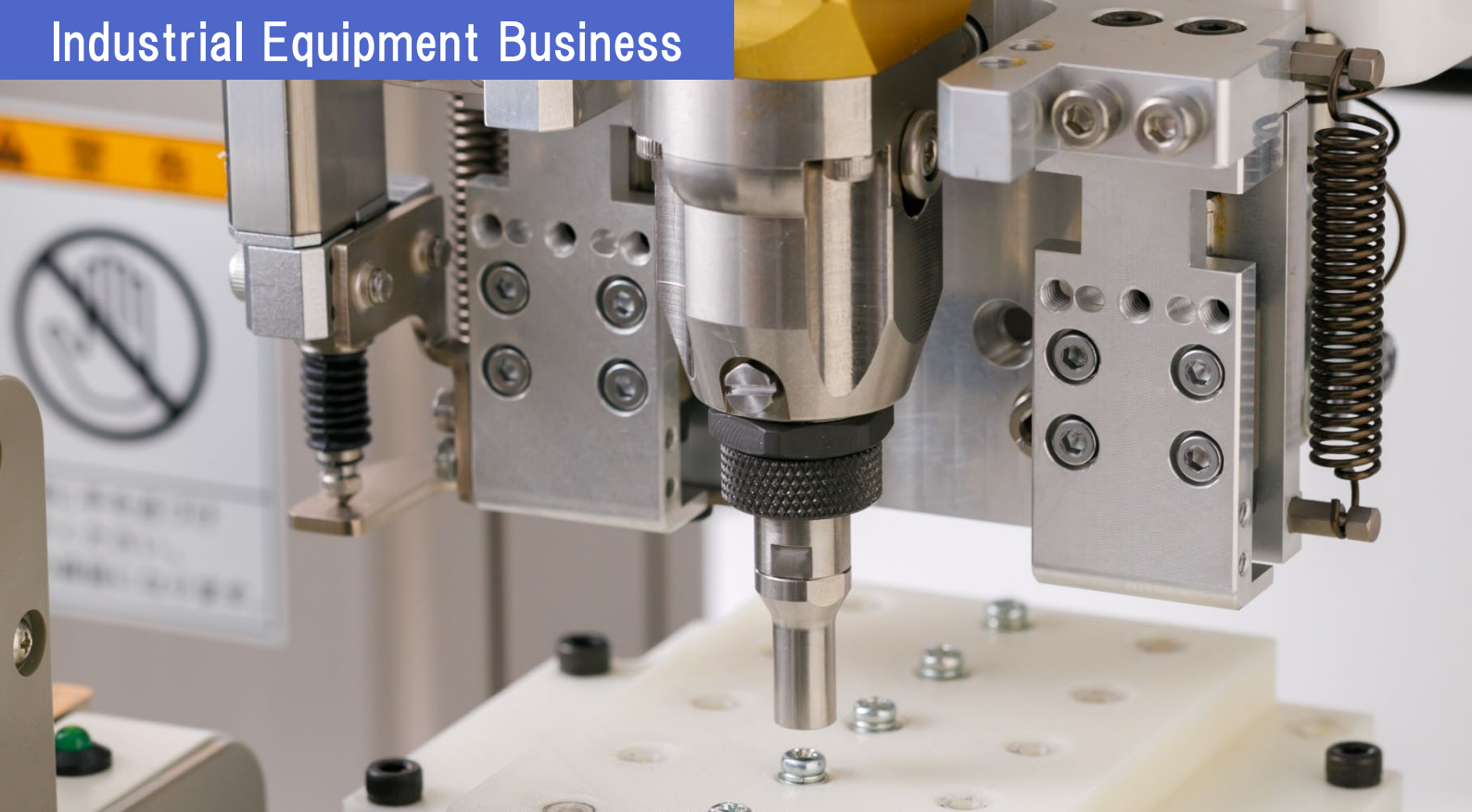
Distributed through national fabric and craft chains and mass merchandizers, it is the largest supplier of sewing patterns in Japan.

Sun Planning offers more than 300 kinds of sewing patterns ranging from patterns with high street designs using the hottest trends to those that help make sewing easy and fit various stages of your child's growth from toddler goods to enrollment ceremony necessities. Unlike those dress making magazine patterns that require the trouble of manual transcription, our patterns can simply be cut out and sewn together easily. The instructions and graphic illustrations enclosed are so comprehensive that sewing with patterns seems so easy even for the first time sewer.



Series of Sewing Patterns

- Fit Pattern Sun: real scale large patterns that are ready to be cut and used
- Simplicity: World's No.1 fashion patterns from New York
- Craft Paradise: Easy craft patterns to be transcribed on fabrics by ironing
- Patterns collaborated with M Pattern Laboratory
- Sewing patterns for house craft classes at schools

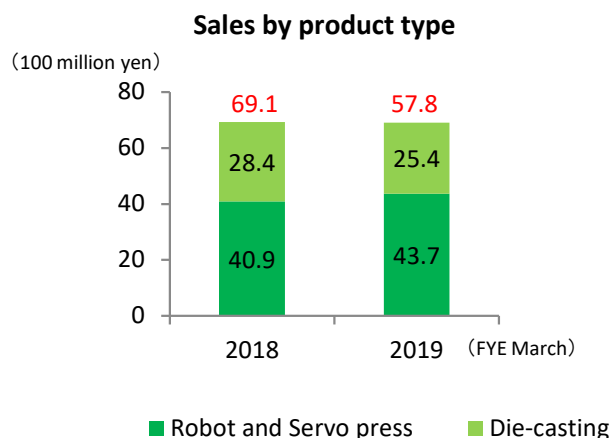
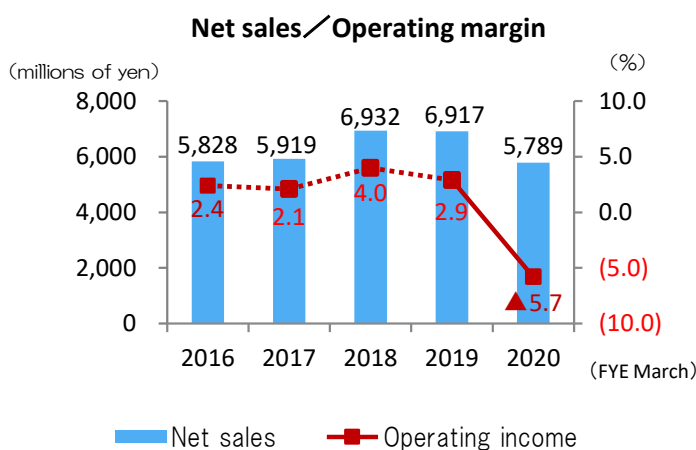


Summary of FYE March 2020

The industrial equipment business division has steadily implemented measures aimed at expanding sales in promising markets, including the establishment of a new sales base in Mexico, driving sales further by launching new desktop robot and servo press products developed in response to customer requests. Additionally, we launched an all-in-one automated screw tightening robot system for small and medium enterprises seeking to automate operations, and also rolled out a new installation support service to help customers use the robot right away.

Nonetheless, the protracted slump of the Chinese market due to US-China trade friction, exacerbated by the New Coronavirus pandemic, dimmed the already clouded outlook of the global economy and an increasing number of companies held back on making capital expenditure domestically and internationally. Due to the halting of production at automobile related companies (our core customers), the desktop robot and servo press business, as well as the die-casting business saw a precipitous drop in orders.

As a result, in the industrial equipment segment overall, sales were 5,789 million yen (down 1,127 million yen compared to the corresponding period of the previous fiscal year), and operating loss was 335 million yen (operating income was 203 million yen in the corresponding period of the previous fiscal year).



※ Common expenses allocation standards were revised in FYE March 2019. Operating Income to Net Sales ratio of the terms preceding to FYE March 2018 are shown after revision by the same standards for reference purpose.

Industrial Equipment Business

Contributing to industrial development by applying the technologies nurtured over the history of sewing machine manufacturing

Business Principles

- Strengthen sales as the second pillar of Janome Group

Strategy and targets

Robots

- Cement undisputedly the top position in the domestic desktop robot market
- Drive further sales of Cartesian and SCARA robot based products, which are used as key components for automated production lines

Servo Presses

- As a pioneer of the Servo Press, cement top position in the small size Servo Press market
- Offer new products and functions in line with the innovations of the automobile industry such as EVs (electric vehicles), dashboard cameras and sensors.

Business Environment (Opportunity and Risk)

- Decline in capital expenditure during economic slowdown triggered by the New Coronavirus
- Need to refine precision assembly process and quality control to swiftly respond to the vastly changing needs of the automobile industry, core market of the Servo Press, which is facing an innovative phase as evidenced by the introduction of electric vehicles, automated driving and computerization
- Technological innovations of information/communication networks by leading countries, such as 'Industrie4.0', 'Made in China 2025' and 'Society5.0'
- Precision dispensing, volume control dispensing and variable control for optimal screw tightening becoming major trend with a growing demand for position correction and inspection to be executed in the same process.
- Concern of negative impact on Chinese market by its trade friction with the US

Current Actions

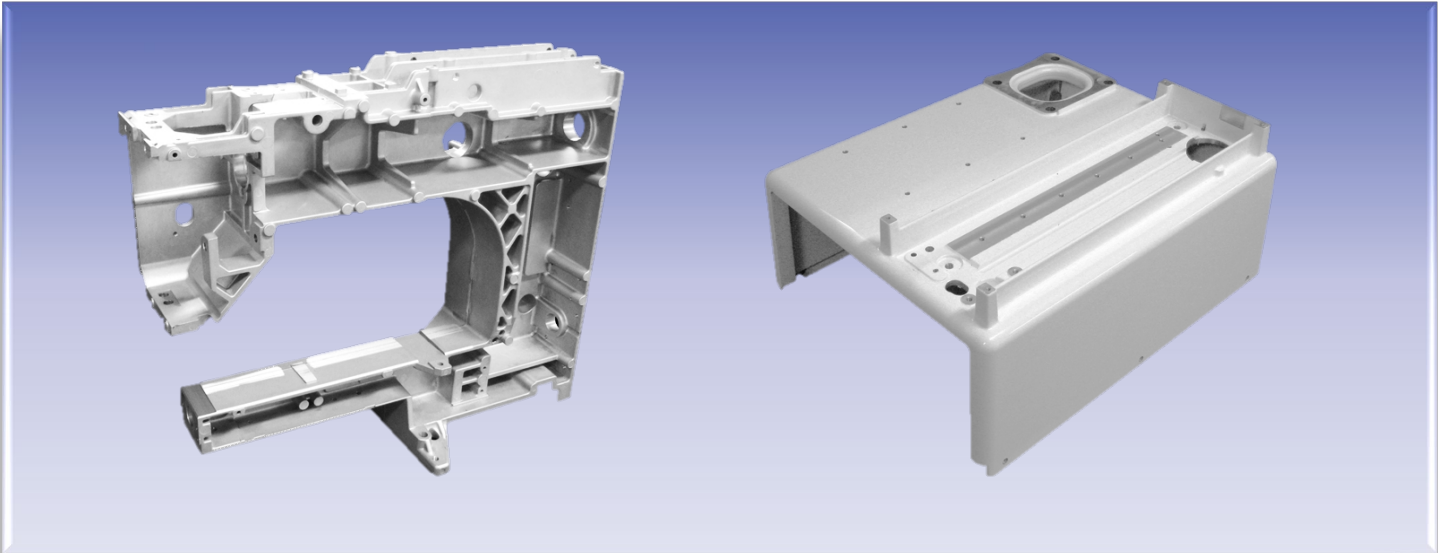
- Strengthening production capability and sales of production equipment with built in Janome products
- Established a sales office in Mexico in October of 2019 to reinforce sales activities and technical support as well as to identify and develop local sales agent network.
- Enhancing Janome brand recognition in industrial equipment industry as well as accelerating efforts to expand aggressively into other industries.
- Shortening the delivery lead time of products with a high degree of precision and difficulty in die casting and related areas.

Strengths

- Applying environmentally-friendly clean injection device to the Servo Press, which should improve the level of quality control by press fitting load control
- Accommodating wide ranging standards in global markets
- Introduction of simplified operation by applying technologies developed for household sewing machine business
- Maintaining top class position in domestic desk top robot market, accommodating such various applications as dispensing, soldering, screw tightening, pcb depaneling and camera inspection
- Pioneering development and sales of Servo Presses and leading the market as the top maker of small size Servo Presses under 20 tons

Challenges

- Improve technological edge, research and development capability to stay ahead of new market trends
- Drive sales further by expansion and build-up of sales and support force in both domestic and global operations
- Expand lineup of products for automobile and electronic assembly markets, in conformity with domestic as well as CE marking safety standards, such as the servo press equipped with two buttons requiring both hands on the buttons to operate the machine
- Promote packaged sales of products and associated equipment
- Reduce cost and shorten delivery lead time to stay ahead of the competition
- Need to develop soldering process to accommodate precision painting requests and environmental regulations
- Enhance human asset development



In search of the limitless possibilities that state of the art die cast technology may offer

Die cast products are widely used as components for a wide range of industries such as transportation devices in automobiles and motorcycles, mobile devices in personal computers and mobile phones, telecommunication and precision devices, all of which are indispensable for our lives,

Janome commenced its die cast manufacturing when die cast machines were introduced to sewing machine manufacturing as part of an effort to reduce the overall weight of a sewing machine. In-house manufacturing of die cast products soon followed suit and now Janome has expanded its reach in plaster casting, which has brought about such benefits as (1) sample evaluation against optimal design from the early development stage and (2) reduction of overall designing lead time by sharing design data with that of die casting.

◆Die Casting: Integrated design, production process and quality assurance system satisfy any requirement or specification customers may demand.

Die Casting is a high cycle, mass production process or thus produced product where molten aluminum is infused in a precision mold to manufacture products with high precision and a smooth casting surface finish. Its highly automated production process suits mass producing products with complex surfaces in a single process. As well as this, it is lightweight, has very high dimensional accuracy, and its smooth casting surface allows for easy surface treatment such as painting. Applying such state of the art technologies as hyper speed die cast and vacuum die cast on top of the proven technologies nurtured over time in years of sewing machine manufacturing, Janome has built a production system ready to satisfy any requirements or specifications customers may demand.

◆Plaster Cast: Pioneer in plaster cast

Janome is an industry pioneer concerning the application of plaster casting instead of metal casting to build a mold. Plaster casting offers the same level of smooth and thin casting surface finish in a much shorter time than die casting.

It is possible to provide castings with the same level of casting surface and thin wall thickness as die castings in a short period of time, enabling prototype production of die castings and small lot production of die cast level parts.



Production Facility



Plaster Casting

From the home to the production floor, we support the culture of manufacturing with our proven technical capabilities



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 household sewing machine company.

The industrial equipment segment of Janome's business, initiated by applying technological strengths nurtured over a history of successful household sewing machine production, expanded its technological reach from desk top robots into high-spec SCARA robots and Servo Presses, and has developed an industry customer base ranging from automobile and smart phone 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 at three factories, the Tokyo Factory, located within Janome Headquarters in Hachioji, Tokyo, Taiwan and Thailand.

Tokyo, as Mother factory, produces top-end household sewing machines, 24 hour bath systems and industrial equipment products, strictly monitoring and controlling production at other factories so that all facilities maintain optimal production allocation. Manufacturing technological expertise amassed over the long history of the Tokyo factory have been introduced to the Taiwan and Thailand factories.

In this fast changing modern society, it is vitally important to accurately capture and whenever possible predict in advance, customer needs. We are taking every step to expedite development and production cycles without compromising high quality standards so that we bring to the market those products that will satisfy our customers' needs.



What Janome aspires to do

- To offer with speed attractive products accurately reflecting market needs
- To continue to develop and produce products with excellent quality and durability that satisfy the 'Janome standard of quality' and maintain customer trust in our proven technological strength

3 pillars to support excellent Janome quality

• Product development format

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.

• Stable quality 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.

• Production structure

Manufacturing expertise and technologies, amassed as the domestic pioneer household sewing machine maker, have been implanted and expanded on in overseas factories. An engineer exchange program is in place between Tokyo and Taiwan that has worked to improve the engineering expertise of both operations.

Global Production Allocation

Tokyo Factory: 'Mother Factory'

Production Management Division

Governs overall production by monitoring 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.

Janome Taiwan: Main Factory

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 factories.

Janome Thailand: Strategic Factory

Designed to cope with exacting price competition by efficiently producing affordably priced models.



Challenges and Action Plans

- Securing parts procurement by diversifying supply chains

Tokyo Factory

- Renovate production control system to increase output as well as to reduce time to delivery of industrial equipment
- Review production line layout to improve production efficiency
- Accommodate high mix small lot production
- Prevent careless mistakes
- Promote 5 S Activities (Sorting, Setting-in-Order, Shining, Standardizing and Sustaining Discipline)
- Promote succession of technology and prevent potential loss of production expertise triggered by production relocation to overseas factories

Janome Taiwan Factory

- 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.

