

Integrated Report
2023



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Editorial policies

JUKI began publishing this yearly Integrated Report in 2022 to present an organized overview of our management policy, financial information, and ESG information. We expect the report to deepen awareness about the JUKI Group among our shareholders, investors, and other important stakeholders, and are using the report as a tool for dialog with them.

This Integrated Report 2023 presents specific measures we are taking to realize the growth strategies set forth in our new Medium-term Management Plan under the "Growth & Transformation Plan 2025" slogan, a comprehensive set of initiatives for attaining an ideal JUKI Group. The readers of this report will also gain a deeper understanding of our own potentials for sustainable growth.

We will continue working to solve social challenges through our business model and strengthen communication with JUKI's stakeholders by proactively disclosing information.

Reporting coverage

This report covers the activities of JUKI CORPORATION and its 27 group companies. Some sections, however, cover JUKI CORPORATION on a stand-alone basis.

Reporting period

The reporting period is fiscal year 2022 (January 1-December 31, 2022), but some information on fiscal year 2023 is included.

Note on forward-looking statements

This report contains forward-looking statements on the outlooks, goals, plans, and strategies of the JUKI Group. These statements are based on judgments derived from information available when this report has been published. Readers should be aware that a variety of factors may cause the actual results to differ materially from those mentioned in the forward-looking statements.



Referenced guidelines/documents

"Guidance on Integrated Disclosure and Dialogue for Value Creation" issued by the Ministry of Economy, Trade and Industry

About the front and back covers

The design motif for the front and back covers is based on JUKI's key visual for FY2023.

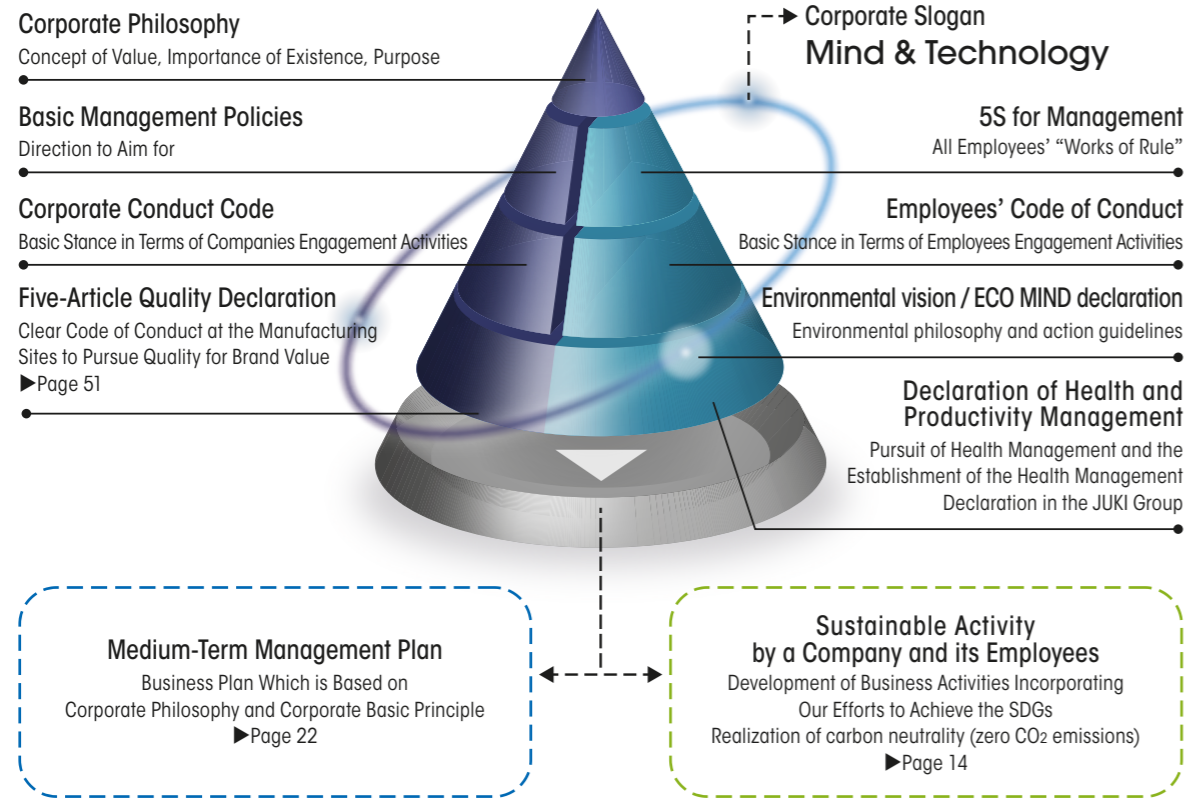
The key visual represents the Six Xs, the foundational transformations that underpin the transformation of JUKI as a whole.

