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February 13, 2025

Summary of Financial Information and Business Results for the Fiscal Year 2024 Ended December 31, 2024 on a Consolidated Basis <under Japanese GAAP>

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 Listing: Tokyo Stock Exchange
 Securities code: 6440
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Scheduled date of Ordinary General Meeting of Shareholders: March 25, 2025
 Scheduled date to commence dividend payments: –
 Scheduled date to file the securities report: March 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year 2024 ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	95,185	0.5	(962)	–	(3,327)	–	(3,235)	–
December 31, 2023	94,750	(19.3)	(2,699)	–	(3,684)	–	(7,035)	–

Note: Comprehensive income Fiscal year ended December 31, 2024: (108) million yen [–%]
 Fiscal year ended December 31, 2023: (4,631) million yen [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	yen	yen	%	%	%
December 31, 2024	(109.00)	–	(10.3)	(2.4)	(1.0)
December 31, 2023	(238.54)	–	(20.6)	(2.6)	(2.8)

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended December 31, 2024 (139) million yen
 Fiscal year ended December 31, 2023 191 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	yen
December 31, 2024	142,219	32,234	21.9	1,049.72
December 31, 2023	139,304	32,370	22.7	1,069.34

Reference: Equity As of December 31, 2024 31,214 million yen
As of December 31, 2023 31,597 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	million yen	million yen	million yen	million yen
December 31, 2024	9,371	(2)	(4,147)	13,146
December 31, 2023	2,254	(2,751)	2,456	7,168

2. Dividends

	Annual dividends					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended December 31, 2023	—	0.00	—	15.00	15.00	443	—	1.3
Fiscal year ended December 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2025 (forecast)	—	0.00	—	10.00	10.00		29.7	

**3. Consolidated earnings forecasts for the fiscal year 2025 ending December 31, 2025
(January 1, 2025 to December 31, 2025)**

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal year ending December 31, 2025	105,000	10.8	2,000	—	1,000	—	1,000	—	33.7

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

New: one company (JUKI (THAILAND) CO., LTD.),

Excluded: four companies (JUKI AMERICAS HOLDING INC., JUKI AUTOMATION SYSTEMS, INC., TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD., JUKI Household Product Customer Center Corporation)

- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None

- (3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	29,874,179 shares
As of December 31, 2023	29,874,179 shares

- b. Number of treasury shares at the end of the period

As of December 31, 2024	138,456 shares
As of December 31, 2023	325,926 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended December 31, 2024	29,678,929 shares
Fiscal year ended December 31, 2023	29,493,844 shares

Reference: Summary of non-consolidated performance

**Non-consolidated performance for the fiscal year 2024 ended December 31, 2024
(January 1, 2024 to December 31, 2024)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	37,732	4.8	(4,603)	—	(2,033)	—	(2,510)	—
December 31, 2023	35,991	(41.5)	(5,076)	—	(3,734)	—	(5,393)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	yen	yen
December 31, 2024	(84.58)	—
December 31, 2023	(182.87)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	yen
December 31, 2024	105,269	20,519	19.5	690.05
December 31, 2023	100,887	23,451	23.2	793.68

Reference: Equity As of December 31, 2024 20,519 million yen
As of December 31, 2023 23,451 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Disclaimer regarding forward-looking statements

Forward-looking statements concerning future plans and strategies contained in this report are based on information currently available to JUKI and on certain assumptions deemed to be reasonable. Actual business results and other results may differ materially from the forward-looking statements due to various factors. Significant factors that may have an impact on actual results include, but not limited to, the economic environment surrounding JUKI's business, political situations in key markets, and foreign exchange rate fluctuations.

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1. Overview of operating results, etc.

