

(Reference Translation)



February 12, 2020

**Summary of Financial Information and Business Results
for the Fiscal Year 2019 Ended December 31, 2019
on a Consolidated Basis
<under Japanese GAAP>**

Company name: **JUKI Corporation**
Listing: First Section of the Tokyo Stock Exchange
Securities code: 6440
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Scheduled date of Ordinary General Meeting of Shareholders: March 26, 2020
Scheduled date to commence dividend payments: March 27, 2020
Scheduled date to file the securities report: March 27, 2020
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

**1. Consolidated performance for the fiscal year 2019 ended December 31, 2019
(January 1, 2019 to December 31, 2019)**

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2019	99,169	(11.5)	3,838	(58.0)	2,941	(64.9)	1,763	(73.4)
December 31, 2018	112,064	8.1	9,148	12.1	8,385	7.0	6,640	17.7

Note: Comprehensive income Fiscal year ended December 31, 2019 1,403 million yen [(71.6) %]
Fiscal year ended December 31, 2018 4,945 million yen [(22.4) %]

Fiscal year ended	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
	yen	yen	%	%	%
December 31, 2019	60.20	–	4.8	2.5	3.9
December 31, 2018	226.68	–	19.2	7.3	8.2

Reference: Equity in earnings (losses) of affiliates Fiscal year ended December 31, 2019: – million yen
Fiscal year ended December 31, 2018: – 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, 2019	114,715	37,752	32.3	1,264.28
December 31, 2018	119,121	37,241	30.7	1,246.93

Reference: Equity As of December 31, 2019: 37,037 million yen

As of December 31, 2018: 36,529 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, 2019	3,054	(3,430)	(810)	5,976
December 31, 2018	2,682	(2,390)	967	7,301

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			
Fiscal year ended December 31, 2018	yen	yen	yen	yen	yen	million yen	%	%
	–	0.00	–	30.00	30.00	878	13.2	2.5
Fiscal year ended December 31, 2019	–	0.00	–	25.00	25.00	732	41.5	2.0
Fiscal year ending December 31, 2020 (Forecast)	–	0.00	–	25.00	25.00		31.8	

3. Consolidated earnings forecasts for the fiscal year 2020 ending December 31, 2020 (January 1, 2020 to December 31, 2020)

(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, 2020	106,000	6.9	4,100	6.8	3,300	12.2	2,300	30.4	78.51

* The consolidated earnings forecasts for the six months ending June 30, 2020 have not been calculated. The consolidated earnings forecasts for the fiscal year ending December 31, 2020 are calculated on the assumption that the foreign exchange rate is 105 yen to 1 U.S. dollar.

*** Notes**

- (1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (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: Yes
 - 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, 2019	29,874,179 shares
As of December 31, 2018	29,874,179 shares

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

As of December 31, 2019	578,789 shares
As of December 31, 2018	578,403 shares

- c. Average number of shares during the period

Fiscal year ended December 31, 2019	29,295,610 shares
Fiscal year ended December 31, 2018	29,296,103 shares

Reference: Summary of non-consolidated performance

**Non-consolidated performance for the fiscal year 2019 ended December 31, 2019
(January 1, 2019 to December 31, 2019)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2019	50,988	(14.6)	(291)	–	1,430	(63.7)	1,202	(67.1)
December 31, 2018	59,696	20.6	2,477	114.0	3,941	41.1	3,657	69.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
December 31, 2019	41.05	–
December 31, 2018	124.84	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
December 31, 2019	89,045	31,670	35.6	1,081.06
December 31, 2018	94,571	31,337	33.1	1,069.69

Reference: Equity As of December 31, 2019: 31,670 million yen
As of December 31, 2018: 31,337 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.

[Attached Material]

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1. Analysis of operating results and financial position

(1) Analysis of operating results

a. Operating results of the current fiscal year

In the fiscal year ended December 31, 2019, the business environment showed increasing global economic instability due to an economic slowdown in China, the prolongation of trade friction between the U.S. and China, and the withdrawal of Britain from the EU. Meanwhile, trends in technological innovation in such fields as AI, IoT and 5G, are increasingly accelerating, and customers face a growing need to strategically invest in digitization, the application of systemization, and smart companies and factories.