Janome Thailand Factory

- Promote production leveling to streamline output quantity and labor management efficiency

Technological edge and characteristics of Janome products



Challenges and Action Plans

Home Appliances

- New element development in both structural and electrical areas is focused on ease of use that has led us to develop breakthrough technologies for sewing machines substantially improving efficiency and ease for customers to create projects with the functions below.
 - ◇Wi-Fi communication function
 - ◇Editable embroidery design application
 - ◇Easy threading by breakthrough air pump method

Industrial Equipment

- Vocal data entry saves time to kick start operation.
- Products with environmental consideration through noise reduction and electricity saving functions
- Improving operational efficiency at production site by products with high level of speed, accuracy and payload capacity.
- Monitoring through network equipment during operation to detect errors.
- ▶Product development with consideration of the environment. (refer to page 61 more details)

Construct next generation development platform

- Reduce development lead time
- Structure the foundation to tailor products more closely in line with customer requests

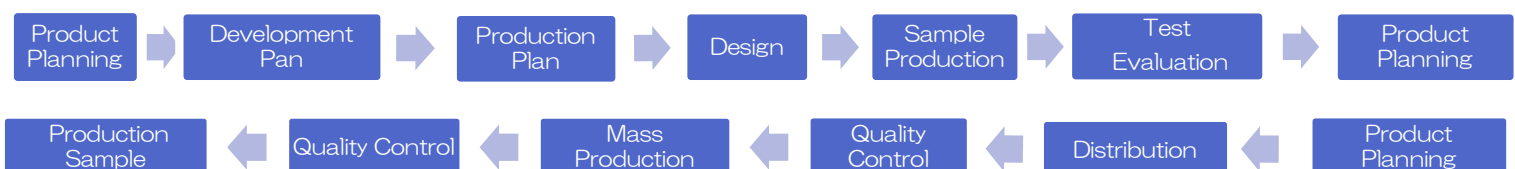
Educate and train engineers

- Develop human asset aimed at improving overall technological strength
- Pass on technological edge and expertise to future generations
- Document and organize operational manuals
- Expand employee reward system for voluntarily obtained licenses and qualifications

Develop new technologies

- Utilize Artificial Intelligence and IoT (Internet of Things)
- Organize a project team and elaborate at workshops to develop breakthrough technologies that capture potential market demand which as yet has not materialized.

Development / Production Flow Chart





Proposes total solution packages employing IT

IT has become indispensable technology for various scenes in modern life and business. The Janome Group offers services for IT software development, data processing and outsourcing of system operations control.

The Janome Group has accumulated system development technologies and expertise from its own experience as a manufacturer, having built from scratch various IT systems such as order taking, merchandizing control and book keeping, that its operations called for. Drawing on those technologies and expertise, The Janome Group, as a front runner of a new age, is now seeking solutions to many phases of the next generation IT system by offering system and software construction across a wide range of industries and businesses such as distribution, construction, telecommunications and manufacturing.

In this modern society of rapidly evolving IT, Janome Credia aims to offer prompt services that accurately suit changing circumstances and client needs by expanding its reach into various new frontiers.

◆Systems Integration

Janome Credia proposes optimal solutions and services to clients in a wide range of industries such as distribution, construction, telecommunications and manufacturing.

◆Outsourcing

Janome Credia provides total support to various business scenarios such as operational support and monitoring of system, server and network devices maintenance, data entry processing relating to various administrative operations as well as all kinds of offline operations such as journal entry, stocking, packaging, dispatching and disposal.

◆Software Development

Janome Credia offers a competitive pricing system to match client expectations by partnering from time to time with the best available hardware and software vendor completely free from any affiliation with Janome Group companies.

Actions taken for ESG



The Janome Group recognizes the gravity of E (Environment), S (Social) and G (Governance) in managing its group companies, reviews and revises its organizational structure and actively engages in fulfilling its corporate social mission and in solving social issues. There is a limit to what a private enterprise can do on its own to not only remain a going concern but also to produce profit and to continue its growth. Recognition by society of its value for existence, winning trust for its products and services and contributing to the development of society—repetition of this cycle resulting in the co-creation of new values with society, we firmly believe, is the one and only path to overcome the limit and stay on the course of sustainable growth for the Janome Group.

This is the belief that runs as undercurrent of various actions of the Janome Group companies including planning and executing the Medium Term Management Plan.

Actions taken for Global Environment

Environmental issues of the earth are 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.

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.

Actions taken for Social --Value Co-creation with Society and Human Asset Development

Janome believes that it can continue to fulfill its role as a public institution of the society by establishing sound relationship with and by earning confidence and trust in us from many people at various scenes and phases of society.

We always endeavor to present valuable products and services to our customers, that impress, satisfy and give them comfort for ease of use, and we are eager to listen to their comments and requests which would give us good insight to be reflected in the quality enhancement of our products. To our shareholders and investors providing us with financial support for our business activities, we endeavor to expand in return our corporate value by reinvesting in strengthening our corporate structure and/or by increasing dividend payout to shareholders as well as to disclose adequate management information. We then put our management decisions dictating the balance of reinvestment and payout to the vote of confidence to our shareholders and investors. We appreciate our 'business partners' sharing the same motive to realize our corporate mission, for working closely together through fair and transparent trade to invigorate the functions of every step of the overall supply chain including procurement. With 'local community' we will be involved in various activities to support the development of the community.

Employees are the engines to facilitate all of those activities as each and every one of them sincerely and creatively demonstrates his or her ability in fulfilling the very business executions described above, thereby supporting the expansion of our corporate value. Janome specifically chooses the term 'Human Asset' to describe human resources, because we regard an employee as human capital and asset, not as resource to be consumed and exhausted. We believe continuous cycle of education, training and on-the-job experience to develop and nurture human assets should directly and indirectly drive Janome to improve product quality and functions and bring out brand new products, and to ultimately present a new business model to the world, establishing its superiority as a private enterprise. Additionally, we are actively engaged in human rights education, work-style reform, women's participation and advancement in the workplace, all of which should help our employees to have better understanding of diversity as well as respect for individual personality and humanity, without which we cannot build a foundation to generate a great team work and significant achievement.

Actions taken for Corporate Governance

Janome recognizes pursuing corporate governance and risk management and reinforcing compliance as crucial management task and will pursue this task for us to continuously execute our businesses to enhance and expand our corporate value further.

We believe corporate governance is the function to make management decisions that are both transparent and fair, prompt and decisive for Janome to cement sound relationships with each stakeholder including investors to

co-create corporate value. On top of the general recognition of corporate governance as a structure for a private enterprise to avoid risks, to prevent scandals and to enhance transparency, Janome believes that pursuing corporate governance gives management more incentives to take sound risk, to support our effort for sustainable growth and to realize medium to long term expansion of our corporate value.

Risk management is performed by the ‘Risk Management Committee’ which identifies the risks we may face in pursuing sustainable expansion of corporate value, grasps the potential impact of these risks and prepares measures in advance to prevent, minimize or diversify the losses. Each risk is scrutinized of its probability of occurrence and its potential impact to determine its gravity, according to which preventive measures are elaborated and implemented.

Compliance is required at Janome for observing corporate ethics and social norms not to mention laws and internal regulations. A compliance system is governed by Compliance Committee, comprised of directors. Internal Reporting Hotline is set up to ensure organic function of the system for early detection and correction of unfair practices.

Contribution to achieve SDGs (Sustainable Development Goals)






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

Janome will celebrate the 100th Anniversary of its founding in October 2021. We would not be here without a century of support by society, environment and people. It has been a century of incessant conflicts and war, famine and poverty in some parts of the earth and human rights have been neglected. Along the process of industrial revolution and ensuing economic development, there occurred environmental destruction, pollution and waste of natural resources and many forms of social inequality abounded. Modern society faces a wide variety of challenges, which call for the global participation and cooperation of all countries on the planet earth, if we mean to solve them. Janome, as a corporate citizen, will tackle those challenges 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.

Measures to solve materiality (material issues) for sustainable growth

ESG allocation	Target theme	Actions to take	Page	SDG Target SDGs
Environment (Environment of the earth)	Considerations for environmental load Conservation of resources	Maintain ISO14001 Certification	P.55	
		Environmental education	P.56	
		Chemical substance control	P.56	
		Resources conservation, paperless campaign	P.61	
	Separate waste disposal			
	Energy efficiency improvement	Replacement to LED lighting	P.60	
Renewable energy utilization	Installation of solar power generation	P.61		
Preparation for natural disasters	Established Business Continuity Plan	P.49		
	Self defence fire drill	P.40		
Safety confirmation system training				
Social (Value co-creation with the society) (Human asset development)	Sustainable economic growth	Proceed on Medium Term Management Plan	P.15	
		Women's career development	P.37	
	Fulfilling workplace	Rehiring staff post retirement	P.37	
		Hiring persons with disability	P.38	
		Child and nursing care institution	P.38	
		Prevention of long working hours	P.38	
	Stimulate innovation	Research and Development	P.59	
		Human asset development	P.39	
	Workplace safety	Health and Safety Committee	P.40	
		Social welfare activities	Safe driving lecture	
Participation to Pink Ribbon campaign	P.62			
Donnation to medical facilities				
Technology succession	Improve product development capabilities	P.28		
	Quality control system	P.35		
	Customer support	P.35		
Governance (Corporate Governance)	Reinforcement of governance	Reinforcement of corporate governance	P.42	
		Risk management	P.49	
		Compliance	P.51	
	Respect for human rights	Human rights enlightenment program	P.37	
	Peace and fairness	Fair trade and procurement	P.36	
Social contribution activities		P.62		
Exclusion of anti social forces, cooperation with Association of organized crime prevention				

Janome's actions for Stakeholders

Actions taken for our retail customers



We have in place quality assurance and customer support systems to protect and retain customers' confidence and trust in us.

Quality Assurance

Quality Assurance System

Janome has long held ISO9001, internationally acclaimed quality management standard. As documented in our Quality Environment Policy statement, we are proactively promoting 'to improve customer's satisfaction with and trust in the attractive products and services we provide.'

The Quality Assurance Department leads various quality assurance activities across overall Janome Group, performing quality audit and maintaining quality control of sewing machines and industrial equipment manufactured by the Janome Group and affiliated companies both domestic and foreign.



ISO 9001 Certificate

Customer Support System

Janome's Customer Support Department dedicates special staff who look after annual average of approximately 22 thousand inquiries from retail customers all over the country about how to operate and repair sewing machines and 24 hour bath systems. Inquiries of high frequency about sewing machine operations are listed with the solutions on Janome website as 'Frequently Asked Questions' for ready reference. Customer's comments on products are shared with the departments in charge and are referred to as valuable input for product development and operational guidance. Industrial Equipment Department also dedicates special staff to swiftly respond to client's requests and follow-up services.

Actions taken for shareholders and investors

Janome maintains management transparency by prompt and accurate disclosure to investors and shareholders. The 93rd General Meeting of Shareholders was held on Friday the 21st of June 2020 at Keio Plaza Hotel Hachioji for FYE March 2020 with 100 shareholders attendance. Shareholder newsletters summarizing interim financial results were published in June and December of 2019.

Financial results briefings are conducted for mass media, securities analysts and institutional investors. Videos and media interviews are also utilized for additional disclosure measures.

Actions taken for our business partners



We are engaged in activities to develop and maintain ‘fair and transparent corporate behavior’ as stated in ‘Janome Group Code of Conduct’ .

Fair trade and procurement

Compliance with Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors

‘Janome Group Code of Conduct’ clearly states in the bylaw that ‘we establish and maintain fair procurement policies’ and that ‘we do not abuse superior bargaining position to force unfair pricing on any purchasing party’ . We have documented these policies in our internal guidelines for all the department activities to comply with, and are providing appropriate employee education to conduct complainant behavior such as sending key staff to seminars organized by Fair Trade Commission and The Small and Medium Enterprise Agency.

Bribery Prevention

Janome has documented ‘Basic Policies of Bribery Prevention’ to ban employees from receiving and offering entertainment, gift or monetary compensation to and from all the business partners, without limiting to domestic and foreign public servants, for the purpose of obtaining or maintaining unfair profit or preferential treatment. In practice, Entertainment Guidelines clearly lay out standards of conduct and Internal Audit Department performs audit as it sees fit to examine if the business activities are conducted according to these guidelines.

Actions taken for conflict minerals

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Article 1502 ‘Conflict Minerals’ obligates those US listed companies to report to US Securities and Exchange Commission who are applying such minerals sourced from Democratic Republic of Congo and its neighboring countries as gold, tin, tantalum, tungsten etc., to their production process or their output products. This article aims to cut off funding source to militant forces in these conflict areas. We are actively engaged in supporting this Act to fulfill our corporate social responsibility as we supply certain products to some of those affected US listed companies.

Actions taken for employees



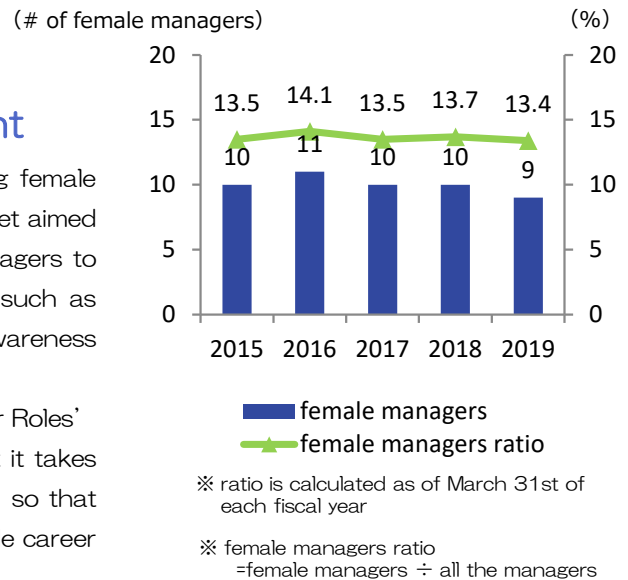
We aim to maintain a lively working environment for each and every employee.

Respect for diversity

Actions taken for female career development

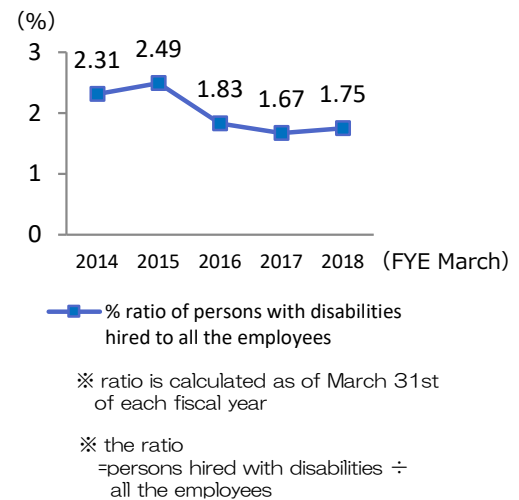
Janome designed in 2020 ‘Voluntary Action Plan regarding promoting female employees to managerial ranks including directorship’, setting ‘the target aimed at increasing by 2025 the ratio of female managers among all the managers to 20%’. Various opportunities are in place to help achieve the target, such as female career advancement seminar and training by ranks to enhance awareness and skills of female manager candidates.

Janome’s intranet site, ‘Cheering for Women’s Advancement to Major Roles’ introduces such real life stories of Janome female employees as ‘What it takes to be a female manager’ and ‘How to balance work and child care’ so that employees have better understanding and enhanced awareness of female career development.



Actions taken for rehiring retired staff and persons with disabilities

Janome introduced in 2006 ‘rehiring program for retired staff post retirement age’ to offer those staff, having retired due to retirement age of 60 and wishing to continue working, an option to extend in principle their retirement age to 65, thereby motivating those staff to continue their performance for Janome as well as to succeed their wealth of knowledge and expertise to future generations. Janome is also reviewing its hiring practices and working environment of persons with disabilities in an attempt to promote hiring them to reach and exceed the legal rate of employment for the disabled of 2.2%. The target hasnot yet been met unfortunately, however, for which various measures are in place to satisfy the legal rate. For example, we held in FYE March 2020 in-house lecture to enhance employees’ understanding of hiring persons with disabilities.



Actions taken for human rights education

Janome has established an internal organization, ‘Human Rights Education Promotions Committee’, driven by the awareness that it is a corporate social responsibility 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 for all to respect each other’s human rights without prejudice to sex, age, sexual orientation or disability. As part of the promotions, lecturers are invited to conduct seminars on human rights education, DVD viewing sessions are orchestrated for employees to casually learn that many things we do may involve human rights issues. One week in December is designated as Human Rights Education Week, when we recruit from employees and their families a motto to promote the activity, and the internal competition winner mottos are sent to external organizations for further competition. These are some of the activities we are engaged in our effort to enhance and spread awareness of human rights across the entire Janome Group.

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

Work Life Balance

Janome has in place various measures to reduce working overtime, promote active usage of paid leave and improve child care and nursing care support programs so that employees can realize adequate work life balance.

Actions taken for child care and nursing care leave program

Janome offers programs tailored to support different working styles that life stage changes may require.

- **Child care support program**

Janome obtained in 2008 'Kurumin* Mark', a certificate given by the Ministry of Health, Labor and Welfare to 'the company adequately providing next generation support'. Child care leave may be taken until the child reaches the age of 3, on top of which shorter working hour program may additionally be utilized until the child finishes the second grade of elementary school. Separately, nursing leave for a child not yet eligible for schooling may be taken up to 5 days a year in increments of half day until the child reaches eligible age for elementary school.

*Kurumin comes from kurumu (meaning to wrap) and okurumi (meaning a warm cover to wrap a baby in as well as to protect), also from 'XX kurumi' (meaning a whole workplace dedicated as one team to support employees' child care needs).

● Birthers and nursing care leave takers		FY2016	FY2017	FY2018	FY2019
Nursing care leave takers/ Number of birthers	Female	6 / 6	6 / 6	1 / 1	4 / 4
	Male	1 / 1	0 / 5	0 / 2	1 / 9

- **Nursing care support program**

Nursing care leaves may be taken up to the aggregate of 3 months for one member of a family who needs such care. When an employee needs to accompany a member of his or her family to hospitals, nursing care leave of half day may be taken up to 5 days a year.