(1) Overview of operating results

a. Operating results of the current fiscal year

During the fiscal year ended December 31, 2024, the global economic outlook remained uncertain due to such factors as geopolitical risks including the prolonged conflict between Russia and Ukraine and conflict in the Middle East, soaring costs resulting mainly from high resource prices and global inflation, the delayed recovery of the Chinese economy and curtailment of investment activities, and foreign currency shortages in emerging countries. On the other hand, there is a need to accelerate technological revolution in the form of AI/IoT/5G/VR, etc., and to build a new business model/management base in response to changes in markets and customers.

In regard to the business environment surrounding the Company, while capital investment demand expanded mainly in Asia (including and led by India and further west) and China, capital investment continued to be postponed due to a delay in the recovery of demand in Europe and the U.S. and foreign currency shortages in emerging countries.

Under this business environment in the fiscal year ended December 31, 2024, sales of sewing machinery increased 7% on an annual basis. The growth has been especially prominent since the middle of the year, due to strong demand growth in Asia and China, as well as strong sales in the markets of India and further west. On the other hand, sales of electronics assembly & systems were sluggish, especially in China. As a result, net sales were 95,185 million yen (up 0.5% year-on-year), almost unchanged from the previous year.

In terms of profits, production adjustments and inventory reduction costs were incurred to reduce inventory from the middle of the second quarter, but the effects of measures such as those to smooth out sales began to permeate from the middle of the year, and the effects of yen depreciation also contributed to reporting profits in a stand-alone quarter for the first time in nine quarters, with operating profit of 907 million yen in the fourth quarter (versus an operating profit of 171 million yen in the same period of the previous fiscal year), ordinary profit of 1,117 million yen (versus an ordinary loss of 567 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 1,315 million yen (versus a loss attributable to owners of parent of 2,972 million yen in the same period of the previous fiscal year).

For the current fiscal year, operating loss was 962 million yen (versus an operating loss of 2,699 million yen in the same period of the previous fiscal year) and ordinary loss was 3,327 million yen (versus an ordinary loss of 3,684 million yen in the same period of the previous fiscal year).

In order to build a streamlined and highly efficient business structure for the future, we implemented such initiatives as closing our factory and selling real estate assets in China, integrating sales companies in China, the U.S., and Thailand, and selling strategic equity holdings, which resulted in extraordinary income of 2,324 million yen, including a gain on sale of non-current assets, and extraordinary losses of 1,007 million yen, consisting of business restructuring expenses and other items. This led to a loss attributable to owners of parent of 3,235 million yen for the current fiscal year, versus a loss attributable to owners of parent of 7,035 million yen in the same period of the previous fiscal year.

(million yen)	FY2023 Q1 – Q3	FY2024 Q1 – Q3	FY2023 Q4	FY2024 Q4	2023 Annual	2024 Annual
Net sales	67,546	67,435	27,204	27,750	94,750	95,185
Gross profit	17,428	18,260	6,332	7,463	23,760	25,723
[Gross profit margin]	[25.8%]	[27.1%]	[23.3%]	[26.9%]	[25.1%]	[27.0%]
Operating profit	(2,870)	(1,869)	171	907	(2,699)	(962)
[Operating profit margin]	[–]	[–]	[0.6%]	[3.3%]	[–]	[–]
Ordinary profit	(3,117)	(4,444)	(567)	1,117	(3,684)	(3,327)
[Ordinary profit margin]	[–]	[–]	[–]	[4.0%]	[–]	[–]
Profit before tax	(3,344)	(3,647)	(1,232)	1,637	(4,576)	(2,010)
Profit	(4,062)	(4,550)	(2,972)	1,315	(7,035)	(3,235)
[Net profit margin]	[–]	[–]	[–]	[4.7%]	[–]	[–]
Average US\$ exchange rate during the period (yen)	139	151	147	151	141	151
Average EUR exchange rate during the period (yen)	150	164	159	163	152	164

b. Overview of each business segment

i) Sewing Machinery and Systems Business

In regard to industrial sewing machines, demand was robust in Asia (including Vietnam) and China, especially prominent since the middle of the year, and sales were also strong in the growth market of India. As a result, overall net sales for the Sewing Machinery and Systems Business were 62,496 million yen (up 7.4% year on year).