Based on a recognition of this environment, during the fiscal year ended December 31, 2019, the Company worked to realize the vision of the current Medium-Term Management Plan to become an “enterprise that consistently provides customer-preferred, high-quality products and services” and convert from a “*Monodzukuri* (manufacturing)” enterprise to one based on “*Kotodzukuri* (value creation).” Specifically, the Company promoted solution sales activities, offering products and services that match customers’ needs for labor saving and proposing smart factories to boost factory-wide production efficiency. At the same time, it worked to build a stable customer base for the future by developing a middle market centered on the Asian market and undertaking the creation of business categories, such as the Group Businesses, in anticipation of the future of such categories. Under these circumstances, in the current fiscal year there was a pronounced fall in sales mainly in China and Europe, especially due to the slowdown in customer demand of capital investment in the second half of the fiscal year caused in turn by trade friction between the U.S. and China, resulting in total net sales of 99,169 million yen (down by 11.5% from the same period of the previous fiscal year).

In terms of profits, we worked to reduce costs to improve profitability, but the impact of the decline in sales and lower capacity utilization rates at factories, in addition to an increase in expenses for promoting solution sales activities, resulted in operating profit of 3,838 million yen (down by 58.0% from the previous fiscal year). Ordinary profit stood at 2,941 million yen (down by 64.9% from the previous fiscal year), and profit attributable to owners of parent stood at 1,763 million yen (down by 73.4% from the previous fiscal year).

b. Overview of each business segment

i) Sewing Machinery and Systems Business

By market, sales in the Asian non-apparel sector were steady, but declined in mainly China and Europe, resulting in net sales for the Sewing Machinery and Systems Business Segment as a whole of 64,260 million yen (down by 12.7% from the previous fiscal year). In terms of profits, segment profit (ordinary profit) stood at 2,680 million yen (down by 48.3% from the previous fiscal year) due to the impact of lower sales and lower capacity utilization rates.

ii) Industrial Equipment and Systems Business

With respect to Electronic Assembly Systems Businesses, sales in the U.S. were steady, with an increase in sales of automated warehousing, inspection equipment and other labor-saving devices tied to smart factory proposals. However, sales mainly in China declined, so that net sales of the Industrial Equipment and Systems Business Segment as a whole stood at 34,671 million yen (down by 9.2% from the previous fiscal year). With respect to profits, due to the impact of the decline in sales, lower capacity utilization rates at factories and the increase in expenses for promoting solution sales activities, as well as other factors, segment profit (ordinary profit) amounted to 1,853 million yen (down by 55.4% from the previous fiscal year).

c. Forecasts for the next fiscal year

Although uncertainty in the outlook of the global economy has not been dispelled due to the economic slowdown resulting from the U.S. and China trade friction, geopolitical risks, etc., the need for labor-saving solutions and the like from our customers continues to be vigorous amid the

labor shortage and increases in labor costs.

Taking into account the aforementioned prognosis, the forecasts of business results on consolidation basis for the next fiscal year are as follows, assuming that the foreign exchange rate is 105 yen to 1 U.S. dollar.

Consolidated earnings forecasts for the fiscal year ending December 31, 2020
(million yen)

Item	Fiscal year ending December 31, 2020
Net sales	106,000
Operating profit	4,100
Ordinary profit	3,300
Profit attributable to owners of parent	2,300

(2) Analysis of financial position

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

Total assets as of December 31, 2019 were 114,715 million yen, a decrease of 4,405 million yen compared to the previous fiscal year-end. This was mainly due to decreases in notes and accounts receivable - trade and inventories, despite an increase in property, plant and equipment in accordance with the changes to lease accounting. Liabilities were 76,963 million yen, a decrease of 4,916 million yen compared to the previous fiscal year-end. This mainly reflected a decrease in notes and accounts payable - trade. Net assets were 37,752 million yen, an increase of 510 million yen compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings. Consequently, the equity ratio was 32.3%, an increase of 1.6 percentage points over that of the previous fiscal year-end. Net cash provided by operating activities was 3,054 million yen (2,682 million yen provided in the same period of the previous fiscal year). This mainly reflected the recording of profit before income taxes and a decrease in notes and accounts receivable - trade.

Net cash used in investing activities was 3,430 million yen (2,390 million yen used in the same period of the previous fiscal year). This was mainly the result of purchase of property, plant and equipment and purchase of investment securities.

Net cash used in investing activities was 810 million yen (967 million yen provided in the previous fiscal year), mainly due to cash dividends paid.

As a result, cash and cash equivalents were 5,976 million yen, a decrease of 1,324 million yen compared to the previous fiscal year-end.

(Reference) Transition of cash flow indicators

	FY2015 ended December 31, 2015	FY2016 ended December 31, 2016	FY2017 ended December 31, 2017	FY2018 ended December 31, 2018	FY2019 ended December 31, 2019
Equity ratio	23.2	24.2	29.6	30.7	32.3
Market value-based equity ratio (%)	27.2	27.8	49.3	27.4	22.5
Ratio of interest-bearing debt to cash flows (years)	7.5	6.1	4.8	19.5	17.6
Interest-coverage ratio (times)	6.8	8.7	11.1	3.3	3.8

(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 sheets for which interest is being paid.