Six transformations: Borderless X, Business Model X, SDGs Management X, R&D Model X, Work-style Reform X, and Financial Structure X

Create the Sustainable Future with Smart Solution



System diagram of the JUKI Group corporate philosophy



Corporate Philosophy

- The men and women of JUKI work hand in hand to spread happiness and enrich society.
- JUKI technologies are constantly evolving and creating new value.

Basic Management Policies

- Quality for Brand Value
- Innovative and Active
- Global Management Approach

Five-Article Quality Declaration

1. We comply with laws, rules, and the commitments we make to our customers when providing our products and services.
2. We give the highest priority to the customer's safety and peace of mind in our work on the quality of our products and services.
3. We rely deeply on the customer's voice to guide our unceasing efforts towards quality improvement.
4. We raise quality based on the five-Gen principles* to earn the customer's trust and grow our business.
5. We contribute to the sustainable development of society by improving the quality of our products and services.

* The five-Gen principles: *Genba, Genbutsu, Genjitsu, + Genri, Gensoku*

Corporate Conduct Code

- In accordance with this Code of Conduct, the men and women of JUKI will comply with all laws and international rules, respect the spirit of the laws and rules, and act with social common sense.
- JUKI will not only pursue its corporate interests through fair competition, but also aim to remain a company with a worthy reason for being for its customers, shareholders, business partners, employees, and society overall.

* The full text of the Corporate Code of Conduct is posted on our website.

5G For Management

- S**imple straightforward
- S**lim no waste
- S**peedy move ahead of schedule with agility
- +**
- S**eamless altogether with no barriers
- S**mart intelligent and productive

JUKI Group Code of Conduct "Ten-Provisions"

1. We will comply with any and all applicable laws, regulations, rules and any kind whatsoever.
2. We will supply our customers with products and render services for our customers, which products and services will satisfy our customers.
3. We will make the best decision for JUKI Group.
4. We will work for JUKI Group in fair and active ways with integrity.
5. We, as the members of JUKI Group (Globalized Enterprise Group) will respect the fundamental human rights conferred upon people, and will never illegally discriminate against people in any respect. In addition, we will respect cultures throughout the world.
6. We will secure our safety and stay in health by ourselves, and in addition, we will use the efforts to do the same for other people.
7. We will act and work in consideration of the global environment, and will, also, contribute to society as members of the community.
8. We will continuously improve teamwork at the workplace, by means of actively assisting with the spirit of "MenDoMi."

Environmental vision / ECO MIND declaration

The JUKI Group places importance on the global environment as a manufacturing (*Monozukuri*) company and works aggressively on the effective use of resources, recycling, and energy saving. The Group also provides safe products that place less environmental load on customers and is helping to develop industry in the region with the aim of being widely trusted and valued by both society and JUKI customers.

ECO MIND Declaration Environmental Philosophy

The JUKI Group recognizes that activities of enterprises are closely related to the global environment, and is making efforts to:

1. Contribute to the local community and society by environment-conscious activities.
2. Provide people around the world with environmentally friendly products.
3. Play an active role to hand down a better global environment to future generations through continuous activities.