In terms of profits, profitability improved significantly in the fourth quarter mainly due to the improvement of gross profit margins for industrial sewing machines over the course of several periods, the effects of selling cost reductions through measures including those to smooth out sales, and yen depreciation. However, the reduction in loss was limited to less than 900 million yen due to segment loss (ordinary loss) of 2,439 million yen (compared with a loss of 3,300 million yen in the same period of the previous fiscal year).

ii) Industrial Equipment and Systems Business

Sales of electronics assembly & systems decreased year on year due to sluggish sales, especially in China. Sales of Group Businesses such as contract manufacturing, mainly in Japan, also remained sluggish compared to the same period of the previous fiscal year. As a result, net sales for the Industrial Equipment and Systems Business as a whole were 32,385 million yen (down 10.6% year on year).

In terms of profit, segment profit (ordinary profit) was 757 million yen (up 92.9% year on year), due in part to growth in high-margin IoT-related sales, yen depreciation, and cost structural reforms.

c. Forecasts for the next fiscal year

We have formulated and announced our Medium-Term Management Plan that ends in fiscal 2029. The key objective of this plan is to reconstruct the management base in a way that addresses changes in the business environment in our core businesses while responding to sustainability issues.

The next fiscal year will be the first year of a strategic shift in the two major businesses of sewing and industrial equipment.

Sewing demand is expected to remain strong, thanks to increased demand in the Asian and Chinese markets since the middle of last year, as well as continued strong demand in India and further west and, in addition, a recovering U.S. market.

We believe that the worst period is ending for industrial equipment, as the Chinese market, our core market, is showing signs of bottoming out and the U.S. market is strong.

Taking into account the aforementioned prognosis, the forecasts of business results on consolidation basis for the next fiscal year are as follows.

The foreign exchange rate is assumed to be 145 yen to 1 U.S. dollar.

Consolidated earnings forecasts for the fiscal year ending December 31, 2025

Million yen	
Item	Fiscal year ending December 31, 2025
Net sales	105,000
Operating profit	2,000
Ordinary profit	1,000
Profit attributable to owners of parent	1,000

(2) Overview of financial position

(Analysis of assets, liabilities, net assets and cash flows)

In the fiscal year ended December 31, 2024, with the aim of further increasing the stability of our financial foundation, we worked to boost the amount of cash at hand through financing, etc., while reducing the accounts receivable turnover period and inventory turnover period.

As a result, total assets as of December 31, 2024 were 142,219 million yen, an increase of 2,915 million yen compared to the previous fiscal year-end. This was due mainly to an increase in cash and deposits, while accounts receivable - trade decreased. Total liabilities were 109,985 million yen, an increase of 3,051 million yen compared to the previous fiscal year-end. This primarily reflected an increase in accounts payable - trade. Net assets decreased 136 million yen from the previous fiscal year-end to 32,234 million yen, due mainly to a decrease in retained earnings resulting from net loss and dividend payments, despite an increase in foreign currency translation adjustment.

Net cash provided by operating activities totaled 9,371 million yen (2,254 million yen provided in the previous fiscal year), an increase of more than 7,000 million yen year on year, mainly due to a reduction (decrease) in trade receivables.

Net cash used in investing activities was 2 million yen (2,751 million yen used in the previous fiscal year), mainly due to purchase of property, plant and equipment, despite proceeds from sale of property, plant and equipment (including 1,500 million yen from sale of China factory real estate) and proceeds from sale of investment securities of 800 million yen.

Net cash used in financing activities was 4,147 million yen (2,456 million yen provided in the previous fiscal year), mainly due to repayments of borrowings.

As a result, cash and cash equivalents were 13,146 million yen, an increase of 5,977 million yen compared to the previous fiscal year-end.