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

For distribution of profit, we maintain the basic policy of striving to improve the return of profit to our shareholders based on the stable payment of dividends in comprehensive consideration of factors such as the results of the current fiscal year and the internal reserve provided for capital expenditures and proactive development investment in order to build a stable business base for the future.

Based on this policy, the Company plans to pay year-end dividends for the current fiscal year of 25.00 yen per share. Concerning dividend payment for the next fiscal year, the Company is forecasting a year-end dividend of 25.00 yen per share based on the earnings forecasts 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, 2018	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	7,324	5,987
Notes and accounts receivable - trade	33,465	30,461
Merchandise and finished goods	28,885	29,299
Work in process	4,796	3,798
Raw materials and supplies	9,835	8,363
Other	2,825	2,684
Allowance for doubtful accounts	(387)	(383)
Total current assets	86,744	80,210
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,890	11,514
Machinery, equipment and vehicles, net	3,411	3,610
Tools, furniture and fixtures, net	1,053	1,079
Land	6,362	6,362
Leased assets, net	315	381
Construction in progress	107	329
Other	–	878
Total property, plant and equipment	23,141	24,154
Intangible assets	1,992	2,096
Investments and other assets		
Investment securities	2,563	3,888
Long-term loans receivable	0	0
Long-term prepaid expenses	260	226
Deferred tax assets	2,509	2,356
Net defined benefit asset	1,303	1,133
Other	2,007	2,006
Allowance for doubtful accounts	(1,402)	(1,357)
Total investments and other assets	7,242	8,254
Total non-current assets	32,376	34,505
Total assets	119,121	114,715

(million yen)

	As of December 31, 2018	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,145	7,120
Electronically recorded obligations - operating	5,140	2,877
Short-term loans payable	35,901	37,211
Lease obligations	101	123
Accounts payable - other	740	1,239
Accrued expenses	3,557	3,279
Income taxes payable	1,115	452
Provision for bonuses	38	28
Notes payable - facilities	191	527
Forward exchange contracts	-	240
Other	1,335	1,667
Total current liabilities	59,266	54,769
Non-current liabilities		
Long-term loans payable	16,153	15,400
Lease obligations	223	264
Provision for directors' retirement benefits	68	61
Net defined benefit liability	5,582	5,251
Other	585	1,216
Total non-current liabilities	22,613	22,194
Total liabilities	81,880	76,963
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,035	2,035
Retained earnings	19,610	20,494
Treasury shares	(607)	(607)
Total shareholders' equity	39,082	39,966
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	458	468
Foreign currency translation adjustment	(2,973)	(3,437)
Remeasurements of defined benefit plans	(38)	40
Total accumulated other comprehensive income	(2,552)	(2,929)
Non-controlling interests	711	714
Total net assets	37,241	37,752
Total liabilities and net assets	119,121	114,715

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

Consolidated statement of income

(million yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Net sales	112,064	99,169
Cost of sales	77,921	70,300
Gross profit	34,143	28,869
Selling, general and administrative expenses	24,995	25,030
Operating profit	9,148	3,838
Non-operating income		
Interest income	44	45
Dividend income	157	154
Commission fee	202	195
Reversal of allowance for doubtful accounts	228	79
Other	473	376
Total non-operating income	1,106	852
Non-operating expenses		
Interest expenses	805	796
Foreign exchange losses	980	874
Other	82	77
Total non-operating expenses	1,868	1,749
Ordinary profit	8,385	2,941
Extraordinary income		
Gain on sales of non-current assets	17	11
Total extraordinary income	17	11
Extraordinary losses		
Loss on sales and retirement of non-current assets	50	16
Loss on valuation of investments in capital	-	5
Total extraordinary losses	50	22
Profit before income taxes	8,353	2,930
Income taxes - current	1,749	977
Income taxes - deferred	(175)	164
Total income taxes	1,573	1,141
Profit	6,780	1,789
Profit attributable to non-controlling interests	139	25
Profit attributable to owners of parent	6,640	1,763

Consolidated statement of comprehensive income

(million yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Profit	6,780	1,789
Other comprehensive income		
Valuation difference on available-for-sale securities	(559)	9
Foreign currency translation adjustment	(1,028)	(474)
Remeasurements of defined benefit plans, net of tax	(247)	79
Total other comprehensive income	(1,834)	(385)
Comprehensive income	4,945	1,403
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,829	1,386
Comprehensive income attributable to non-controlling interests	115	17