TOPICS

Janome obtained symbol mark to promote creating 'work place environment allowing employees to allocate time for nursing care with no concern about unfair treatment or any sacrifice on career development'

Janome obtained in June 2020 'Tomonin' symbol mark, issued by the Ministry of Health, Labor and Welfare to 'the company promoting to create work place environment allowing employees to allocate time for nursing care with no concern about unfair treatment or any sacrifice on career development. Janome has actively engaged in structuring support system to balance work and nursing care, periodically conducting a 'nursing seminar' since 2018 for employees to acquire the fundamental knowledge about nursing care and dementia.



Tomonin symbol mark

Actions taken to prevent long working hours

Janome is taking measures to reduce working overtime as well as to promote active usage of paid leave, in an attempt to further contain overall working hours to an appropriate level.

For prevention of overtime working, Wednesday is designated as ‘no overtime work day of the week’ where a head office announcement is made at the starting and closing hour to remind workers to leave office right on the closing hour. Overtime work after 10 o’ clock in the evening is prohibited and a warning is issued to the section supervisor whose staff’ s individual monthly overtime exceeds that of a tolerance level, so that any further overtime may be discouraged.

Various programs are in place to promote further usage of paid leave, such as a program promoting taking consecutive annual paid leave, an introduction of ‘ long service paid leave for refreshment, or ‘refreshment leave’ and of a paid leave program in increments of an hour, or half day. All of those programs are meant to create an environment assuring employees to take paid leave without hesitation and refresh their mind and body.

TOPICS

LGBT seminar – Let’s start with proper understanding –

Employees learned basic knowledge about ‘LGBT, (sexual minorities)’ at ‘Human Rights Education seminar of FYE March 2020, conducted by an outside lecturer. The seminar also featured a talk session by two guest speakers of diverse sexual orientations who offered the seminar participants a precious opportunity to listen to real life stories about diverse sexual values of the persons who may be around you.



snapshot of LGBT seminar

Human asset development

Janome conducts every year ‘Third year training’ for employees with 3 years career with Janome. Employees are asked to look back over their career to articulately grasp their strengths and abilities and to recognize the importance of voluntary career development efforts, so that they can determine their own career development plans.



snapshot of Third Year Training

Fiscal year 2019 seminar was conducted by an outside lecturer, where the majority of time was spent on the participants self-analysis to find out what their motivational skills and behavioral characteristics are. They were then asked to determine their career visions and map out specific action plans to overcome the challenges that are in the way of achieving their target.

Mental Health Care

'Mental Fitness Building Plan' was organized in 2012 as a step to make every workplace lively for every employee. An annual stress check is performed by every employee as an initial preventive measure against potential mental health issues yet to surface as problems. The stress check is expected to identify the stress he or she may have, to provide him or her with support to cope with the stress and to improve the office environment, if necessary. Two kinds of training sessions, 'self-care training' and 'line-care training', are held every year designed for two ranks of employees.



snapshot of Line-Care Training

The fiscal year 2019 seminar featured a speech by our internal occupational physician in the department of psychiatry on overview of the measures to cope with mental health issues. Participants learned how to analyze 'Occupational Stress Models' to accurately grasp the causes of the stress, so they can identify signs of physical conditions changes caused by stress and how to cope with them.

Occupational Health and Safety



TOPICS

Janome Die-casting Co., Ltd. (located in Kasai-shi, Hyougo Prefecture) Kansai Factory was commended at Nishiwaki Area Occupational Health and Safety Convention

Janome Die-casting Co., Ltd. Kansai Factory was commended for its outstanding results of routine Occupational Health and Safety activities at Nishiwaki Area Occupational Health and Safety Convention organized by Hyougo Prefecture Nishiwaki Area Labor Standards Association in September 2019. The factory has been promoting occupational health and safety activities for a long time.



Letter of Appreciation

Health and Safety Committee Activities

Janome summons a member of each Head office division to organize monthly Health and Safety Committee in order to ensure that the health and safety of the working environment is maintained. Occupational health and safety information is discussed and shared with the guidance of an occupational physician and occupational health counselor.

Committee members conduct a safety patrol by visiting the premises and by physically inspecting any hint of pending danger to the workers. On top of safety patrol reports, the committee also discusses disaster illness accident reports, the occupational environment along with improvement measures and safety targets review.

Issues discovered by the committee that require rectification are reported to the general managers in charge of the said workplace for immediate rectification, so that occupational health and safety of Janome is continuously maintained.



snapshot of Health and Safety Committee

Self-defense fire drill and AED training

Janome conducts an annual self-defense fire drill with the participation of all head office employees, to coincide with the national fire prevention campaign in autumn. The fiscal year 2019 drill was conducted envisioning a large scale earthquake. Kicked off by an announcement across all the head office buildings, it was followed by total evacuation of the staff from the buildings and ended by reporting actual head count of the evacuated members. The drill also involved the following menu: (1) Janome Self-defense Fire Brigade sprayed water taken from the outside fire-hydrant, (2) new recruits of the year 2020 actually deployed fire extinguishers for early stage fire extinguishing training, and (3) Hachiouji fire brigade officers walked the participants through the crucial points to note in making emergency call 119 to report a fire.



snapshot of annual self-defense fire drill

Separately, cardiopulmonary resuscitation training was performed engaging AED (Automated External Defibrillator) along with thoracic compression engaging training kits and emergency call exercise following the guidance previously given by Hachiouji fire brigade officers.

TOPICS Janome was commended with a Letter of Appreciation from Hachiouji Fire Brigade for National Autumn Fire Prevention Campaign

Hachiouji Fire Brigade (Ueno-machi, Hachiouji-shi), of Tokyo Fire Department, held a ceremony in November 2019 to commend Active Participants to the National Autumn Fire Prevention Campaign of the first year of Reiwa era, where Janome was awarded a Letter of Appreciation for its active collaboration with the brigade's fire prevention activities. The award represents a recognition by the brigade that Janome contributed to the promotion of fire prevention as well as life-saving activities of the brigade during an Autumn Fire Prevention Campaign that ran from November 9 to 15 of 2019.



Letter of Appreciation

Annual safe driving lecture

Janome conducts annual a 'Safe Driving Lecture' in a joint effort with Takao Police Station of Tokyo Metropolitan Police Department to enhance employee's awareness of safe and conscientious driving behavior. The 2019 lecture drove home the message that 'preventive driving', driving with accident prevention in mind, is crucial to protect pedestrians who are the most vulnerable in traffic accidents as well as the driver himself behind the wheel.



snapshot of annual Safe Driving Lecture

Additionally, reference was made to the important points to note about the Road Traffic Act, revised in December 2019.

Janome and the Janome Group are engaged in upgrading Corporate Governance control to maintain sustainable growth as well as medium and long-term expansion of corporate value.

Basic principles of Corporate Governance

Based on the basic principles of corporate governance as laid out below, Janome is committed to continuously upgrade corporate governance practices, which are indispensable to fulfill its corporate social responsibility by

(i) maintaining a fair and sound relationship with various stakeholders, (ii) securing adequacy of business execution and credibility of financial reporting and (iii) strictly observing relevant laws and articles of incorporation etc.

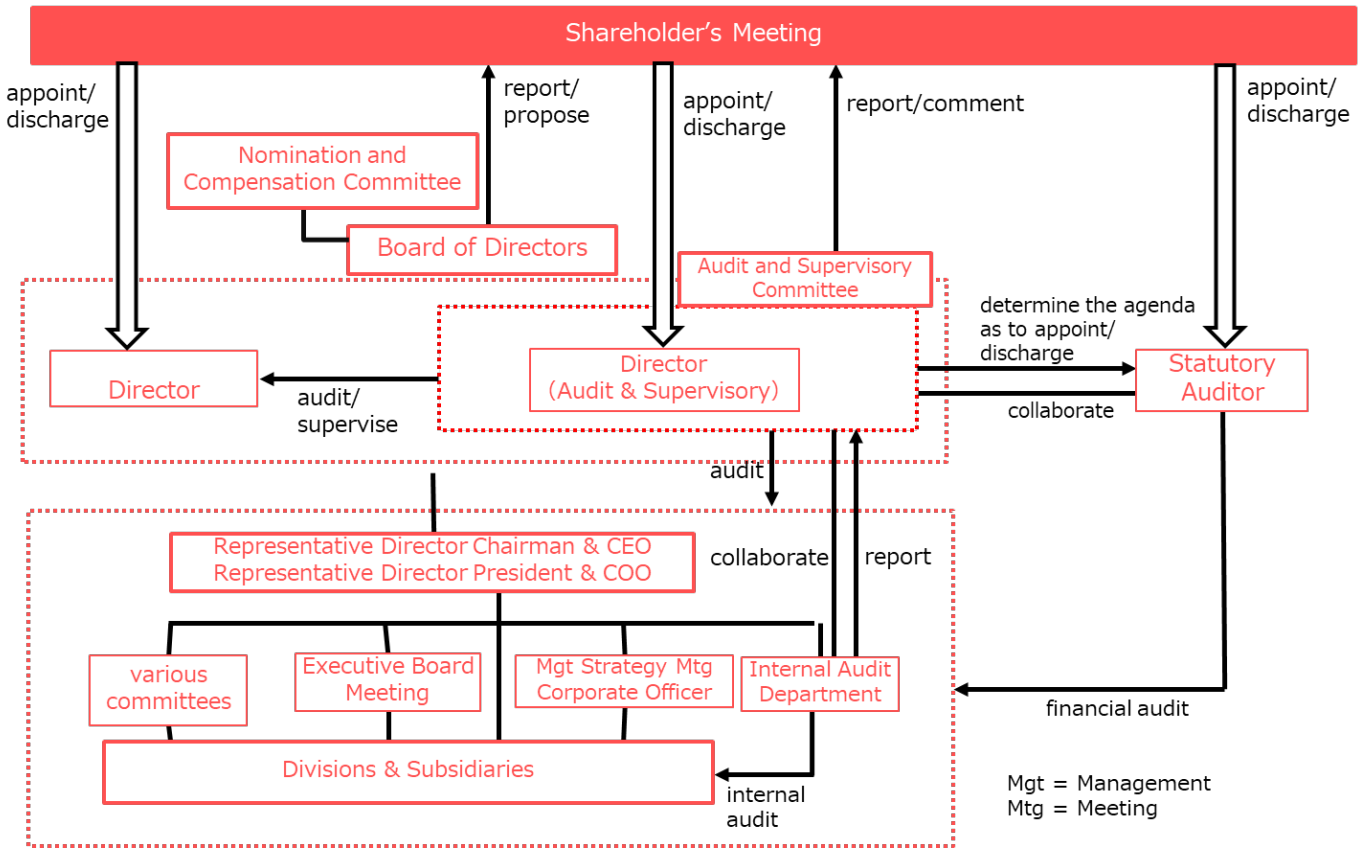
- (1) We will continue to honor shareholder's rights, and will upgrade the environment for shareholders to exercise their rights appropriately as well as to maintain substantive equality among shareholders.
- (2) We will continue to fulfill our corporate social responsibility by acting in proper cooperation with various stakeholders in society such as shareholders, employees and customers.
- (3) We will continue to maintain management transparency by actively disclosing management information including non-financial information based on the belief that disclosure is one of the most important management responsibilities.
- (4) We will secure opportunities for outside directors to make independent and objective proposals so that the Board of Directors will enhance efficiency of its function to supervise the execution of business activities.
- (5) We will continue constructive dialogues with stakeholders to maintain sustainable growth as well as medium and long-term expansion of our corporate value. Each and every director and employee of all Janome Group companies will continue to observe and respect our Corporate Philosophy and 'The Janome Group Code of Conduct', against which every action should be judged.

Actions taken to strengthen Corporate Governance system

2019	● Abolished Anti-takeover defense
2017	● Set up Nomination and Compensation Advisory Committee
2016	● Performed Efficiency Assessment of Board of Directors ● Corporate structure changed to Company with Audit and Supervisory Committee
2015	● Documented Basic Principles of Corporate Governance
2011	● Set up Risk Management Committee
2010	● Documented Janome Group Code of Conduct
2008	● Set up Internal Audit Department
2007	● Abolished Retirement Benefit System for Directors and Officers
2006	● Documented Basic Policies of Internal Control System ● Set up Compliance Committee and * Internal Reporting Committee
2005	● Set up Personal Data Protection Committee ● Reduced Director's tenure to one year
1999	● Introduced Corporate Officer system
1995	● Set up PL (Product Liability) Committee
1988	● Documented Corporate Mission

Corporate Governance Structure

Corporate Governance structure flow chart



Janome introduced 'Company with Audit and Supervisory Committee' system as its governance structure. The system not only allows the Board of Directors to delegate authority 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 is expected to be enhanced.

The Board of Directors authorizes important management matters and supervises execution of business activities. The current Board of Directors is comprised of ten directors of whom four are outside directors. With the abundant experience and expertise each outside director possesses in corporate management, legal, finance, treasury and/or accounting, they fulfill adequate supervising functions by making comments and proposals to the Board of Directors from independent and objective perspectives. Three 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 Executive Board Meeting, organized under the Board of Directors, deliberates on important management matters and reports the matters of critical importance to the Board of Directors for further deliberation and final determination.

The Audit and Supervisory Committee, by way of exercising its authority to make a statement on voting rights exercised at the Board of Directors as well as nomination and compensation of director candidates at shareholders meetings etc, audits legality and validity of the decisions by 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 is introduced to separate business execution from supervision. The system is designed to articulate its authority at the business front and to expedite business execution, thereby efficiency of the supervisory function of the Board of Directors is expected to be enhanced. A Management Strategy Meeting, consisted of ranks above Corporate Officers, discusses and deliberates fully pending challenges and issues of each business sector. Janome Group Presidents meetings are periodically held to 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 proper level.

The Nomination and Compensation Advisory Committee is set up as an advisory committee to the Board of Directors, where important matters concerning nomination and compensation of directors, etc. are deliberated and advised to the Board of Directors so that objectivity and transparency of decisions are warranted.

Name of Organization	Name of Member Directors
Board of Directors	Directors Michio Ohba (Chairman), Makoto Saito, Toshiya Takayasu, Hitoshi Doi, Kazushi Kawaguchi, Mitsuhiro Sakiduki Outside Directors Fumiaki Nakajima, Shinji Nakazawa, Keizou Tanaka, Kyo Kuriwa
Audit and Supervisory Committee	Directors Mitsuhiro Sakiduki (Commissioner) Outside Directors Shinji Nakazawa, Keizou Tanaka, Kyo Kuriwa
Nomination and Compensation Advisory Committee	Directors Michio Ohba (Commissioner), Makoto Saito, Mitsuhiro Sakiduki Outside Directors Fumiaki Nakajima

Number of meetings for FYE March 2020

Board of Directors assembled 17 times with all the outside directors' attendance and ensured the legality, fairness and efficiency of director' s fulfillment of their duties. Executive Board Meetings were held 24 times while Management Strategy Meetings were held 23 times.

The Audit & Supervisory Committee assembled 21 times with all Audit & Supervisory Director in attendance, and conducted strict audit by following the scheduled audit plan. The committee ensured validity and efficiency of its audit by exchanging comments and providing information and insight to the periodical reports made by Internal Audit Department and Treasury Department.

The Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, assembled twice to deliberate on matters of importance concerning nomination and compensation of directors and corporate officers and advised the Board of Directors on these matters.

Director' s nomination policy

Candidates for Janome directors are selected from a wide variety of human assets. After discussion and advice by the Nomination and Compensation Advisory Committee, final candidates are cautiously deliberated further by the Board of Directors before nomination. Nomination by the Nomination and Compensation Advisory Committee of director candidates to the Audit & Supervisory Committee requires prior approval of the latter committee.

An Executive Management member' s selection is originated by the Representative Director from among human assets with potential to contribute to both sustainable growth of Janome and Group companies and medium to long term expansion of corporate value of the same. 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.

Director candidate qualities and capabilities

1. Persons with abundant expertise and experience to execute and manage the businesses of Janome Group
2. Persons with thorough understanding of social responsibility and mission as a director and sublime self-discipline to accurately and fairly pursue execution and management of the businesses of Janome Group
3. Directors of Audit & Supervisory Committee should possess capacity to supervise from fair and objective perspective executive director' s business executions thereby contribute to improve soundness and transparency of the management.

Outside director candidate qualities and capabilities

1. Persons deemed to possess no potential reason to have any conflict of interest with general shareholders of Janome Sewing Machine Co., Ltd.
2. Persons with thorough understanding of social responsibility and mission as a director.
3. Persons who understand fully the role of outside directors, possessing the capacity to supervise our directors and management as well as to give accurate and proper comment and advice capitalizing on their profound expertise in corporate management, economics, legal affairs, accounting, tax practice and/or audit.
4. Outside Directors of Audit & Supervisory Committee should possess capacity to supervise from fair and objective perspective executive director' s business executions thereby contribute to improve soundness and transparency of the management.

	Name	Number of meetings attended		Major activities
		Board of Directors	Audit & Supervisory Committee	
Outside director	Fumiaki Nakajima	13/13	—	Capitalizing on his management experience and wide ranging expertise, he advises and makes proposals to Board of Directors so that validity and adequacy of decision-making is warranted.
	Shinichi Sato	17/17	21/21	Capitalizing on his management experience and wide ranging expertise, he advises and makes proposals to Board of Directors so that validity and adequacy of decision-making is warranted.
Outside director of Audit and Supervisory Committee	Shinji Nakazawa	17/17	21/21	Capitalizing on his professional expertise as certified public accountant, he advises and makes proposals to Board of Directors so that validity and adequacy of decision-making is warranted.
	Keizo Tanaka	17/17	21/21	Capitalizing on his professional expertise as practicing lawyer, he advises and makes proposals to Board of Directors so that validity and adequacy of decision-making is warranted.