(Reference) Transition of cash flow indicators

	FY2020 ended December 31, 2020	FY2021 ended December 31, 2021	FY2022 ended December 31, 2022	FY2023 ended December 31, 2023	FY2024 ended December 31, 2024
Equity ratio (%)	28.2	27.3	25.3	22.7	21.9
Market value-based equity ratio (%)	14.0	19.2	12.5	9.8	7.8
Ratio of interest-bearing debt to cash flows (years)	6.8	—	—	37.3	8.8
Interest-coverage ratio (times)	10.2	—	—	1.5	5.6

(Notes) Equity ratio: Equity divided by total assets

Market value-based equity ratio: Aggregate market value of shares divided by total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt divided by cash flows

Interest-coverage ratio: Cash flows divided by interest payment

*1. All of the above indicators are calculated based on consolidated financial figures.

- *2. Aggregate market value of shares is calculated based on number of issued shares excluding treasury shares.
- *3. Operating cash flow is used for cash flows.
- *4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet for which interest is being paid.

(3) Fundamental corporate policy for distributing profits, and dividends for the current fiscal year and next fiscal year

We base our distribution of profit on the principle of equal distribution of profits to employees, companies, and shareholders and investors, and we will strive to improve the return of profit to our shareholders based on the stable payment of dividends while ensuring we balance this with consideration of the results of the current fiscal year; the return of profits to employees through bonuses and salaries; and the provision of an internal reserve for capital investment, development investment, and information systems investment.

In light of the challenging business performance, we regret to inform you that we will not be paying a year-end dividend for the current fiscal year. Concerning dividend payment for the next fiscal year, the Company is forecasting a year-end dividend of 10.00 yen per share based on the earnings forecast at this time.

2. Basic concept regarding selection of accounting standards

The Group has prepared the consolidated financial statements in accordance with Japanese GAAP, in order to facilitate comparison with previous year's financial statements of the Group, and/or those of other companies.

The Company will examine the application of international financial reporting standards (IFRSs) in the future, giving consideration to the status of application of the system within Japan.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	7,199	13,170
Notes and accounts receivable - trade, and contract assets	36,169	31,562
Merchandise and finished goods	40,456	40,925
Work in process	4,085	4,452
Raw materials and supplies	12,382	12,920
Other	2,984	3,006
Allowance for doubtful accounts	(498)	(651)
Total current assets	102,779	105,384
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,136	9,726
Machinery, equipment, and vehicles, net	3,354	3,035
Tools, furniture, and fixtures, net	1,237	807
Land	6,317	6,316
Leased assets, net	498	1,085
Construction in progress	85	264
Other	875	1,360
Total property, plant and equipment	22,505	22,596
Intangible assets		
Software	991	2,965
Software in progress	1,160	149
Other	955	907
Total Intangible assets	3,107	4,023
Investments and other assets		
Investment securities	6,340	5,853
Long-term loans receivable	46	25
Long-term prepaid expenses	49	44
Deferred tax assets	1,694	1,354
Retirement benefit asset	1,535	1,851
Other	1,743	1,607
Allowance for doubtful accounts	(499)	(521)
Total investments and other assets	10,911	10,215
Total non-current assets	36,524	36,835
Total assets	139,304	142,219

(million yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,075	9,401
Electronically recorded obligations - operating	2,735	2,770
Short-term borrowings	63,321	64,611
Lease liabilities	105	215
Accounts payable - other	1,463	1,084
Accrued expenses	3,545	3,886
Income taxes payable	481	365
Contract liabilities	791	2,265
Provision for bonuses	8	7
Notes payable - facilities	77	56
Forward exchange contracts	598	374
Other	1,651	1,311
Total current liabilities	80,854	86,352
Non-current liabilities		
Long-term borrowings	19,123	15,858
Lease liabilities	406	890
Provision for retirement benefits for directors (and other officers)	47	49
Retirement benefit liability	5,034	4,868
Other	1,466	1,965
Total non-current liabilities	26,079	23,632
Total liabilities	106,933	109,985
Net assets		
Shareholders' equity		
Share capital	18,044	18,044
Capital surplus	1,894	1,798
Retained earnings	8,193	4,549
Treasury shares	(341)	(143)
Total shareholders' equity	27,791	24,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	627	546
Foreign currency translation adjustment	3,066	6,084
Remeasurements of defined benefit plans	112	334
Total accumulated other comprehensive income	3,805	6,965
Non-controlling interests	773	1,020
Total net assets	32,370	32,234
Total liabilities and net assets	139,304	142,219