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2018

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,044	2,035	13,994	(606)	33,468
Changes of items during period					
Dividends of surplus			(1,025)		(1,025)
Profit attributable to owners of parent			6,640		6,640
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Transfer of loss on disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	5,615	(0)	5,614
Balance at end of current period	18,044	2,035	19,610	(607)	39,082

	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 current period	1,016	(1,966)	208	(742)	617	33,343
Changes of items during period						
Dividends of surplus						(1,025)
Profit attributable to owners of parent						6,640
Purchase of treasury shares						(0)
Disposal of treasury shares						
Transfer of loss on disposal of treasury shares						
Net changes of items other than shareholders' equity	(558)	(1,006)	(246)	(1,810)	93	(1,716)
Total changes of items during period	(558)	(1,006)	(246)	(1,810)	93	3,897
Balance at end of current period	458	(2,973)	(38)	(2,552)	711	37,241

Fiscal year ended December 31, 2019

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,044	2,035	19,610	(607)	39,082
Changes of items during period					
Dividends of surplus			(878)		(878)
Profit attributable to owners of parent			1,763		1,763
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Transfer of loss on disposal of treasury shares			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	884	(0)	884
Balance at end of current period	18,044	2,035	20,494	(607)	39,966

	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 current period	458	(2,973)	(38)	(2,552)	711	37,241
Changes of items during period						
Dividends of surplus						(878)
Profit attributable to owners of parent						1,763
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Transfer of loss on disposal of treasury shares						(0)
Net changes of items other than shareholders' equity	9	(464)	78	(376)	3	(373)
Total changes of items during period	9	(464)	78	(376)	3	510
Balance at end of current period	468	(3,437)	40	(2,929)	714	37,752

(4) Consolidated statement of cash flows

(million yen)

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	8,353	2,930
Depreciation	2,525	3,063
Increase (decrease) in allowance for doubtful accounts	(199)	(38)
Increase (decrease) in provision for bonuses	21	(9)
Increase (decrease) in net defined benefit liability	367	(54)
Decrease (increase) in net defined benefit asset	(193)	4
Interest and dividend income	(201)	(200)
Interest expenses	805	796
Foreign exchange losses (gains)	(28)	3
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	32	5
Decrease (increase) in notes and accounts receivable - trade	(2,153)	2,578
Decrease (increase) in inventories	(8,035)	1,361
Increase (decrease) in notes and accounts payable - trade	2,515	(6,159)
Increase (decrease) in notes discounted	-	12
Other, net	747	1,097
Subtotal	4,557	5,392
Interest and dividend income received	201	201
Interest expenses paid	(805)	(799)
Income taxes (paid) refund	(1,271)	(1,740)
Net cash provided by (used in) operating activities	2,682	3,054
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,633)	(2,262)
Proceeds from sales of property, plant and equipment and intangible assets	148	48
Purchase of investment securities	(1)	(1,234)
Collection of loans receivable	1	0
Other, net	94	17
Net cash provided by (used in) investing activities	(2,390)	(3,430)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,377	838
Proceeds from long-term loans payable	6,754	8,690
Repayments of long-term loans payable	(6,928)	(8,845)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,022)	(877)
Repayments of sale and installment back payables	(32)	(1)
Other, net	(179)	(614)
Net cash provided by (used in) financing activities	967	(810)
Effect of exchange rate change on cash and cash equivalents	(293)	(138)
Net increase (decrease) in cash and cash equivalents	965	(1,324)
Cash and cash equivalents at beginning of period	6,335	7,301
Cash and cash equivalents at end of period	7,301	5,976

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Changes in accounting policies)

Subsidiaries of the Group that apply IFRS have applied IFRS 16 (Leases) effective from the fiscal year ended December 31, 2019. The impact from this application of the accounting standards on the consolidated financial statements is immaterial.

(Changes in presentation)

The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidance effective from the beginning of the current fiscal year. Accordingly, deferred tax assets were presented under “Investments and other assets” and deferred tax liabilities were presented under “Non-current liabilities.”

As a result, on the consolidated balance sheet for the previous fiscal year, “Deferred tax assets” of 1,314 million yen of “Current assets” is presented as “Deferred tax assets” of 2,509 million yen of “Investments and other assets” and 0 million yen of “Other” of “Current liabilities” is presented as “Other” of 585 million yen of “Non-current liabilities.”