Note 1. Mr. Fumiaki Nakajima's attendance record shows those after he assumed directorship from June 21, 2019

Note 2. Mr. Shinichi Sato resigned upon fulfilling his tenure at the closing of the 94th General Shareholder's meeting held on June 20, 2020

Note 3. Mr. Yasushi Kuriwa, newly appointed at the 94th General Shareholder's meeting held on June 20, 2020, has no record of attendance, but has been actively engaged in giving advice and proposal capitalizing on his management experience and wide ranging expertise.

Independence Criteria for Outside Directors

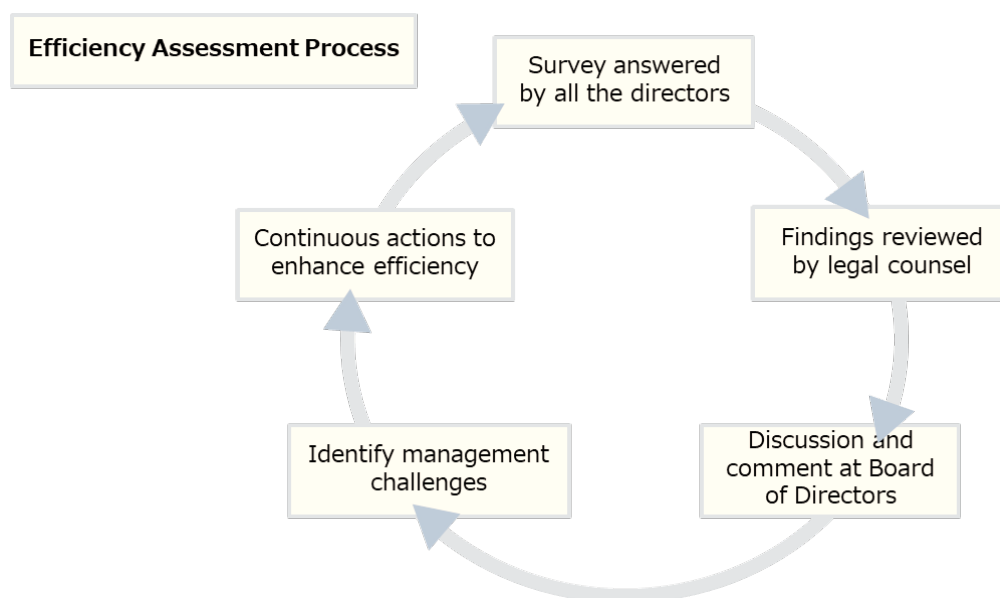
Janome set up Independence Criteria for Outside Directors as below to maintain fairness and transparency in enforcing appropriate governance control. Directors satisfying those standards are registered with the Tokyo Stock Exchange as Independent Director satisfying the requirements thereof.

Directors meeting none of the descriptions below shall be deemed to have adequate independence as outside directors of Janome.

1. Any person who used to belong or is currently belonging to Janome Sewing Machine Co., Ltd. and/or its consolidated subsidiary, hereinafter referred to as 'Janome Group Company'
 - This category includes directors, corporate officers, fellows and employees, hereinafter referred to as 'Business Executor' who used to belong or is currently belonging to Janome Group Company
2. Any Major shareholder of Janome Sewing Machine Co., Ltd. and Business Executor belonging to major shareholder
 - This category includes any shareholder possessing more than 1% of Janome stock with voting rights individually in his own name or collectively with other person(s)' s name(s), hereinafter referred to as 'Major shareholder' , and in case such shareholder is an organization, Business Executor belonging to such organization.
3. Any Business Executor belonging to major business partner of Janome Group Company
 - This category includes Business Executor belonging to major business partner of Janome Group Company. Major business partner is defined as a business partner whose annual transaction value with Janome Group Company exceeds 1% of the consolidated annual sales value of the group.
4. Any Business Executor belonging to major lender to Janome Group Company.
 - This category includes Business Executor belonging to major lender, which is defined as a financial institution whose lending balance to Group Company as of the fiscal yearend of Janome Group Company exceeds 5% of Janome' s consolidated total asset.
5. Any certified public accountant belonging to the auditor in charge of accounting audit of Janome Group Company.
6. Any professional such as consultant, accountant, tax accountant, lawyer, judicial scrivener, patent attorney receiving any compensation or any other benefit with monetary value from Janome Group Company.
7. Any person whose spouse, family member or relative within the second degree of kinship, or cohabitant who meets any of the above descriptions 1 to 6.
8. Any person who used to meet any of the above descriptions 2 to 7 within the past five years.
9. Any person who is deemed to possess any particular reason to have conflict of interest with the Janome Group Company.

Efficiency Assessment of Board of Directors

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



Below is the summary of the fiscal year 2019 survey and findings.

◆Survey outline

Janome Board of Directors in March 2020 conducted a survey along the outline below and had a discussion in May 2020 for the purpose to improve the efficiency of the Board of Directors, based on the survey findings and the recommendations from our legal counsel.

- Focus of the survey: structure, operation, role and responsibility of the Board of Directors, its supporting system, self-valuation of the directors, overall valuation of the Board of Directors
- Respondents: all nine directors including directors of Audit and Supervisory Committee.
- Evaluation system: 4 degree or 3 degree evaluation and/or free comment
- Respondent's name: undisclosed

◆Survey findings

We confirmed that efficiency is maintained at a reasonably adequate level from the findings that the Board of Directors consists of adequate number of persons with balanced diverse background and that a system is in place to stimulate communication between internal and outside directors, which forms a foundation for adequate discussions by the Board of Directors. On the other hand, needs for further discussion were confirmed for management strategy and medium-term management plan from such broader perspective as which direction Janome Group should aspire to move forward on. Additionally, room for improvement was noted to invigorate discussions on and to secure transparency of director's performance assessment method as well as their compensation mechanism. Our Board of Directors hereby announces to endeavor improving its efficiency based on these findings.

Director's compensation

Policy to determine director's compensation

Director's compensation consists of a fixed salary and a performance linked bonus* as an incentive. Compensation of directors, excluding directors of Audit and Supervisory Committee, is determined by the policy and procedures as follows. Representative Director drafts an individual fixed salary considering individual performance, contribution to the overall corporate performance, expectation for future performance, years as director, etc., performance linked bonus, calculated as explained in detail below, is then added to make an individual compensation package, which was then aggregated to confirm that the total amount remains within the maximum aggregate compensation as resolved at the General Meeting of Shareholders. Overall compensation package as drafted by Representative Director is then deliberated by Nomination and Compensation Advisory Committee and reported to the Board of Directors where it is carefully deliberated along with the hearing of Audit and Supervisory Committee directors and is finally determined by the resolution of the Board of Directors.

The Audit and Supervisory Committee director's compensation, consisting of a fixed salary and a performance linked bonus, is similarly drafted and checked if the grand total remains within the maximum Audit and Supervisory Committee directors compensation amount as approved at the General Shareholders Meeting. The package is then examined by the Nomination and Compensation Advisory Committee and is reported to Audit and Supervisory Committee directors for further deliberation and final determination.

* Performance linked bonus benchmarks non-consolidated net income after tax to boost director's motivation to improve performance and to achieve numerical management targets. Maximum aggregate remuneration of directors shall remain within 5% of the said benchmark and individual compensation is allocated pro rata to the fixed salary amount.

Performance linked bonuses for FYE March 2020 were not paid in consideration of the continued uncertainties surrounding our businesses such as on-going New Coronavirus pandemic.

Compensation for FYE March 2020 is as below.

Type of directors	Total compensation (in millions of yen)	Total compensation by kind (in millions of yen)		Number of directors of each category
		Fixed compensation	Performance linked bonus	
Directors (excluding Audit & Supervisory Committee Directors and Outside Directors)	107	107	—	5
Audit & Supervisory Committee Directors (excluding Outside Director)	21	21	—	1
Outside Directors	23	23	—	4

Note 1. Above includes 1 director (Audit & Supervisory Committee director) who resigned at the closing of the 93rd General Meeting of Shareholders held on the 21st of June, 2019.

Note 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

Note 3. Remuneration for employee portion of employees also serving as directors is not to be included in the calculation above. Persons falling in that category do not currently exist in the company.

Basic profit distribution policy

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

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

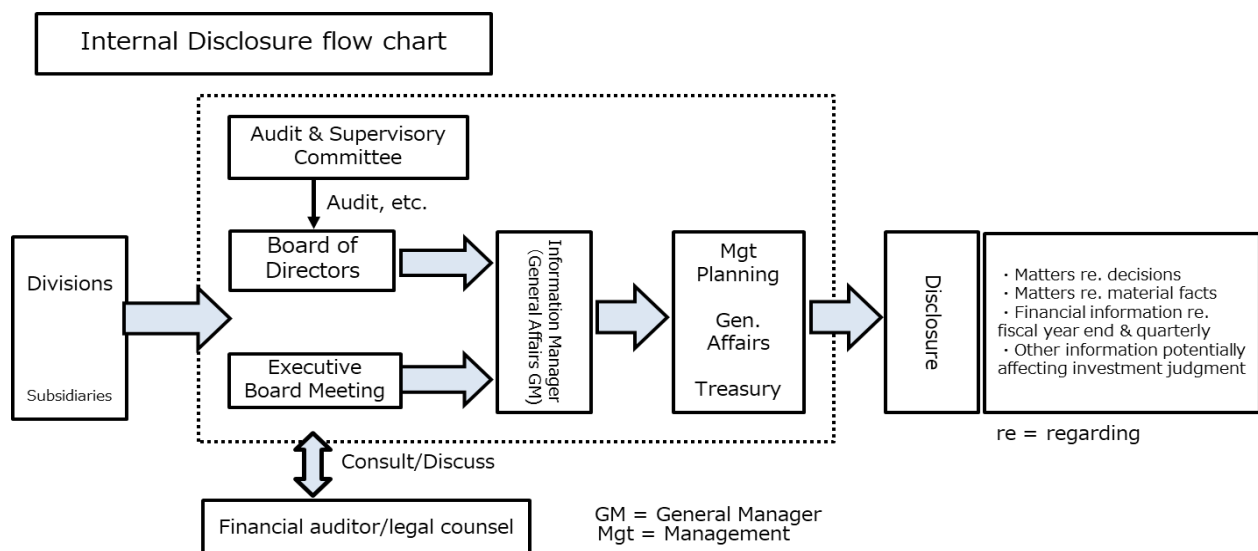
Per share fiscal yearend dividend trend	March 2018 92nd	March 2019 93rd	March 2020 94th	March 2021 95th
Dividend(¥)	10	15	15	25 (forecast)
Consolidated Net Profit(¥in mil) belonging to shareholders of parent company	1,391	880	424	2,600 (forecast)
Payout Ratio	13.9%	32.9%	68.4%	18.6% (forecast)

Adequate Disclosure

Janome recognizes the importance of prompt and accurate disclosure to all of our stakeholders including customers, shareholders, investors and business partners so that we retain trust from the society and continue to be rewarded with the proper market valuation that we deserve.

In this context, in addition to timely and adequate disclosures dictated by relevant laws and regulations such as Company Law, Financial Instrument and Exchange Law and Timely Disclosure Rules of the Tokyo Stock Exchange, we are making, in strict observance of Fair Disclosure Rule, active and fair disclosure of all the information including negative information, which we trust is of use for all the stakeholders to understand Janome Group Company better.

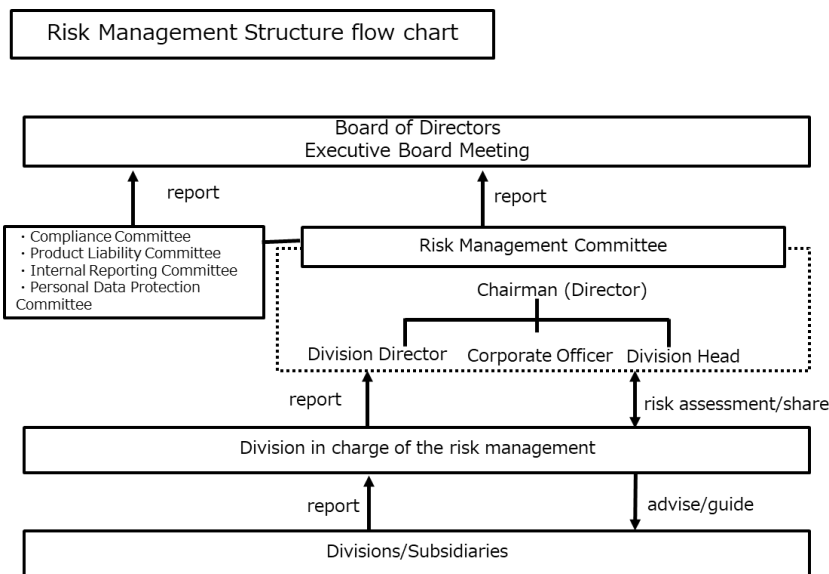
In fiscal year 2019, we issued in June and December shareholder newsletters that summarized combined financial results, etc. In December, the JANOME REPORT, a comprehensive summary of Janome was issued for the first time. Financial results briefing regularly conducted in May and November for the media, securities analysts and institutional investors was cancelled for FYE March 2020 due to New Coronavirus pandemic, instead was substituted by video financial results briefing delivered through our website. In addition, we are endeavoring to expand on our disclosure contents by posting a wide ranging Investor Relations information on our website.



Risk management

Risk management systems

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



<Compliance Committee>

Division Director chairs the committee with participation of division corporate officers. The committee deliberates important compliance matters.

<Internal Reporting Committee>

Division Director chairs the committee with participation of outside legal counsel. The committee promptly deliberates and processes an internal report in strict accordance with internal rules and regulations.

<Product Liability (PL) Committee>

Division Director chairs the committee with participation of relevant division/department head in charge. The committee holds a monthly meeting to deliberate product safety issues.

<Personal Data Protection Committee>

Division Director chairs the committee with participation of members across Janome. The committee develops the personal data protection plan in accordance with internal rules and conducts audit and internal training for employees.

Business Continuity Plan (BCP)



Janome documented in April 2012, a Business Continuity Plan in preparation for emergency situations such as a massive earthquake with its epicenter right beneath the Tokyo Metropolitan Area, an outbreak of infectious disease such as the New Coronavirus and an internal information system failure. The plan defined how precautionary measures should be prepared and deliberated as well as what actions and procedures should be followed upon actual disaster situations.

Additional measures developed to secure the safety of employees in emergency situations are (1) Disaster Response Manual laying out points to remember and 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 position, Janome separately discloses ‘individual risk’ inherent to a particular business and ‘universal risk’ 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 occurrence.

Risk and impact

Currency fluctuation risk: Active overseas business expansion of household and industrial equipment has kept the overseas sales ratio to consolidated total sales at around 70%. While currency fluctuation risk is minimized by active use of forward contract as well as foreign currency netting between Janome and overseas subsidiaries, we cannot totally escape from the adverse effect of currency fluctuation on Janome Group business performance as substantial portion of overseas sales are transacted in local currencies.

Purchasing cost increase risk: Coupled with efficient production allocation among production facilities in Japan, Taiwan and Thailand reflecting changes in global trend of demand, global parts procurement helps reduce and stabilize overall purchasing cost. While the Production Management Division supervises both domestic and foreign production facilities to continuously strive to minimize the impact of increase in purchasing cost, increase of raw materials such as iron, aluminum, copper and resin may adversely impact Group business performance.

Country risk: Each country where we possess a production facility as well as sales/distribution network is potentially exposed to the changes in political system, legal and regulatory environment, changes in political climate and economic conditions, occurrence of earthquake, typhoon and other natural disasters, outbreak of war and terrorist attack which may disrupt continuation of business activities and adversely impact Group business performance.

Quality control risk: Our products are supported by a long history of manufacturing know how. The PL (Product Liability) Committee is set up to monitor the safety of products by holding monthly discussions, and 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 sewing machines and industrial equipment produced by Janome and Group Company in both domestic and overseas markets. Should a serious quality issue arise, Group business performance may be subject to the adverse impact of having to sustain recall cost and/or damage to the brand.

Market environment risk: Whilst we cannot escape from battling with competitor threats 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. Grave market changes, however, such as steepening competition may adversely impact Group business performance.

Interest rate change risk: Some of our interest bearing debt is subject to interest rate change. Rise in interest rate shall increase our interest payment burden and may adversely impact Group business performance and financial position.

Fixed asset impairment risk: Janome group owns significant tangible and intangible assets, investment and other assets that are subject to impairment cost recognition. In case such recognition is required, it may adversely impact Group business performance and financial positions.

Risk associated with financial covenants of the debt instrument: Some of our borrowing instruments bear certain financial covenants, which if triggered may lead the lenders to pursue acceleration of the entire debt that are subject to the covenants.

Compliance

‘Janome Group Code of Conduct’ is documented as a basic principle of compliance along which each and every director and employee conducts sound business practices with sublime ethical standards and endeavors to achieve sustainable growth as well as to expand corporate value.

‘Group Compliance Rules’ are also documented for Janome Group to maintain and improve compliant business execution.

Based on the rules, the Compliance Committee is established to upgrade group compliance system, to collect information and to educate employees so that noncompliance may be prevented in advance.

TOPICS Compliance promotion activities

Various activities are under way to enhance employee awareness to observe compliance in our daily business practices such as displaying posters, sending out mail magazines: ‘Compliance Letter’, delivering compliance handbook, conducting compliance seminars and compliance awareness surveys.

The ‘Internal Reporting Hotline’ is a highly accessible communication vehicle set up for anyone working at Janome and Group Companies, be it a director, employee, retiree, or part-time and/or temporary worker, to connect directly with an external lawyer to report and consult individual or organized legal violations and problematic conducts in terms of corporate ethics.