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	94,750	95,185
Cost of sales	70,990	69,461
Gross profit	23,760	25,723
Selling, general, and administrative expenses	26,459	26,686
Operating loss	(2,699)	(962)
Non-operating income		
Interest income	63	120
Dividend income	133	124
Commission income	134	92
Reversal of allowance for doubtful accounts	5	20
Share of profit of entities accounted for using equity method	191	—
Subsidy income	125	102
Income from recycling	143	121
Other	261	357
Total non-operating income	1,059	939
Non-operating expenses		
Interest expenses	1,481	1,661
Foreign exchange losses	443	1,365
Share of loss of entities accounted for using equity method	—	139
Other	119	138
Total non-operating expenses	2,044	3,304
Ordinary loss	(3,684)	(3,327)
Extraordinary income		
Gain on sale of non-current assets	16	1,610
Gain on sale of investment securities	73	522
Gain on change in equity	—	188
Other	—	2
Total extraordinary income	90	2,324
Extraordinary losses		
Loss on sale and retirement of non-current assets	40	118
Loss on sale of investment securities	—	1
Loss on valuation of investment securities	183	—
Business restructuring expenses	386	868
Impairment losses	369	—
Loss on disaster	2	19
Total extraordinary losses	982	1,007
Loss before income taxes	(4,576)	(2,010)
Income taxes - current	774	728
Income taxes - deferred	1,655	530
Total income taxes	2,430	1,259
Profit (loss)	(7,006)	(3,269)
Profit (loss) attributable to non-controlling interests	28	(34)
Loss attributable to owners of parent	(7,035)	(3,235)

Consolidated statement of comprehensive income

(million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Loss	(7,006)	(3,269)
Other comprehensive income		
Valuation difference on available-for-sale securities	145	(80)
Foreign currency translation adjustment	1,864	2,926
Remeasurements of defined benefit plans, net of tax	210	193
Share of other comprehensive income of entities accounted for using equity method	155	122
Total other comprehensive income	2,374	3,161
Comprehensive income	(4,631)	(108)
(Breakdown)		
Comprehensive income attributable to owners of parent	(4,662)	(74)
Comprehensive income attributable to non-controlling interests	30	(33)

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2023

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,044	1,972	15,816	(527)	35,306
Changes during period					
Dividends of surplus			(587)		(587)
Loss attributable to owners of parent			(7,035)		(7,035)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(78)		186	108
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(78)	(7,622)	185	(7,515)
Balance at end of period	18,044	1,894	8,193	(341)	27,791

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	482	1,048	(99)	1,431	743	37,482
Changes during period						
Dividends of surplus						(587)
Loss attributable to owners of parent						(7,035)
Purchase of treasury shares						(0)
Disposal of treasury shares						108
Change in scope of consolidation						—
Net changes in items other than shareholders' equity	145	2,017	211	2,373	30	2,403
Total changes during period	145	2,017	211	2,373	30	(5,111)
Balance at end of period	627	3,066	112	3,805	773	32,370

Fiscal year ended December 31, 2024

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,044	1,894	8,193	(341)	27,791
Changes during period					
Dividends of surplus			(443)		(443)
Loss attributable to owners of parent			(3,235)		(3,235)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(96)		198	102
Change in scope of consolidation			33		33
Net changes in items other than shareholders' equity					
Total changes during period	—	(96)	(3,644)	198	(3,543)
Balance at end of period	18,044	1,798	4,549	(143)	24,248