(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, 2018 (January 1, 2018 to December 31, 2018) (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	73,615	38,182	111,798	266	112,064	–	112,064
Inter-segment sales or transfers	1,097	320	1,418	472	1,890	(1,890)	–
Total	74,713	38,502	113,216	738	113,954	(1,890)	112,064
Segment profit	5,186	4,156	9,342	64	9,406	(1,020)	8,385
Segment assets	65,676	42,912	108,589	2,991	111,581	7,539	119,121
Other items							
Depreciation (Note 4)	1,155	784	1,940	34	1,974	551	2,525
Interest income	41	6	47	56	103	(59)	44
Interest expenses	588	268	857	7	864	(59)	805
Increase in property, plant and equipment and intangible assets (Note 4)	1,199	802	2,002	4	2,007	848	2,855

(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 1,020 million yen deducted from segment profit as adjustment are a deduction of 15 million yen in inter-segment eliminations and a deduction of 1,004 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 that have not been attributed to any reportable segment.
- (2) The adjustment of 7,539 million yen for segment assets includes 11,540 million yen of corporate assets that cannot be allocated to any reportable segment, a deduction of 2,208 million yen in eliminations of inter-segment receivables, and a deduction of 1,730 million yen in eliminations of receivables owed to the administrative functions of the Company. 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 551 million yen for depreciation is mainly an adjustment for depreciation related to the administrative functions of the Company that have not been attributed to any reportable segment.
- (4) The adjustment of 848 million yen for increases 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 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, 2019 (January 1, 2019 to December 31, 2019) (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	64,260	34,671	98,932	237	99,169	–	99,169
Inter-segment sales or transfers	993	141	1,135	486	1,621	(1,621)	–
Total	65,254	34,813	100,067	723	100,791	(1,621)	99,169
Segment profit	2,680	1,853	4,533	86	4,619	(1,678)	2,941
Segment assets	62,840	40,889	103,729	2,335	106,065	8,650	114,715
Other items							
Depreciation (Note 4)	1,540	905	2,445	22	2,467	596	3,063
Interest income	31	19	51	62	114	(68)	45
Interest expenses	585	269	854	1	856	(59)	796
Increase in property, plant and equipment and intangible assets (Note 4)	1,089	1,196	2,286	6	2,292	719	3,011

(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 1,678 million yen deducted from segment profit as adjustment are a deduction of 4 million yen in inter-segment eliminations and a deduction of 1,673 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 that have not been attributed to any reportable segment.
 - (2) The adjustment of 8,650 million yen for segment assets includes 11,964 million yen of corporate assets that cannot be allocated to any reportable segment, a deduction of 1,753 million yen in eliminations of inter-segment receivables, and a deduction of 1,495 million yen in eliminations of receivables owed to the administrative functions of the Company. 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 596 million yen for depreciation is mainly an adjustment for depreciation related to the administrative functions of the Company that have not been attributed to any reportable segment.
 - (4) The adjustment of 719 million yen for increases 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 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, 2018 (January 1, 2018 to December 31, 2018)

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	Europe	Others	Total
17,201	41,820	26,397	13,189	11,347	2,108	112,064

(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
19,928	1,679	1,533	23,141

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, 2019 (January 1, 2019 to December 31, 2019)

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	Europe	Others	Total
16,995	37,028	20,712	13,277	9,617	1,537	99,169

(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
20,805	1,605	1,743	24,154

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]

No items to report.

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

No items to report.

[Information on gain on bargain purchase by reportable segment]

No items to report.

(Per share information)

	Fiscal year ended December 31, 2018 January 1, 2018 to December 31, 2018	Fiscal year ended December 31, 2019 January 1, 2019 to December 31, 2019
Net assets per share	1,246.93 yen	1,264.28 yen
Basic earnings per share	226.68 yen	60.20 yen

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

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

	Fiscal year ended December 31, 2018 January 1, 2018 to December 31, 2018	Fiscal year ended December 31, 2019 January 1, 2019 to December 31, 2019
Profit attributable to owners of parent Amount not attributable to outstanding common shares	6,640 million yen -	1,763 million yen -
Profit attributable to owners of parent related to outstanding common shares	6,640 million yen	1,763 million yen
Average number of outstanding common shares during the period	29,296,103 shares	29,295,610 shares

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

	As of December 31, 2018	As of December 31, 2019
Total net assets	37,241 million yen	37,752 million yen
Deduction (Non-controlling interests)	711 million yen 711 million yen	714 million yen 714 million yen
Net assets at the end of period, related to common shares	36,529 million yen	37,037 million yen
Number of common shares used for the calculation of net assets per share	29,295,776 shares	29,295,390 shares

(Material subsequent events)

No items to report.