Compliance Letter

Personal Data Protection

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

Message from outside director



Outside Director
Fumiaki Nakajima,

Advisor of Senshu Electric Co., Ltd.
Outside Director of Tokyo Water Co., Ltd.

Significance of ESG in the pursuit of Corporate Value Expansion

I assumed outside directorship of Janome by the resolution at the General Meeting of Shareholders of Janome Sewing Machine Co., Ltd. in June of 2019. New Coronavirus pandemic outbreak dramatically altered the society and market environment in the fourth quarter of fiscal year 2019, the first year of new Medium-Term Management Plan 'JANOME 2021 Navigation for the Future'.

ESG has gained further significance in these tough circumstances as an indispensable factor for a private enterprise's survival and corporate value expansion.

I believe the best way to detect a private enterprise's resilience, i.e. capacity to respond to changes, is to look closely at non-numeric, invisible value, in other words, human resources. Employee's value as a human asset is included in a portion of 'S (society)', while directors' composition is represented in 'G (governance)'.

Janome, approaching its centenary, has accumulated almost a century of business practices by which it has naturally structured how human assets should be developed and treated as represented, for example, in its respect for diversity.

Janome has integrated all the maker-vendor functions including engineering (R&D) in Hachiouji, on the outskirts of Tokyo. The comfortable natural environment this area

offers along with the solar power generation facilities built on the site must be substantially contributing not only to reduce overall CO₂ emission, but to improve work life balance, or work style reform as well as to promote employees health management including for example avoiding the 3 Cs (closed spaces, crowded places and close-contact settings), crucial tactics to battle the challenges of new coronavirus pandemic.

Governance system and efficiency assessment of the Board of Directors

The Governance system of Janome as a Company with Audit and Supervisory Committee is firmly secured by the composition of directors and establishment of the Nomination and Compensation Advisory Committee. Numerical targets are in place to monitor how female employees are fostered and promoted. As an independent outside director, my main focus is to observe if the company possesses a structure which identifies a management challenge inherent in business execution site to be reported without delay to the management ranks. In that sense, my trip in February of 2020 to the mass production factories in Taiwan and Thailand gave me a great opportunity to feel what's in the air at the operational front of both factories.

It makes a big difference to sit on the Board of Directors with or without real experiences at the operational front. I will continuously endeavor to avoid making general observations and comments to satisfy my own interest, but will engage everything I've learned in my career to be reflected in my comments and statements at Board of Directors and Strategic Management Meetings.

One thing I'm making a point to discipline myself on is to avoid using the phrase 'in my previous company' as much as I possibly can. Utterance of such a remark is inappropriate for Janome in my judgment, as it would only discourage, if it doesn't deny, the dedication and commitment of the executive directors and officers in charge of business execution, who are aiming to create the best value with great respect for the history and tradition of the company.

More opportunities for open-ended discussion on management challenges will be necessary, I believe, on top of the current scheduled reporting and resolution, if Janome is to improve efficiency of its Board of Directors.

While I appreciate the top management welcoming remark for me 'Do not hesitate to articulately voice your own comments without reservation', I'm always aiming to make my comments precise and articulate with advanced preparation in depth as an outsider with great respect for those involved in the front line with daily business matters.

The pending management challenge for Janome, I believe, is to determine the strategies and to structure the tactics for continuous expansion of corporate value beyond 2021.

While the industrial equipment business is laboring to get up to speed in the continuing New Coronavirus pandemic, expansion of Stay-at-Home Demand is making the global markets wake up and rediscover the culture and value of household appliances. I would like to actively engage in and elaborate the discussions for the next 100 years by the Board of Directors.



Janome defined Group Environment Policies as below and is engaged in environmental consideration activities based on the environment management system built around ISO14001 and Eco Action 21 so that we contribute to protect global environment.

Group Environment Policies

【Philosophy】

Janome Group Company resolves 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 a challenge to reduce CO2 (carbon dioxide) emissions in every phase from production to supply 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 burden.
4. Janome maintains strict control of hazardous substances that are detrimental to people and the environment, thereby environmental risk is reduced.
5. Janome proactively discloses its overall environmental consideration activities.

Janome Sewing Machines Co., Ltd.
Representative Director and President
Makoto Saito

ISO14001 Certificate Renewal



Every production unit of Janome Group maintains a certificate of ISO14001 or ECO Action 21 and independently operates and monitors each environment management system.

Environment Officers, appointed by the management, controls and reports the ISO activities for discussions at Quality/Environment Committee meeting, chaired by President and Representative Director.

Environment Management System dictates daily activities, which are subject to annual external review by the authorizing body as well as by internal audit. These activities are reported to the management at the annual management review and are put through PDCA cycle for improvement.



ISO14001 Certificate

◀ISO certificate update of Janome and group companies▶

Company Name	ISO14001	ISO9001
Janome Sewing Machine Co., Ltd	○	○
Janome Diecasting Co., Ltd	— *Eco Action 21	○
Janome Taiwan Co., Ltd	○	○
Janome Thailand Co., Ltd	○	○
Janome Diecasting (Thailand) Co., Ltd	○	○

*Janome Diecasting Kansai factory maintains ISO14001

Observance of Environmental Laws and Regulations

Janome Group observes all the relevant environmental laws and regulations as well as ordinances of local governments, which are periodically updated and compared against the data obtained from in-house voluntary environmental measurements to ensure our observance thereof. When deemed necessary, we request a third party analyzing agency to perform environmental measurements to ensure our observance of the regulation values.

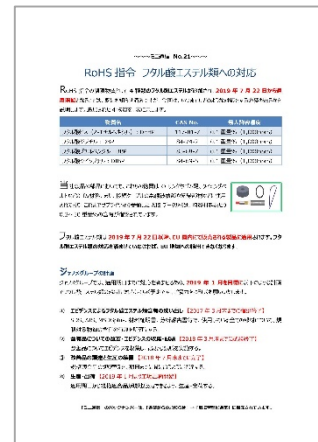
Environmental Education



Environmental education for employees begins as part of the new recruits training sessions where all new recruits learn an overview of ISO14001. Employees are subsequently provided with different types of environmental training as their job descriptions and/or managerial duties call for and/or certain laws and regulations require certain qualifications to be registered with relevant authorities.

Scheduled training of fiscal year 2019 for internal environmental auditors had to be cancelled due to the New Coronavirus pandemic. Internal Audit Department instead provided timely follow up to over 80 of the internal environmental auditors so that internal audit maintains and improves its audit quality.

In addition, Intranet Portal Site periodically posts 'Mini Correspondence on chemical substance and hazardous material', correspondence on issues of the time such as new regulations on chemical substance control and information on hazardous materials.



Mini Correspondence

TOPICS

Activities to enhance awareness of environmental issues

Janome Diecasting (Thailand) Co., Ltd. organizes seminars and quiz competitions periodically during QC (Quality Control) months on environmental issues for employees to enhance their awareness on the importance of environmental protection as well as to monitor employee's level of understanding thereof.



Quiz competition at environmental seminar (Janome Diecasting (Thailand) Co., Ltd)

Chemical Substance Control



Janome Group appropriately monitors and controls chemical substances detrimental to human bodies and environment, in observance of the relevant environmental laws, regulations and internal guidelines. Equipment and devices containing PCB[※]; polychlorinated biphenyl, are stored under proper surveillance in accordance with 'Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes'. These affected equipment and devices shall be disposed of in observance of the schedules and policies of the PCB treatment facilities governed by the administrative authority. Asbestos remaining in certain buildings is periodically monitored and properly controlled.



PCB waste transport operation

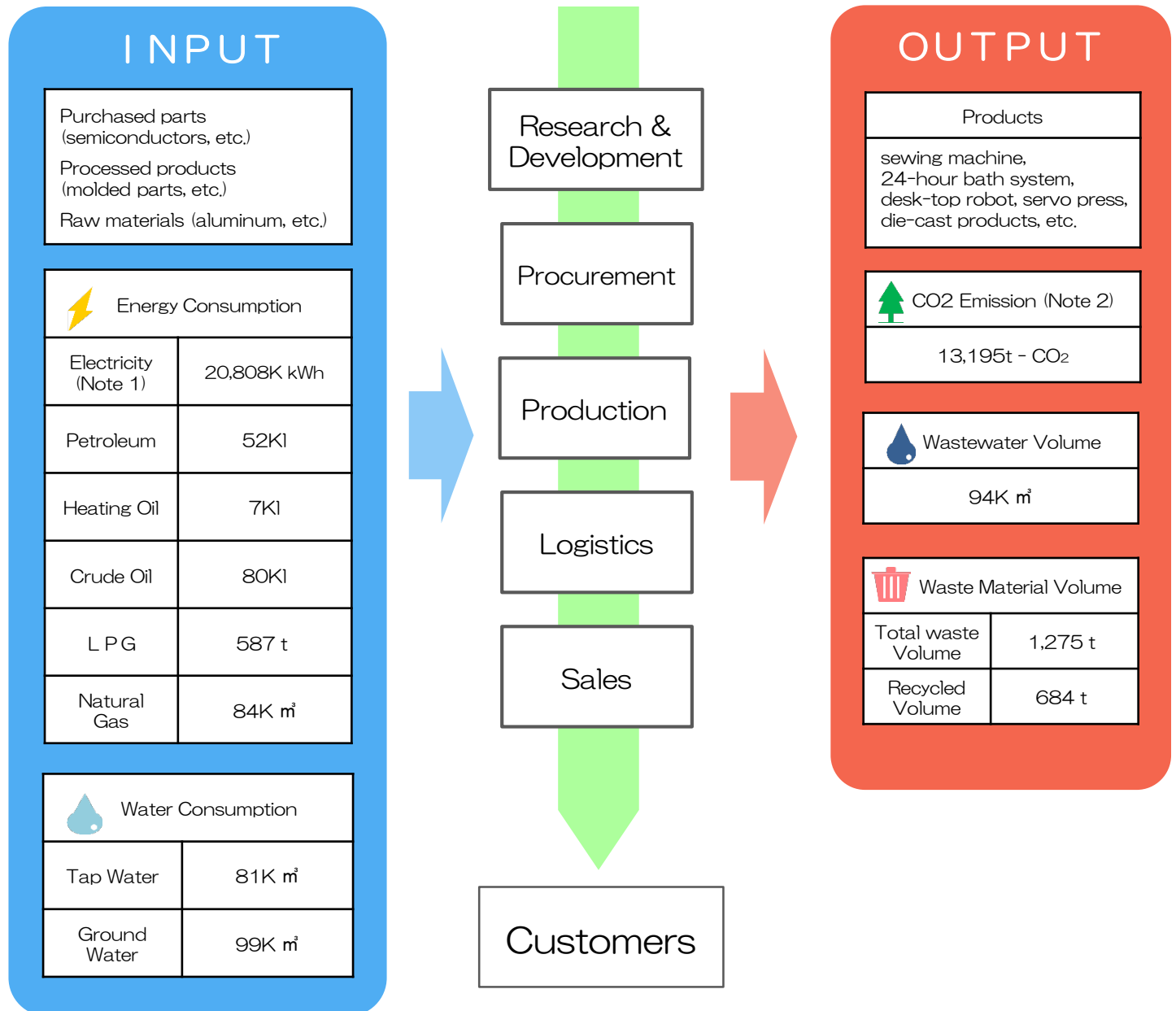
※ PCB, with its electrical insulation and non-flammable characteristic, has been widely used as insulating oil for electrical transformer etc. Its toxic hazard became a public concern in late 1960's until in 1970's its production, import or use was completely banned.

Environmental Performance of FYE March 2020



Janome grasps environmental burden of its business operations in numerical terms, against which various activities are staged to reduce the burden.

Environmental Burden of Janome's Business Operations at a glance (Material Balance)



Scope of Business Operations covered to calculate environmental load/

Janome Sewing Machine Co., Ltd. /Janome Diecasting Co., Ltd./Janome Taiwan Co., Ltd./Janome Thailand Co., Ltd. /Janome Diecasting (Taiwan) Co., Ltd.

Note 1 : Electricity consumption includes that of the buildings owned by Janome and by direct and owner branch network.

Note 2 : CO2 Output calculation is based on 'GHG Protocol' and 'GHG Emissions Accounting and Reporting Manual (Manual for Calculating and Reporting Greenhouse Gas Emissions Ver 3.2) of Ministry of the Environment and Ministry of Economy, Trade and Industry: 2011' .

Key Environmental Objective and Achievement

Environmental objectives are determined in numerical terms overall for the Janome Group as well as individually for each business entity. Activities are engaged to achieve the targets with the results shown below.

○ : Target achieved △ : Target yet to be achieved with certain improvement × : Target not achieved

Theme	Key Environmental Objective	Site (Note 2)	Milestone Achievement	Achievement Evaluation (Note 3)
3Rs (reduce, reuse, recycle) promotion Conserve Energy and resources	Recycle by strict waste separation	All sites	Recycle box installed at every business unit in the Head Office building Recycled polypropylene band & cardboard box (Janome Diecast Kansai Factory)	○
	Energy conservation by individual business and operation unit	All sites	Introduce and replace with LED (light emitting diode) Replace with environment-conscious equipment, etc.	○
Reduce CO2 output volume	Lower than preceding fiscal year results	Head office	Reduced by 9.3% (energy type calculated: electricity, petroleum, heating oil, LPG)	○
	7% equivalent of turnover reduction (Note 1)	Diecast	Increased by 2.3% (energy type calculated: electricity, petroleum, crude oil, diesel oil, heating oil, LPG)	×
	Lower than preceding fiscal year results (electricity)	Taiwan	Reduced by 5.2% (energy type calculated: electricity)	○
	3% reduction (electricity)	Thailand	Reduced by 4.7% (energy type calculated: electricity)	○
	10% reduction (electricity)	Diecast Thailand	Reduced by 5.9% (energy type calculated: electricity)	△
Develop environment-friendly product	Mainly sewing machine & industrial equipment	Head office	Activities at Research & Development (detailed on page 59)	○
Toxic substance control	Reduce chemical substance usage	All sites	Reduced dichloromethane usage (Janome Diecasting) Reduced industrial petroleum usage (Janome Taiwan) etc.	○
Disclosure of information	Publication of JANOME REPORT	Head office	Published 'JANOME REPORT 2019'	○
Maintain and improve environmental management system	Renew and retain certificate of ISO14001 and Eco-action 21	All sites	Environmental Education activities (detailed on page 56)	○
	Educate candidates to qualify for internal environmental	Head office	Environmental Education activities (detailed on page 56)	△
	Comply with the environmental laws and regulations of the countries we have business operations at	All sites	Complied with all the laws and regulations on air and water pollution and noise control of each country where we have business operations in	○

Note 1 : Turnover equivalent is calculated by dividing (total CO2 output) by (turnover) as compared with that of the previous year.

Note 2 : Abbreviations read as below

Head office ⇒ Janome Sewing Machine Co., Ltd./Diecast ⇒ Janome Diecasting Co., Ltd./

Taiwan ⇒ Janome Taiwan Co., Ltd./Thailand ⇒ Janome Thailand Co., Ltd./Diecast Thailand ⇒ Janome Diecasting (Thailand) Co., Ltd.

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 such challenges as below in the research and development stage of our home appliance and industrial equipment products.



Secio 14000 equipped with LED lights

- Natural resources conservation: Weight reduction, volume downsizing, parts sharing, maintaining ease of disassembling
- Electricity conservation: Reduction of electricity consumption in standby and in power mode
- Extension of products life span: Introduction of highly durable parts and upgrading current version by external connection
- Reduction of hazardous substance usage: Compliance with the regulations on chemical substances contained in products

ABS resin (Note 1 below) 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.

Note 1. ABS resin is a collective term of acrylonitrile butadiene styrene copolymerized synthetic resin

On top of the universal challenges above, original evaluation standards are employed for industrial equipment development to give further consideration to 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, REACH Regulation, UL Standards, CE Marking, KCs Mark (Korean Certification Mark), OSHA, etc.
Others	Promote further unitization, improve assemblability, increase exchangeability of maintenance parts



New servo press models were put to the tests of evaluation standards of existing models and fared the same equally or better than the existing models in all standards. Those models are equipped with a two-hand control devices, 'Switch Boxes' —additional safety feature for the operator in compliance with EN574. While giving those environmental and safety considerations, we do not compromise functions and features—the fundamental value of industrial equipment.

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

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 such as RoHS Directive (Note 1) and REACH Regulation (Note 2) on regarding 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.

Note1 : RoHS Directive is an EU directive which came into effect in July 2006 restricting usage of certain hazardous substances in certain electrical and electronics equipment. The substances restricted the usage thereof are lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyls), PBDE (polybrominated diphenyl ether), DEHP(di-2-ethylhexyl phthalate), BBP (butyl benzyl phthalate), DBP (dibutyl phthalate), DIBP (diisobutyl phthalate).

Note2 : REACH Regulation is an EU regulation which came into effect in June 2007 laying out comprehensive rules and regulations on registration, evaluation, authorization and restriction of chemical substances.

Actions taken for Production Operations

Each production unit is taking various steps daily to streamline its operation with reduced manufacturing cost, at the same time as to maximize energy efficiency with reduced electricity consumption in an attempt to strengthen its production system which is both energy efficient and environmentally-friendly.

Promotion to switch to LED lamps

Each production unit is expediting installation of LED lamps to replace conventional ones. Mercury lamps are given top priority to be replaced or discarded altogether, as The Minamata Convention on Mercury[※] will ban production, export or import of products containing mercury, irrespective of its contained amount from 2021. Almost all the mercury lamps in the head office site have been replaced by LED lamps during fiscal year 2019. Fluorescent lamps are also being replaced by LED lamps.