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	627	3,066	112	3,805	773	32,370
Changes during period						
Dividends of surplus						(443)
Loss attributable to owners of parent						(3,235)
Purchase of treasury shares						(0)
Disposal of treasury shares						102
Change in scope of consolidation						33
Net changes in items other than shareholders' equity	(81)	3,018	222	3,160	246	3,407
Total changes during period	(81)	3,018	222	3,160	246	(136)
Balance at end of period	546	6,084	334	6,965	1,020	32,234

(4) Consolidated statement of cash flows

(million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Loss before income taxes	(4,576)	(2,010)
Depreciation	3,114	3,332
Impairment losses	369	—
Business restructuring expenses	386	868
Amortization of goodwill	14	14
Increase (decrease) in allowance for doubtful accounts	278	122
Increase (decrease) in provision for bonuses	(32)	(1)
Increase (decrease) in retirement benefit liability	(48)	(126)
Decrease (increase) in retirement benefit asset	(107)	(76)
Interest and dividend income	(197)	(245)
Interest expenses	1,481	1,661
Foreign exchange losses (gains)	(98)	(221)
Share of loss (profit) of entities accounted for using equity method	(191)	139
Loss (gain) on change in equity	—	(188)
Loss (gain) on sale of investment securities	(73)	(521)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	23	(1,491)
Decrease (increase) in trade receivables	3,610	6,991
Decrease (increase) in inventories	8,917	2,492
Increase (decrease) in trade payables	(4,728)	2,876
Increase (decrease) in notes discounted	—	455
Other	(3,416)	(1,926)
Subtotal	4,725	12,144
Interest and dividends received	358	426
Interest paid	(1,479)	(1,660)
Income taxes refund (paid)	(963)	(792)
Payments for business restructuring expenses	(386)	(746)
Net cash provided by (used in) operating activities	2,254	9,371
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,579)	(2,741)
Proceeds from sale of property, plant and equipment and intangible assets	73	1,848
Purchase of investment securities	(572)	(0)
Proceeds from sale of investment securities	307	840
Proceeds from collection of loans receivable	0	30
Other	19	20
Net cash provided by (used in) investing activities	(2,751)	(2)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,074	2,622
Proceeds from long-term borrowings	11,673	4,640
Repayments of long-term borrowings	(11,136)	(10,838)
Purchase of treasury shares	(0)	(0)
Dividends paid	(585)	(442)
Other	(569)	(128)
Net cash provided by (used in) financing activities	2,456	(4,147)
Effect of exchange rate change on cash and cash equivalents	297	671
Net increase (decrease) in cash and cash equivalents	2,257	5,894
Cash and cash equivalents at beginning of period	4,910	7,168
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	83
Cash and cash equivalents at end of period	7,168	13,146

(5) Notes to consolidated financial statements
(Notes to premise of going concern)

No items to report.

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments of the Company are components of the Company that have separate financial information available and are periodically examined to enable the Board of Directors, etc. to make decisions on the allocation of management resources and evaluate the results of business performance.

2. Calculation method for the amounts of net sales, profit/loss, assets, liabilities and other items by reportable segment

The accounting method for reportable business segments is largely the same as the method for preparing consolidated financial statements. For profit of reportable segments, the ordinary profit base figure is used. Inter-segment sales and transfer amounts are decided in consideration of the market price and other factors.

3. Information regarding the amounts of net sales, profit/loss, assets, liabilities and other items by reportable segment

Fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts reported in the consolidated financial statements (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	58,204	36,231	94,435	314	94,750	–	94,750
Inter-segment sales or transfers	818	84	903	499	1,402	(1,402)	–
Total	59,023	36,315	95,339	814	96,153	(1,402)	94,750
Segment profit (loss)	(3,300)	392	(2,907)	82	(2,825)	(858)	(3,684)
Segment assets	76,824	54,031	130,855	3,037	133,892	5,411	139,304
Other items							
Depreciation (Note 4)	1,446	1,106	2,553	19	2,572	541	3,114
Amortization of goodwill	14	–	14	–	14	–	14
Unamortized balance of goodwill	77	–	77	–	77	–	77
Interest income	58	5	63	137	200	(136)	63
Interest expenses	1,138	428	1,566	–	1,566	(84)	1,481
Share of profit of entities accounted for using equity method	–	191	191	–	191	–	191
Investments in entities accounted for using equity method	–	3,562	3,562	–	3,562	–	3,562
Increase in property, plant and equipment and intangible assets (Note 4)	1,014	735	1,749	12	1,762	1,242	3,005

(Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.

2. Adjustments are as follows:

- (1) Included in the 858 million yen deducted from segment profit (loss) as adjustment are a deduction of 58 million yen in inter-segment eliminations and a deduction of 799 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses (gains) that have not been attributed to any reportable segment.
- (2) The adjustment of 5,411 million yen for segment assets includes 10,738 million yen of corporate assets that cannot be allocated to any reportable segment, a deduction of 1,832 million yen in eliminations of inter-segment receivables, and a deduction of 3,408 million yen in eliminations of receivables owed to the administrative functions of the Company. The corporate assets primarily consist of the Company’s surplus funds (cash and deposits), long-term investment funds (investment securities) and assets and others related to the administrative functions that have not been attributed to any reportable segment.
- (3) The adjustment of 541 million yen for depreciation is mainly an adjustment for depreciation related to the administrative functions of the Company that has not been attributed to any reportable segment.
- (4) The adjustment of 1,242 million yen for increase in property, plant and equipment and intangible assets is mainly capital investments of the Company that have not been attributed to any reportable segment.

3. Segment profit (loss) is adjusted with ordinary profit in the consolidated statement of income.

4. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amounts reported in the consolidated financial statements (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	62,496	32,385	94,881	304	95,185	–	95,185
Inter-segment sales or transfers	1,079	56	1,136	483	1,620	(1,620)	–
Total	63,575	32,441	96,017	787	96,805	(1,620)	95,185
Segment profit (loss)	(2,439)	757	(1,681)	(2)	(1,684)	(1,643)	(3,327)
Segment assets	81,654	47,003	128,657	525	129,182	13,037	142,219
Other items							
Depreciation (Note 4)	1,455	1,110	2,566	14	2,581	751	3,332
Amortization of goodwill	14	–	14	–	14	–	14
Unamortized balance of goodwill	63	–	63	–	63	–	63
Interest income	90	34	125	42	167	(47)	120
Interest expenses	1,276	409	1,685	0	1,685	(24)	1,661
Share of loss of entities accounted for using equity method	–	139	139	–	139	–	139
Investments in entities accounted for using equity method	–	3,562	3,562	–	3,562	–	3,562
Increase in property, plant and equipment and intangible assets (Note 4)	1,344	1,071	2,415	3	2,419	1,508	3,928

- (Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.
2. Adjustments are as follows:
- (1) Included in the 1,643 million yen deducted from segment profit (loss) as adjustment are an increase of 64 million yen in inter-segment eliminations and a deduction of 1,707 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses (gains) that have not been attributed to any reportable segment.
 - (2) The adjustment of 13,037 million yen for segment assets includes 18,021 million yen of corporate assets that cannot be allocated to any reportable segment, a deduction of 173 million yen in eliminations of inter-segment receivables, and a deduction of 3,266 million yen in eliminations of receivables owed to the administrative functions of the Company. The corporate assets primarily consist of the Company’s surplus funds (cash and deposits), long-term investment funds (investment securities) and assets and others related to the administrative functions that have not been attributed to any reportable segment.
 - (3) The adjustment of 751 million yen for depreciation is mainly an adjustment for depreciation related to the administrative functions of the Company that has not been attributed to any reportable segment.
 - (4) The adjustment of 1,508 million yen for increase in property, plant and equipment and intangible assets is mainly capital investments of the Company that have not been attributed to any reportable segment.
3. Segment profit (loss) is adjusted with ordinary profit in the consolidated statement of income.
4. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

[Related information]

Fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

1. Information by product and service

Information by product and service is omitted because similar information is disclosed in the Segment information.