9. We will study for self-development/ improvement, and will, also, improve and train your subordinates and younger employees.
10. We will actively procure and collect various information, and prepare effective information, and will effectively use such information, and in addition, we will strictly administer such information.

Declaration of Health and Productivity Management

The JUKI Group positions the "establishment of an organization with innovative and active personnel" as one of its basic management policies. To realize this policy, it will be important for each and every employee to be mentally and physically healthy and infused with the energy necessary to make the best of his / her capabilities. JUKI believes that the health and energy of its employees will contribute not only to improved productivity and creativity, but also to better customer service.

With these firm convictions in mind, JUKI hereby declares that it will do all in its powers to promote management focused on the pursuit and improvement of the health and energy of its employees. Based on this Declaration of Health and Productivity Management, JUKI will strengthen its structure for promoting the maintenance and improvement of the health and energy of its employees and support employees who enhance health awareness within the group by spontaneously and voluntarily participating in health maintenance/ improvement activities. JUKI also promotes the establishment of a healthy and energetic organization in combination with supports for work style reform, and comprehensively implements higher levels of health and productivity management.

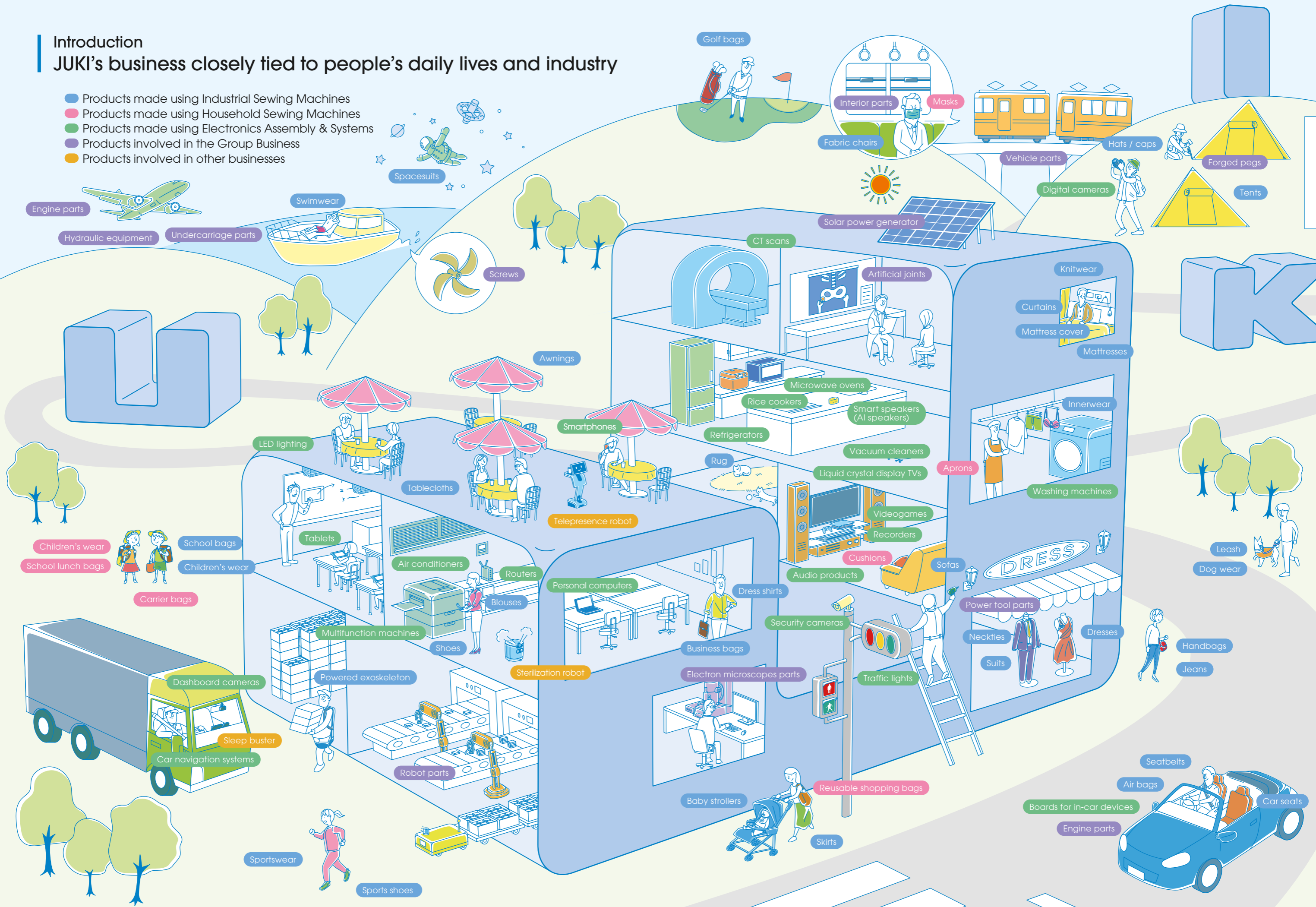
Environmental Action Policy

1. Prevent global warming by promoting energy-saving in all business activities and use resource efficiently by implementing the 3Rs (Reduce, Reuse, and Recycle).
2. Provide products with less environmental load by planning, researching, developing, procuring, and manufacturing with environmental influences in mind.
3. Contribute to countries and regions by modifying environmental conservation activities to suit local conditions wherever JUKI does business as a global company.