Janome Thailand Co., Ltd. installed LED lamps at all the lamp sites of the new warehouse building, built in July 2019 for the purpose of utilizing idle space and of streamlining production activity further.



New warehouse building completed with LED lights
(Janome Thailand Co., Ltd)

※ Minamata Convention on Mercury is a global treaty enacted to protect human health and the environment from the adverse effects of mercury, controlling the anthropogenic releases of mercury throughout its lifecycle from new mercury mines, the phase out and phase down of mercury use in a number of products and processes, emissions to air and on releases to land and water, and its disposal sites contaminated by mercury.

Excerpt from UN Minamata Convention on Mercury HP

<https://www.mercuryconvention.org/Convention/Text/tabid/3426/language/en-US/Default.aspx>

Other activities to note

Janome Diecasting Co., Ltd. Kansai factory replaced pure aluminum with aluminum alloy with higher hardness as the projection material used in a polisher-cleaner for deburring and surface finishing, which dramatically improved cleaning efficiency and reduced both the operation timeframe and the usage of projection material by about 40%. This new method has also improved higher quality finishing for various other products.

Additionally, Janome Thailand Co., Ltd. installed transparent plastic partition curtains in the factory to improve air-conditioning efficiency, resulting in saving overall electricity usage by 2.25%.



Factory partitioned by plastic curtain
(Janome Thailand Co., Ltd)

Separately, Janome Taiwan Co., Ltd, on top of their effort to save water in normal course of business, replaced washbasin faucets and shower facilities in the factory with those water saving type to reduce underground water usage.

Distribution operations

Janome is engaged in various environmental consideration activities in its distribution sector to reduce CO2 output ranging from introduction of electric forklift, delivery route integration, cargo space optimization and inventory control optimization aimed at reducing emergency air freight.

Replacing conventional pallets with returnable steel pallets

The Janome Group has been gradually expanding its use of returnable steel pallets for products and parts delivered from Janome Taiwan Co., Ltd, a production subsidiary, to Tokyo Factory, as part of its effort to reduce distribution cost. Nearly 70% of total delivery from Taiwan in FYE March 2020 employed returnable pallets instead of conventional pallets, which would have been discarded otherwise. These pallets, on their way back to Janome Taiwan Co., Ltd, are returned stored in idle space of a container of parts shipment to Taiwan, so that an extra shipment for the pallets is avoided.



Returnable steel pallets

Actions taken for other areas

Installation of solar power generation system

Janome installed solar power generation system on the rooftop of Tokyo Factory Building No.2, which has generated in FYE March 2020 119,275 kWh. The power generated equates to CO2 reduction of 55,812 kg-CO2, equivalent to annual CO2 absorption amount by roughly 3,990 cedar trees (Note 1).



Solar power generation system

Note 1: Calculation is based on annual CO2 absorption capacity of 50 year old cedar tree at 14kg per tree—as quoted from Forestry Agency Kanto Regional Office home page.

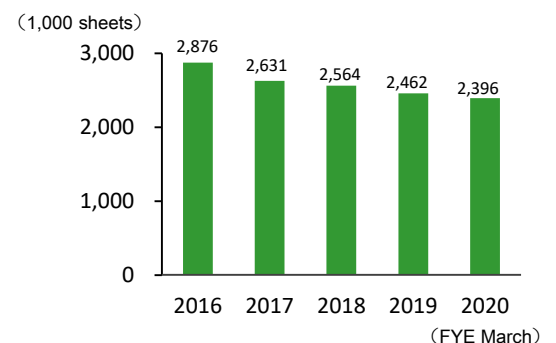
Promoting Paperless Campaign

Janome designated as part of the overall company target of ISO14001 to promote conservation of natural resources as well as reduction of energy consumption. Paperless campaign, aimed at reducing overall usage of paper as well as at optimizing business execution, is one of the activities Janome has been promoting as part of its effort to achieve ISO14001 target above. Employing paper saving copying techniques and replacing printed materials prepared specifically for business

meetings with electronic blackboard are examples of the efforts made for paperless campaign at the head office building. Thanks to these efforts, total printed material volume of FYE March 2020 was reduced by approximately 66,000 sheets, equivalent of 2.7% reduction, from that of FYE March 2019.

Monthly usage by individual copiers and multifunction copiers is publicized in-house along with the comparison to that of the same month previous year, so that every business unit has a clear understanding of its usage volume of the printed materials.

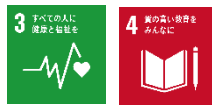
Number of printed materials



Actions taken for society

Janome values involvement with society and actively engages with various stakeholders.

Social Contribution Activities



Participation in the Pink Ribbon campaign

Pink Ribbon is a global campaign to spread correct understanding of breast cancer aiming for example to increase its screening rate at an early stage. Janome makes a donation to 'Eliminate breast cancer and smile fund' operated by the Japan Cancer Society, a non-profit public interest fund, whose donation is mainly invested in procuring mammography and other examination equipment, training doctors and radiographer and patient support.



TOPICS

Donated money pitched in by employees

Actions taken for Heart Health Month and Pink Ribbon Month

Janome America Inc. sets up an employee on-line donation account every year for Heart Health Month of February (Heart Disease Prevention Month) and Pink Ribbon Month of October (Cancer Prevention and Enlightenment Month). The money pitched in by employees are donated respectively to American Heart Association and American Cancer Society. Donations are used to fund research, support cancer patients and provide preventive information.

One day out of each campaign month is designated as 'Red Day' in Heart Health Month of February to wear something red and as 'Denim Day' in Pink Ribbon Month of October to wear something pink and of denim, to remind the employees of their awareness of and participation to each campaign.



JAI staff in red on a Red Day



JAI staff in denim on a Denim Day

Summer holidays sewing classes for parents and children

Janome is orchestrating sewing classes for parents and children residing in Hachioji, Tokyo where our head office is located. Two types of classes are offered separately to higher and lower grade class children and parents. The latter is specially aimed to encourage younger children's participation who would experience sewing for the first time.

2019 classes featured 'perfect circle pochette', for lower grade children and 'clip-on pochette' for higher grade children. Tokyo Factory tours are offered after the classes for those who wished to join.



Summer holidays sewing class for parents and children

Company tours

Janome offers company tours to educational institutions and local residents.

During FYE March 2020, visitors from Hachioji municipal Yarimizu Elementary School visited our head office and enjoyed a tour consisting of industrial equipment demonstration, sewing machine exhibition and factory tour, etc., which offered a good opportunity for visitors to learn how our manufacturing site is operated as demonstrated by a wide variety of animated inquiries made at a question & answer session.



Snapshot of the company tour

Donated hand-made masks

Janome Taiwan Co., Ltd. donated hand-made masks sewn at their factory by Janome Taiwan staff to local elementary schools, Taichung Japanese school, and Beigou Cultural Promotion Association. Total number of donated masks amounted to 2,400, of which 1,700 were for children and 700 for adults.

Janome Taiwan Co., Ltd. was awarded a letter of appreciation and the medal of commendation by Japan-Taiwan Exchange Association, a public interest incorporated foundation, as a company with a history of contribution to the promotion of friendship and cultural exchange of Japan and Taiwan. It was the first such medal of commendation the Association has ever awarded to any party.



Hand-made masks

Donated hand-made N-95[※] mask covers

Janome America Inc., donated mask covers for surgical N-95 masks in response to the request made by the local police authority to enable repeated use of the surgical mask, which was in devastatingly short supply due to the rapid spread of New Coronavirus infection.

The mask cover originally designed by Janome America's staff was welcomed by medical staff for its tight protection against virus, at the same time for keeping the inside of the mask sanitary and for lasting long because of its washability.



N-95 mask covers

※ N-95 is a high-spec mask designed to provide protection against droplets containing viruses. It complies with the standard of NIOSH, National Institute for Occupational Safety and Health. It also provides protection to contain potential infection risk at the minimum for non-Coronavirus daily routines at medical facilities.

Supported hot Japanese box lunches offer to medical workers and staff

Janome America Inc. concurred with and provided monetary support to the activity of Japan-US Alliance of New Jersey who offered hot Japanese box lunches for medical workers and staff in the locality to reward and cheer them for their selfless devotion to fight the pandemic. The Alliance was established for promoting communication and contacts among Japanese citizens, Japanese American people and Japanese companies residing in the state of New Jersey.

Cumulative sewing machine production of 70 million units achieved.

A Continental M7 Professional (Production code: 867) produced at Taiwan factory on the 13th of December 2019 marked the milestone of cumulative sewing machine production of 70 million units by the Janome Group. Since our founding in 1921 as the first domestic sewing machine manufacturer, Koganei factory, now moved to Hachiouji, had been the only production hub until Janome Taiwan Co., Ltd. started production in April of 1969, followed by Janome Thailand Co., Ltd. in September of 1988. They are Janome's three major production hubs for sewing machines, who combined their efforts to reach the 70 million mark of cumulative production. The logo designed to commemorate the achievement expresses Janome's roots as a Japanese sewing machine manufacturer by incorporating Shippou, or cloisonné enamel, a traditional Sashiko design. Shippou is also a design entrusted with wishes for harmony, conformity and bond. The design is deeply connected with Janome in the sense that it is adopted as one of the built-in designs of our embroidery models. The three circles in the logo symbolize major production hubs of Tokyo, Taiwan and Thailand overlapping each other to form symmetric flower petals about to open into full blossom, illustrating the fact that reaching the memorable 70 million units of production was made possible with a long history of harmonious cooperation by the three production hubs.



The 70 millionth sewing machine produced by Janome 'Continental M7 Professional'



Symbol Mark to commemorate 70 million units produced

A ceremony was orchestrated on the 17th of January 2020 at Janome Taiwan Co., Ltd., celebrating the cumulative production of 70 million units.

The ceremony began with 'unveiling a curtain' and was highlighted by hammering down on a sculpture made of ice representing the figure 70,000,000, following a traditional Kagami-biraki ritual where people celebrate the breaking of a new year by hammering down on a barrel of Sake, Japanese rice wine.

Participants made an oath to continue producing sewing machines which are competitive in terms of quality and cost.



Snapshots of the ceremony

Janome Australia Pty Ltd. celebrates 50th Anniversary

Janome Australia Pty Ltd., a sales subsidiary in Australia celebrated its 50th Anniversary by holding 'Janome Australia 50th Anniversary Conference' for three days from October 31st to November 2nd, 2019 upon reaching its 50th birthday on December 1st, 2019.

The event was attended by around 130 guests who were welcomed to hands-on classes designed to educate participants on the functions and features of the models, service seminar for engineers/technicians and a sales meeting.

The conference drove home to the participating dealers the strong historical ties between the Australian dealer network and Janome in Japan and made them feel that everyone is on board Janome together.



Snapshot of the Conference

Janome Credia Co., Ltd. celebrated 50th Anniversary

Janome Credia Co., Ltd. celebrated its 50th Anniversary on October 15th, 2019.

The company in charge of IT related businesses originated as Janome Computing Center Co., Ltd. in 1970, a spin off of the computing services division of Janome Sewing Machine Co., Ltd. The company subsequently changed its name to the current Janome Credia Co., Ltd., which expanded its reach in various IT business arenas by capturing the changing sign of the times from its original entrusted data processing mainly OCR, (Optical Character Recognition), into software development and outsourced systems operation and monitoring. Although the planned 50th anniversary event had to be called off due to the New Coronavirus situation, commemorating events went ahead as planned, such as the publication of the corporate history and sending out mementoes to business partners and contributing parties. These events gave Janome Credia staff a precious opportunity to reminisce the path they treaded over the past 50 years and worked as a reminder of their commitment to aim for the further flight in the next 50 years with sincere appreciation to all parties involved in their businesses.

NHK E Television filmed 'Fab it' s handmade!' at Janome head office

NHK Educational TV hosted an event for the program 'Fab it' s handmade!' at Janome head office on November 19, 2019, some portion of which was later aired on TV.

'Fab it' s handmade!' is a regular Thursday program on NHK Educational TV, broadcasting fabulous joys of creating hand-made projects in comprehensive manners.

Winners of a draw to appear on the program gathered at our special studio on the day and the instructor, Ms. Sayaka Akamine, guided the guests together with the program MCs Yosuke and Ms. Riko Higashio through hand-made experience of 'bag remake' and 'name tag holder with embroidery design'.

The guests and the hosts had a fabulous time creating hand-made projects.

The event was subsequently featured in the program aired on February 13, 2020.



TV program shooting

TOPICS

Top-end quilting machine for overseas market, Continental M7 Professional won double crowns of two German design awards.

◆ iF DESIGN AWARD 2020'



Continental M7 Professional

◆ Red Dot Design Award 2020



reddot winner 2020

Janome Mexico S. de R.L. de C.V exhibited at Expo Manufactura 2020

February 11-13, 2020 Monterrey, Nuevo Leon, Mexico

The exhibition held from February 11 to 13, 2020 at Monterrey, Estado de Nuevo León, is for Mexican manufacturers of devices, tools and gauges.

Janome exhibited products that cater to automation needs such as a brand new servo press model, 'JP-S2 Series' , 'JP Series 5' demonstration model and a plasma irradiator mounted desktop robot made by German Plasmatrete GmbH.



JIE-USA exhibited at ATX West 2020 February 11-13, 2020 Anaheim, California, USA

ATX West is the largest international exhibition on the West Coast of U.S.A., where state of the art technologies for automations assemble in this venue. Demonstration models loaded with wide ranging applications were exhibited such as Underside Dust Collection Type Depaneling Robot, 'JR3303EBV' and 'Multi-functional Desktop AOI (automatic optical inspection) Machine' , a collaborated device with Marantz Electronics, Ltd.



New!

Installation support is now available for the whole package of Automated Screw Tightening Robot

(launched on February 4, 2020)

The well accepted multi-functional desk top robot, 'JR3000 Series' is now available as a packaged set of Automated Screw Tightening Robot, electric screwdriver and screw feeder, etc.

Also available is complete support from the point of purchase to the actual usage including mounting base construction, fixture fabrication and a demonstration of how to use the robot at the time of installation

<Main services>

- Mounting base construction
- Fixture fabrication such as work mounting fixture, providing a jig made by a 3D printer for operation verification
- All-in-one automated screw tightening robot system. Available for packaged purchase are mounting base construction, fixture fabrication, electric screw driver of our recommendation or user specification, screw feeder, sensors to detect untightened and/or dropped screws, light curtain and a drive recorder to save a video recording of errors, including the images before and after the errors.
- Program teaching service at the time of installation



Automated Screw Tightening Robot system actually installed

Janome will celebrate 100th Anniversary on October 16, 2021

100 Year Anniversary Logo

<Design Concept>

Based on the corporate colors used for the company name, this design expresses Janome's roots as a sewing machine manufacturer celebrating its centenary. As an expression of gratitude for the past 100 years, the logo incorporates a product from the time of our founding as a motif.

What is also incorporated is our sincere resolve to take this major milestone as an opportunity to make a fresh start for our everlasting growth by always remaining your partner ready to support you.



New!

Launched 'Epolku' 100th Anniversary model on October 16, 2020

100th Anniversary model 'Epolku' is coined by combining 'epoque' in French meaning era and 'polku' in Finnish meaning road.

If an era is a road of history, the era Janome has treaded for a hundred years certainly took us to where we are today, and will continue on a road of history into the future. This is the meaning incorporated in the name Epolku—easy to use and compact electronic sewing machine.

<Main features>

- Retro-inspired design that blends into interior furnishings
- Logo plate commemorating 100th Anniversary
- Practical selection of stitches and comprehensive dial selection
- Start/stop button close at hands for easy operation
- Simplified functions to give comfort for beginners



Épolku CLASSIC RED (right)
Épolku VINTAGE BLUE (left)

TOPICS

Janome 100th Anniversary Site is set up on October 16, 2020

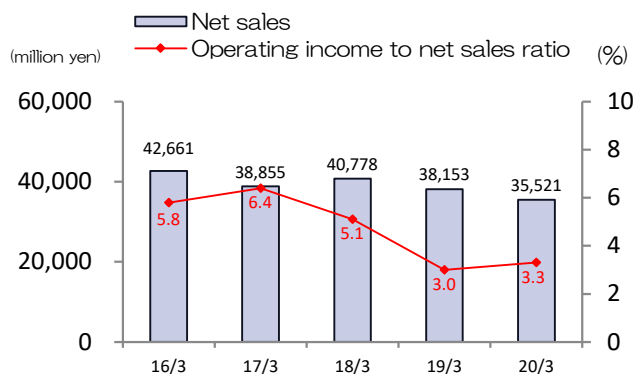
The website, dedicated to our 100th Anniversary, currently shows 100 years of history as seen from a Janome products trail, information on 100th Anniversary model, upcoming event notifications and columns related to 100 years. We are planning to post updates of the above and corporate history in PDF format (to be posted after October 2021) and more. Please do have a look and enjoy!