2. Information by region

(1) Net sales

								(million yen)
Japan	Asia	China	Americas	U.S.A.	India	Europe	Others	Total
17,901	18,630	19,964	2,796	13,450	7,387	13,304	1,315	94,750

(Note) Net sales are categorized into countries or regions based on the location of customers.

(2) Property, plant and equipment

(million yen)			
Japan	China	Others	Total
18,522	1,836	2,146	22,505

3. Information on major customers

Information on major customers is omitted because no external customer accounts for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

1. Information by product and service

Information by product and service is omitted because similar information is disclosed in the Segment information.

2. Information by region

(1) Net sales

(million yen)								
Japan	Asia	China	Americas	U.S.A.	India	Europe	Others	Total
16,623	21,411	19,240	3,153	12,875	9,978	10,234	1,667	95,185

(Note) Net sales are categorized into countries or regions based on the location of customers.

(Changes in presentation)

India, which was included in "Asia" in the previous fiscal year, is presented as a separate item from the current fiscal year because it exceeded 10% of net sales in the consolidated statement of income. Accordingly, the presentation of the previous fiscal year has been reclassified.

(2) Property, plant and equipment

(million yen)			
Japan	China	Others	Total
18,337	1,475	2,784	22,596

3. Information on major customers

Information on major customers is omitted because no external customer accounts for 10% or more of net sales in the consolidated statement of income.

[Information regarding impairment loss of non-current assets by reportable segment]

Fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(million yen)

	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Other Businesses	Corporate and elimination	Total
Impairment losses	369	—	—	—	369

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

No items to report.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

Information on amortization and unamortized balance of goodwill by reportable segment is omitted because similar information is disclosed in the Segment information.

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

Information on amortization and unamortized balance of goodwill by reportable segment is omitted because similar information is disclosed in the Segment information.

[Information on gain on bargain purchase by reportable segment]

No items to report.

(Per share information)

	Fiscal year ended December 31, 2023 January 1, 2023 to December 31, 2023	Fiscal year ended December 31, 2024 January 1, 2024 to December 31, 2024
Net assets per share	1,069.34 yen	1,049.72 yen
Net loss per share	(238.54) yen	(109.00) yen

(Notes) 1. Diluted earnings per share is not presented since no potential shares exist.

2. The basis of the calculation of basic earnings (loss) per share is as follows.

	Fiscal year ended December 31, 2023 January 1, 2023 to December 31, 2023	Fiscal year ended December 31, 2024 January 1, 2024 to December 31, 2024
Loss attributable to owners of parent	(7,035) million yen	(3,235) million yen
Amount not attributable to outstanding common shares	—	—
Loss attributable to owners of parent related to outstanding common shares	(7,035) million yen	(3,235) million yen
Average number of outstanding common shares during the period	29,493,844 shares	29,678,929 shares

3. The basis of the calculation of net assets per share is as follows.

	As of December 31, 2023	As of December 31, 2024
Total net assets	32,370 million yen	32,234 million yen
Deduction	773 million yen	1,020 million yen
(Non-controlling interests)	773 million yen	1,020 million yen
Net assets at the end of period, related to common shares	31,597 million yen	31,214 million yen
Number of common shares used for the calculation of net assets per share	29,548,253 shares	29,735,723 shares

(Material subsequent events)

(Change of reportable segment)

In response to changing customer needs in the sewing machinery business, especially the growing need for automation, the Company has decided to change the classification of the Systems & Automation Division, which was previously included in the “Industrial Equipment and Systems Business” segment into the “Sewing Machinery and Systems Business” segment starting from the fiscal year ending December 31, 2025, in order to strengthen the structure of the sewing machinery business.