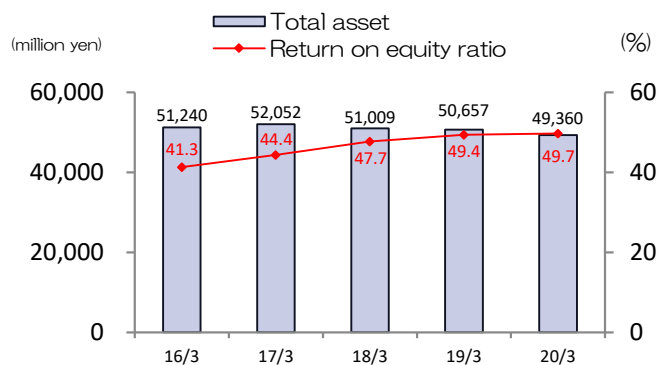
Janome 100th Anniversary <https://www.janome.co.jp/100th/en/>

Financial Highlights

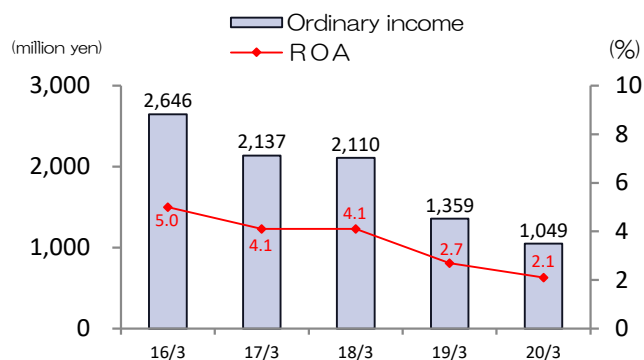
● Net sales • Operating income to net sales ratio (Operating margin) ※1



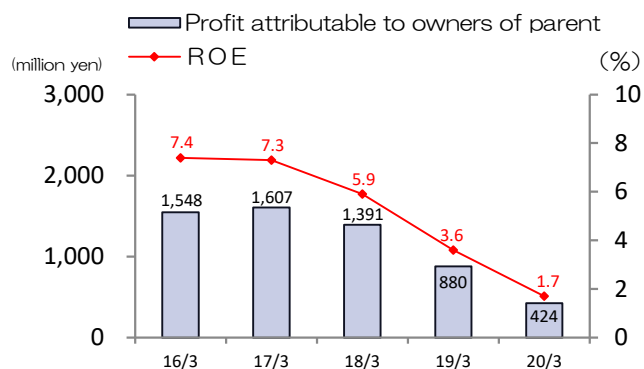
● Total asset • Return on equity ratio



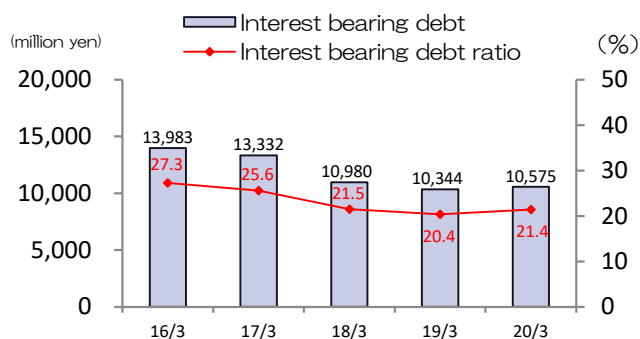
● Ordinary income • Return on asset ratio (ROA) ※2



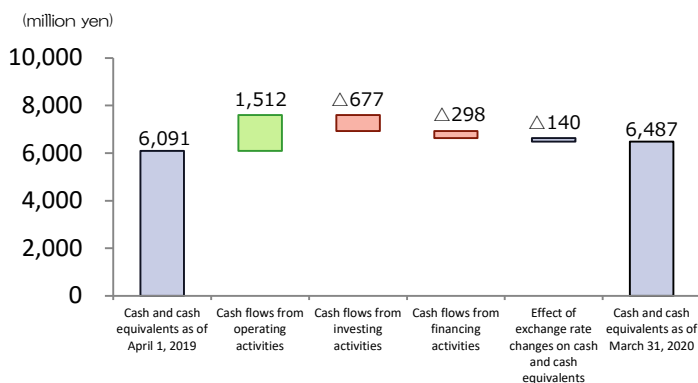
● Profit attributable to owners of parent • Return on equity ratio (ROE) ※3



● Interest bearing debt • Interest bearing debt ratio ※4



● Cash flow factor analysis



※ 1 Operating income to net sales ratio = (Operating income)÷(Net sales)×100

※ 2 Return on asset ratio (ROA) = (Ordinary Income)÷(Total assets)×100

※ 3 Return on equity ratio (ROE) = (Net income)÷(Equity)×100

※ 4 Interest bearing debt ratio = (Interest bearing debt)÷(Total assets)×100

Consolidated Financial Highlights

(unit: million yen)

	FYE March 2019	FYE March 2020
Profit and Loss Situation (financial year)		
Net sales	38,153	35,521
(Overseas sales to net sales ratio)	66.2%	66.1%
Gross profit	14,945	14,272
Operating income	1,150	1,158
Ordinary income	1,359	1,049
Profit attributable to owners of parent	880	424
Purchase of property, plant and equipment	821	709
Depreciation	1,355	1,407
Research and development (outlay)	1,470	1,384
Financial Position (fiscal year end)		
Total Assets	50,657	49,360
TOTAL NET ASSETS	25,873	25,381
Net Assets (Net Equity - Non-controlling interests)	25,020	24,550
Financial Ratio		
Equity ratio	49.4%	49.7%
Ratio of net income to shareholders equity	3.6%	1.7%
Cash flow situation (financial year)		
Cash flows from operating activities	2,073	1,512
Cash flows from investing activities	△1,108	△677
Free cash Flow	964	834
Cash flows from financing activities	△943	△298
Per share data		
Net asset per share (BPS)	1,294.30	1,269.95
Net income per share - basic	45.54	21.94
Dividend per share (DPS)	15	15

Consolidated Balance Sheets

(unit: million yen)

ASSETS	FYE March 2019	FYE March 2020	LIABILITIES	FYE March 2019	FYE March 2020
Current assets			Current liabilities		
Cash and deposits	6,715	6,886	Notes and accounts payable	2,727	2,084
Notes and accounts receivable-trade	6,827	6,650	Short-term loans payable	10,344	10,575
Merchandise and finished goods	5,391	4,934	Income taxes payable	264	243
Work in process	589	594	Provision for bonuses	506	508
Raw materials and supplies	2,841	2,727	Provision for directors' bonuses	48	—
Other	606	506	Other current liabilities	2,472	2,147
Allowance for doubtful accounts	△282	△221	Total current liabilities	16,363	15,559
Total current assets	22,689	22,078			
Fixed assets			Fixed liabilities		
Tangible fixed assets			Deferred income taxes for revaluation	3,433	3,420
Buildings and structures (net)	5,874	5,818	Net defined benefit liability	4,032	4,052
Machinery, equipment and vehicles (net)	1,398	1,155	Other fixed liabilities	954	946
Land	14,440	14,374	Total fixed liabilities	8,420	8,419
Land	170	14	TOTAL LIABILITIES	24,783	23,979
Construction in progress	1,170	1,333			
Other tangible fixed assets (net)	23,053	22,696	Net Assets		
Total tangible fixed assets			Shareholders' equity		
Intangible fixed assets			Common stock	11,372	11,372
Other intangible fixed assets	1,071	849	Retained earnings	7,803	7,967
Total intangible fixed assets	1,071	849	Treasury stock, at cost	△325	△325
			Total shareholders' equity	18,851	19,015
Investments and other assets					
Investment securities	1,457	1,452	Other comprehensive income		
Deferred tax assets	1,816	1,724	Valuation difference in other marketable securities	114	54
Other	602	578	Land revaluation difference	6,660	6,630
Allowance for doubtful accounts	△34	△20	Foreign currency translation adjustments	△358	△927
Total investments and other assets	3,842	3,735	Remeasurement of defined benefit plans	△246	△222
			Total other comprehensive income	6,169	5,534
Total fixed assets	27,967	27,281	Non-controlling interests	852	831
Total Assets	50,657	49,360	Total Net Assets	25,873	25,381
			Total Liabilities and Net Assets	50,657	49,360

Consolidated Statement of Income

Consolidated Statements of Comprehensive Income

(unit: million yen)

	FYE March 2019	FYE March 2020		FYE March 2019	FYE March 2020
Net sales	38,153	35,521	Profit	881	461
Cost of sales	23,207	21,249	Other comprehensive income		
Gross profit	14,945	14,272	Valuation difference on available-for-sale securities	△57	△59
Selling, general and administrative expenses	13,794	13,114	Foreign currency translation adjustment	△36	△594
Operating income	1,150	1,158	Re-measurements of defined benefit plans	137	23
Non-operating income			Total other comprehensive income	44	△630
Interest income	25	20	Comprehensive income	925	△169
Dividend income	49	50	Comprehensive income attributable to:		
Exchange gains	102	—	owners of parent	903	△180
Other	199	141	non-controlling interests	21	11
Total non-operating income	376	211			
Non-operating expenses					
Interest expenses	91	108			
Foreign exchange losses	—	126			
Other	76	86			
Total non-operating expenses	167	320			
Ordinary income	1,359	1,049			
Extraordinary profits					
Gain on sales of fixed assets	35	4			
Total extraordinary profits	35	4			
Extraordinary losses					
Loss on sales and retirement of noncurrent assets	17	9			
Impairment loss	—	43			
Loss on valuation of investment securities	—	6			
Loss on litigation	—	72			
Total extraordinary losses	17	131			
Income before income taxes	1,377	922			
Income tax, resident tax and business tax	416	378			
Income tax adjustment	78	82			
Total taxes	495	460			
Profit	881	461			
Profit attributable to non-controlling interests	1	37			
Profit attributable to owners of parent	880	424			

Consolidated Statement of Cash Flows

(unit: million yen)

	FYE March 2019	FYE March 2020
Cash flows from operating activities		
Income before income taxes	1,377	922
Depreciation	1,355	1,407
Impairment loss	—	43
Increase/ (decrease) in allowance for doubtful accounts	61	△49
Increase/ (decrease) of employees retirement benefits	△458	22
Interest and dividend income	△74	△70
Interest expenses	91	108
(Increase)/ decrease in accounts receivable	548	5
(Increase)/ decrease in inventories	△319	239
Increase/ (decrease) in accounts payable	△303	△530
Others	249	△143
Sub total	2,526	1,954
Interest and dividend received	73	70
Interest paid	△91	△108
Income taxes paid	△435	△404
Net cash generated by operating activities	2,073	1,512
Cash flows from investing activities		
Payments into time deposits	△596	△204
Proceeds from withdrawal of time deposits	447	383
Purchase of property, plant and equipment	△821	△709
Proceeds from sales of property, plant and equipment	97	19
Purchase of intangible assets	△262	△173
Others	25	7
Net cash generated by investing activities	△1,108	△677
Cash flows from financing activities		
Net increase/(decrease) in short-term borrowings	△597	259
Cash dividends	△191	△287
Cash dividends paid to non-controlling interests	△31	△33
Others	△122	△237
Net cash used for financing activities	△943	△298
Effect of exchange rate changes on cash and cash equivalents	△47	△140
Increase/(decrease) in cash and cash equivalents	△26	395
Cash and cash equivalents at beginning of period	6,118	6,091
Cash and cash equivalents at end of period	6,091	6,487

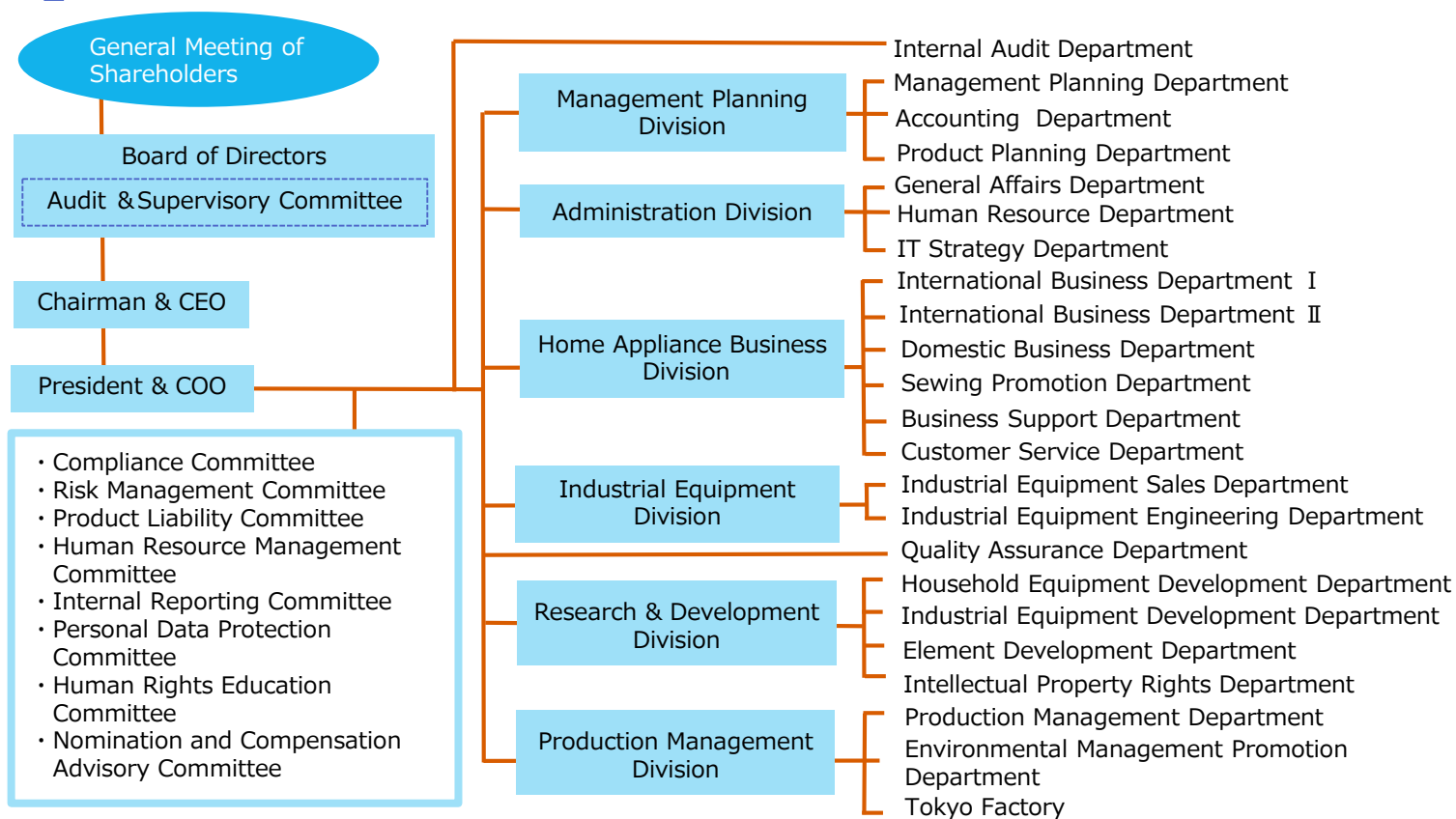
Corporate Information

Company Overview

Company Name	JANOME SEWING MACHINE CO., LTD.
Founded	October 1921
Incorporated	June 1950
Head Office	1463 Hazama-machi, Hachioji-shi, Tokyo, Japan
Paid-in Capital	11,373 million yen (as of March 31, 2020)
No. of Employees	2,912 (as of March 31, 2020)
Fiscal Year End	March 31



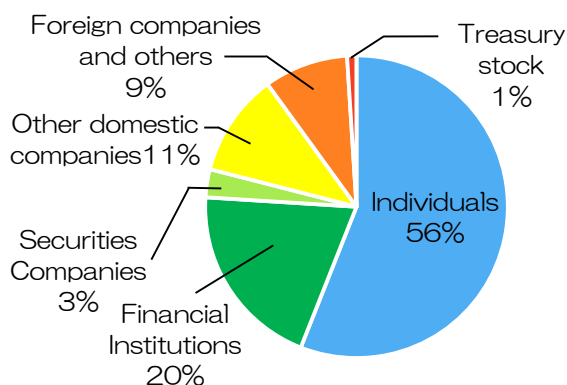
Organization (as of June 26, 2020)



Stock Information (as of March 31, 2020)

Number of shares issued	19,521,444
Number of shareholders	12,189 (down 183 from March 31, 2019)

Shareholder Composition expressed by investment ratio (based on number of shares held)



Directors

Representative Director
Chairman and CEO

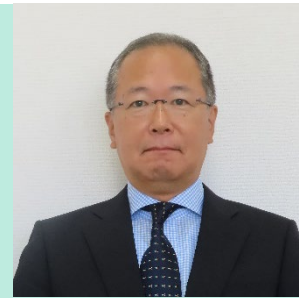
Michio Ohba



April 1976 Entered Janome Sewing Machine Co., Ltd.
June 2011 Director
June 2013 Representative Director & Executive Director
June 2014 Representative Director & Vice-President
June 2015 Representative Director & President
June 2019 Representative Director & Chairman (current)

Director
Senior Corporate Officer

Hitoshi Doi



Administration Division
Head

April 1985 Entered Saitama Bank, Limited (currently Resona Bank, Limited)
April 2013 Saitama Resona Bank, Limited, Corporate Officer
April 2017 Resona Card Co., Ltd., Executive Director
April 2020 Entered Janome Sewing Machine Co., Ltd.
June 2020 Senior Corporate Officer (current)

Representative Director
President and COO

Makoto Saito

oversees business execution,
in charge of Internal Audit



April 1978 Entered Janome Sewing Machine Co., Ltd.
April 2011 Corporate Officer
April 2015 Senior Corporate Officer
June 2017 Director
April 2018 Executive Corporate Officer
June 2019 Representative Director & President (current),
oversees business execution, in charge of internal audit

Director
Senior Corporate Officer

Kazushi Kawaguchi

Research & Development Division
Head, Production Management
Division Head,
in charge of Quality Assurance
Department,
President of Janome Taiwan, Co., Ltd.



April 1982 Entered Janome Sewing Machine Co., Ltd.
April 2016 Corporate Officer
April 2019 Senior Corporate Officer (current)
June 2019 Research & Development Division Head,
Production Management Division Head,
President of Janome Taiwan, Co., Ltd. (current)
June 2020 Director (current), in charge of Quality Assurance
Department (current)

Director
Executive Corporate Officer

Toshiya Takayasu

In charge of Industrial
Equipment Division,
Home Appliance Business
Division Head



April 1987 Entered Janome Sewing Machine Co., Ltd.
April 2013 Corporate Officer
April 2016 Senior Corporate Officer
June 2016 Director (current)
June 2017 Home Appliance Business Division Head (current)
April 2018 Executive Corporate Officer (current)
June 2018 In charge of Industrial Equipment Division (current)

Outside Director
(Independent)

Fumiaki Nakajima



April 1983 Entered Showa Electric Wire and Cable Co., Ltd.
(now SWCC Showa Holdings Co., Ltd.)
June 2012 SWCC Showa Holdings Co., Ltd. Director
June 2016 SWCC Showa Holdings Co., Ltd. Representative
Director and President
June 2019 SWCC Showa Holdings Co., Ltd. Director (current)
June 2019 Janome Sewing Machine Co., Ltd. Director (current)
February 2020 Senshu Electric Co., Ltd. Advisor (current)
April 2020 Tokyo Water Do., Ltd. Outside Director (current)

Directors

Director
Audit & Supervisory
Committee Member

Mitsuhiro Sakiduki



April 1978 Entered Saitama Bank, Limited (currently Resona Bank, Limited)
April 2005 Entered Janome Sewing Machine Co., Ltd.
April 2011 Corporate Officer
April 2015 Senior Corporate Officer
June 2017 Director (current)
April 2019 Executive Corporate Officer
June 2020 Audit & Supervisory Committee Member (current)

Outside Director
Director / Audit &
Supervisory Committee
Member (Independent)

Keizo Tanaka



April 1994 Registered as attorney
April 2001 Opened Tanaka Law Firm
June 2011 Auditor
June 2016 Director / Audit & Supervisory Committee Member (current)

Outside Director
Director / Audit &
Supervisory Committee Member
(Independent)

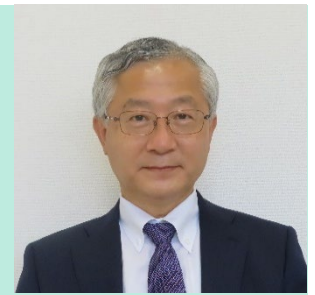
Shinji Nakazawa



August 1982 Registered as Certified Public Accountant
January 1989 Opened Nakazawa Certified Public Accountants' Office
June 2001 Auditor
June 2016 Director / Audit & Supervisory Committee Member (current)

Outside Director
Director / Audit &
Supervisory Committee
Member

Kyo Kuriwa



April 1976 Entered Saitama Bank, Limited (currently Resona Bank, Limited)
May 2004 Entered Daiei Real Estate & Development Co., Ltd.
April 2007 Corporate Officer
June 2010 Senior Corporate Officer
June 2012 Director (current) Administration Division Head (current)
June 2014 Senior Managing Executive Officer
June 2016 Daiei Real Estate & Development Co., Ltd. Executive Corporate Officer (current)
June 2020 Director / Audit & Supervisory Committee Member (current)

Corporate Officers & Fellows

Senior Corporate Officer

Yukio Hosaka

Industrial Equipment Division Head, General Manager of Industrial Equipment Sales Department, General Manager of Industrial Equipment Engineering Department, President of Janome Industrial Equipment, Taiwan Co., Ltd.

Corporate Officer

Shinichiro Seki

President of Janome America Inc.

Hiroaki Kinoshita

Home Appliance Sales Division Vice Head (Domestic Sales)

Takeyuki Oshima

Administration Division Vice Head, General Manager of General Affairs Department, General Manager of Human Resource Department

Akio Amemiya

Vice President of Janome Taiwan Co., Ltd.

Koichi Kuroda

President of Janome Thailand Co., Ltd.

Satoru Ishikawa

Research & Development Division Vice Head, Household Equipment Development Division Head

Hiroyuki Kobayashi

Strategic Planning Division Head, General Manager of Management Planning Department, General Manager of Treasury Department

Hideki Iwama

Managing Director of Janome U.K. Ltd., Managing Director of Janome Europe B.V., Managing Director of Janome Deutschland GmbH

Shinichiro Yamamoto

Home Appliance Sales Division Vice Head (Overseas Sales)

Seiichiro Shitama

President of Janome Industrial Equipment, U.S.A. Inc.

Senior Fellows

Kenichiro Hiruma

Industrial Equipment Division

Sales and Service Network

Domestic Direct Sales Network

Domestic direct sales network has grown to cover the whole country, winning support from more than ten million cumulative Janome sewing machine fans. The network also distributes a series of 24 hour home bath system, 'Yu-meijin', Hot bath master, and other wide-ranging life amenity products and services providing support for rich and creative lifestyles.

Sapporo Branch



Juzou Branch (Sewing Class)



Fukuoka Branch



Tokyo Branch



Yokohama Branch



● **Hokkaido Area**

Sapporo

● **Tohoku Area**

Sendai • Koriyama • Fukushima • Aizuawakamatsu • Yamagata • Morioka • Ichinoseki • Aomori • Hirosaki • Hachinohe

● **Tokyo**

Tokyo • Tokyo(west) • Setagaya • Sugamo • Kanamachi • Tachikawa • Hachioji • Machida • kumegawa

● **Kanto Area**

Kawasaki • Yokohama • Hirastuka • Sagamihara • Omiya • Kasukabe • Kawagoe • Kumagaya • Chichibu • Chiba • Matsudo • Takasaki • Ota • Mito

● **Hokuriku • Koushinestu**

Kanazawa • Toyama • Fukui • Niigata • Nagaoka • Iida • Nagano • Kofu

● **Tokai Area**

Nagoya • Handa • Toyohashi • Toyoda • Shizuoka • Hamamatsu • Numazu • Tsu

● **Kinki Area**

Osaka • Juzou • Takatsuki • Fujiidera • Wakayama • Narakoriyama • Kyoto • Otsu • Kawanishi • Kobe • Kakogawa

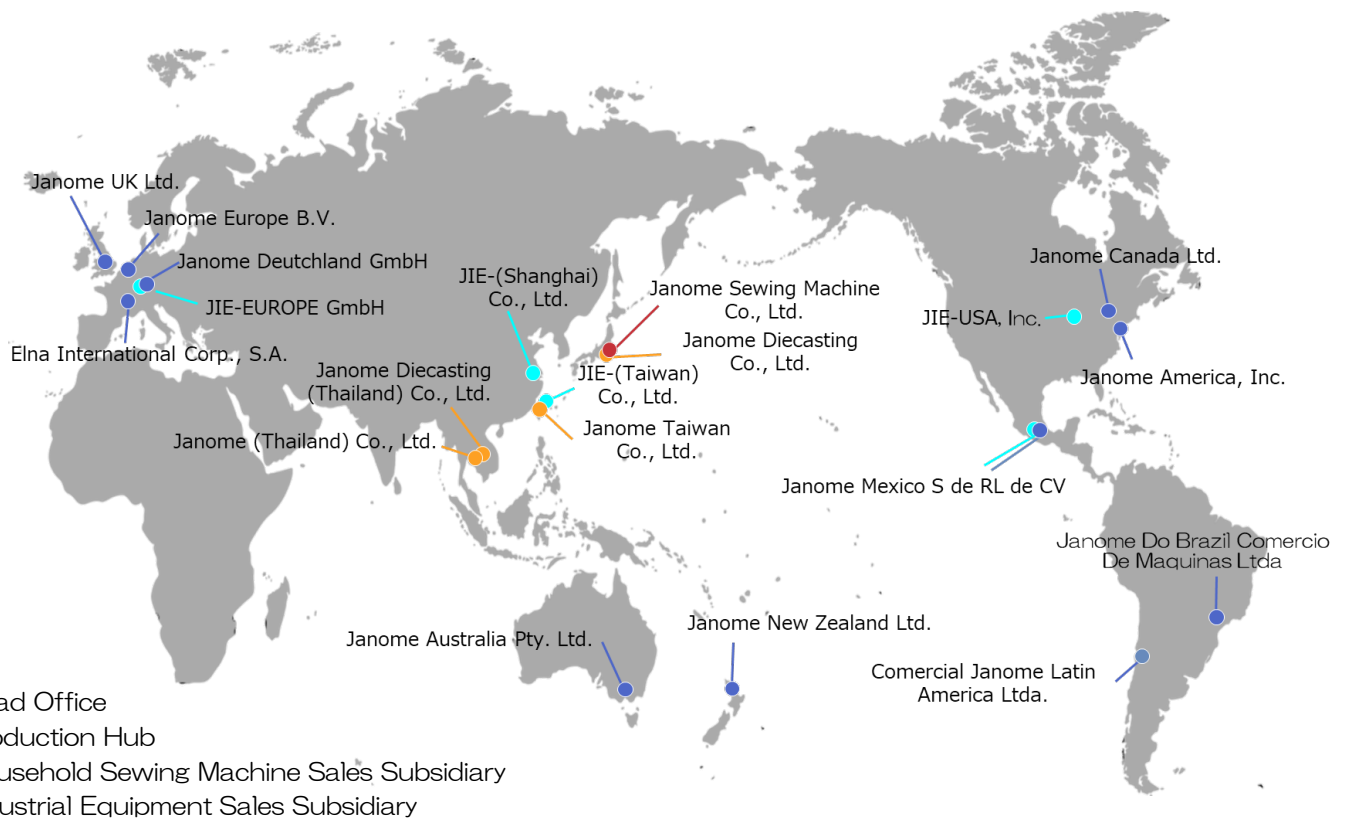
● **Chugoku • Shikoku Area**

Hiroshima • Okayama • Kasaoka • Shimonoseki • Yonego • Saijo • Kanoji • Tokushima • Kochi

● **Kyusyu • Okinawa Area**

Fukuoka • Yame • Nagasaki • Kagoshima • Kumamoto • Oita • Naha

(77 Branches as of October 31, 2020)



Production Hubs

- Janome Sewing Machine Co., Ltd. Hachioji-shi, Tokyo
- Janome Taiwan Co., Ltd. Taichun, Taiwan
- Janome (Thailand) Co., Ltd. Sriracha, Thailand
- Janome Diecasting (Thailand) Co., Ltd. Kabinburi, Thailand
- Janome Diecasting Co., Ltd. Tsuru-shi, Yamanashi, Japan

Service Hubs

- Janome Credia Co., Ltd. Chuo-ku, Tokyo
- Janome Service Corporation Hachioji-shi, Tokyo
- Sun Planning Co., Ltd. Kita-ku, Tokyo

Overseas Major Sales Subsidiaries

- | | | | |
|---|----------------------------------|---|----------------------------|
| ● Janome America, Inc. | New Jersey, U.S.A. | ● ● Janome Mexico S de RL de CV | Ciudad de Mexico, Mexico |
| ● Janome Canada Ltd. | Ontario, Canada | ● J I E- USA, Inc. | Illinois, U.S.A. |
| ● Janome UK Ltd. | Stockport, UK | ● J I E- Europe GmbH | Morfelden-Wardorf, Germany |
| ● Janome Europe B.V. | Nieuw Vennepe,
The Netherland | ● J I E- (Shanghai) Co., Ltd. | Shanghai, China |
| ● Janome Deutschland GmbH | Morfelden-Wardorf, Germany | ● J I E- (Taiwan) Co., Ltd. | Hsinchu, Taiwan |
| ● Janome Australia Pty. Ltd. | Cheltenham, Australia | ※ 'JIE' stands for Janome Industrial Equipment | |
| ● Janome New Zealand Ltd. | Auckland, New Zealand | | |
| ● Comercial Janome Latin America Ltda. | Santiago, Chile | | |
| ● Janome Do Brazil Comercio De Maquinas Ltda. | Sao Paulo-SP, Brazil | | |
| ● Elna International Corp., S.A. | Geneva, Switzerland | | |

Janome's Journey through the first 100 years

Janome has aimed to enhance rich and creative lifestyles for people around the world since it was founded in 1921 as the first domestic sewing machine manufacturer in Japan.

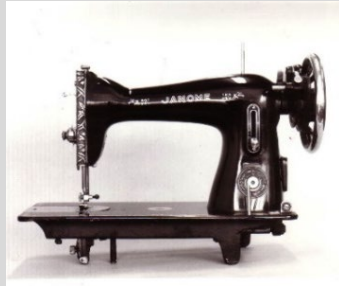
Added to the home appliance business, the industrial equipment business that started in the 1980's has steadily grown as the second pillar of Janome's growth.

We are resolved to pass the 100th Anniversary in 2021 as a transit point of our never ending journey with our customers, providing products and services to satisfy their changing needs that social development creates.

1921~1950's



1921 Model 53 (Pine 500 type)



1948 Model 102 (HA-1 type)



1929 Model 30 (Pine 100 type)



1954 Model 320

1960~1970's



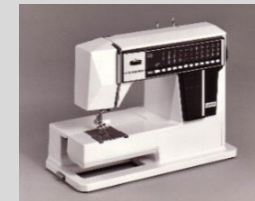
1961 Model 560



1976 Model 813, Excel



1964 Model 670, High Dream



1979 Model 5001, Memory 7



1971 Imprinter

- Launched the first domestic production of household sewing machines
- Sewing machines spread widely as Western clothing became popular
- The Sewing machine caught the government's attention as a major export product after World War II

- Accelerated overseas expansion
- Expanded domestic direct sales network
- Launched Imprinter
- Launched computerized sewing machine model

- 1921 In Takinogawa, Tokyo, Yosaku Ose founds Pine Sewing Machine Factory with Shigeru Kamematsu and Shoichi Tobimatsu.
- 1929 Pine Sewing Machine Co., Ltd. was founded
- 1931 Company name changed to National Pine Sewing Machine Co., Ltd.
- 1935 Company name changed to Teikoku Sewing Machine Co., Ltd.
- 1949 Company name changed to Janome Sewing Machine Co., Ltd.
- 1950 Janome Sewing Machine Co., Ltd. was succeeded to (establish) Janome Industrial Co., Ltd.
- 1954 Company name changed to Janome Sewing Machine Co., Ltd.
- 1956 Janome product was given the first certification in the sewing machine industry as JIS standards conformed product, and was allowed JIS certification mark.

- 1960 Acquired New Home Sewing Machine Co., Ltd., well-established American sewing machine company with a long history. (currently Janome America, Inc.)
- 1963 Listed its stock on the First Section of the Tokyo Stock Exchange.
- 1964 Technical Research Institute completed in Hachioji, Tokyo.
- 1965 Head Office building completed in Chuo-ku, Tokyo.
- 1969 Taiwan Janome Sewing Machine Co., Ltd. (currently Janome Taiwan Co., Ltd.) established.
- 1971 Launched Imprinter.
- 1979 Launched Memory 7, the first programmable computerized sewing machine in Japan.

1980~1990's



1983 Memory Craft (6000)



1991 Secio (8100)



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



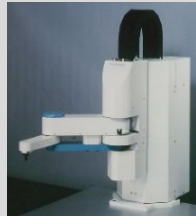
1988 Yuagari-Bijin,
(Beauty just out of hot bath)



1990 Yu Meijin,
(Hot Water Master)



1993 JR500
(Desktop Robot No. 1)



1998 JSR4400 Series
(SCARA Robot)

2000~ Present



2001 Super Secio 9500



2013 Horizon Memory Craft 15000 (overseas model)



2018 IJ521, compact embroidery sewing machine



2008 Yu Meijin (Hot Water Master) Super CT



2013 JC-2 Series
(Cartesian Robot)



2018 JS3 Series
(SCARA Robot)



2009 Secio 11500



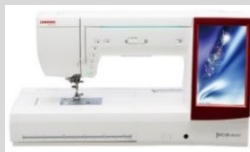
2014 JR3000 Series
(Desktop Robot)



2018 MYLOCK AIR2000D
(AirThread 2000D, overlock sewing machine)



2012 DC6030



2015 Secio 14000
(Horizon Memory Craft 14000)



2019 Horizon Memory Craft 9450QCP

- Commenced development of industrial equipment and 24 hour bath system
- Developed computerized sewing machine with embroidery functions
- Production site automation
- Business diversification

- Developed sewing machines with built-in WiFi functions
- The Sewing machine expanded its role from a daily necessity to a device to inspire creative instinct.
- Expanded utilization of IoT (internet of things)



2019 Continental M7 Professional (overseas model)

- 1984 Launched Electro Press (servo press)
- 1988 Thailand Janome Co., Ltd. (currently Janome Thailand Co., Ltd.) established.
- 1990 Launched 24 hour hot bath system 'Yu-meijin', Hot bath master, through direct sales network
- 1990 Merged Janome Seiki, Janome Denki, Janome Seimitsu and Janome Kinzoku and integrated into Janome Sewing Machine Co., Ltd.
- 1991 Launched Memory Craft 8000, a computerized sewing machine with embroidery functions
- 1993 Launched desk top robot
- 1993 New production facility completed in the premise of Takao Factory in Hachioji
- 1998 Koganei Factory integrated into Takao Factory to be named Tokyo Factory.
- 1998 Launched SCARA robot

- 2008 Cumulative sewing machine production of 50 million units achieved.
- 2009 Head Office functions moved from Kyobashi, Chuo-ku, Tokyo to Hachioji City.
- 2010 Horizon Memory Craft 7700 and ME830 won 2010 Good Design Award.
- 2012 DC6030 sewing machine for domestic market won 2012 Good Design Award and was also selected among Good Design Best 100.
- 2013 Launched Cartesian Robot
- 2018 Computerized sewing machine, Memory Craft 6700 Professional and overlock machine, MYLOCK AIR 2000D won 2018 Good Design Award.
- 2019 Cumulative sewing machine production of 70 million units achieved.

JANOME