4. Observe environmental laws and other agreed requirements, and prevent environmental pollution.
5. Actively disclose environmental information.
6. Raise "awareness of ecological problems" among employees through educational campaigns.

Introduction

JUKI's business closely tied to people's daily lives and industry




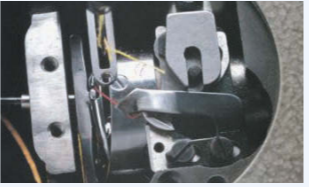





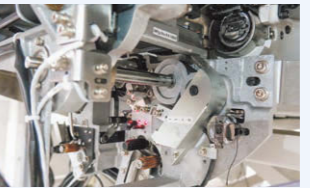
- Products made using Industrial Sewing Machines
- Products made using Household Sewing Machines
- Products made using Electronics Assembly & Systems
- Products involved in the Group Business
- Products involved in other businesses



Corporate value creation

History of value creation







This is a history of the JUKI Group, a conglomerate of companies that have steadily grown their businesses and value by responding to the needs of customers and society, driven by a commitment to manufacturing for “peace.”

Historical background	1940s	1950s	1960s	1970s	1980s	1990s	2000s		
<ul style="list-style-type: none"> ● Economy ● Society 	<ul style="list-style-type: none"> ● Postwar reconstruction ● End of the war 	<ul style="list-style-type: none"> ● San Francisco Peace Treaty ● Dissemination of the three sacred treasures 	<ul style="list-style-type: none"> ● Rapid economic growth ● Joined the OECD (Organisation for Economic Co-operation and Development) ● National Income Doubling Plan ● Tokyo Olympic Games 	<ul style="list-style-type: none"> ● The Nixon shock ● Oil crisis ● Osaka World Expo ● Normalization of Japan-China diplomatic relations, Conclusion of the Japan-China Peace and Friendship Treaty 	<ul style="list-style-type: none"> ● Plaza Accord, Strong yen ● Highest Nikkei stock average (38,915 yen) ● Black Monday ● Introduction of the consumption tax 	<ul style="list-style-type: none"> ● Financial Big Bang ● Collapse of the bubble economy ● Failures of major financial institutions ● Asian currency crisis ● Inauguration of the European Union (EU) ● Great Hanshin-Awaji Earthquake 	<ul style="list-style-type: none"> ● Burst of the information technology bubble ● Lehman shock ● Lowest Nikkei stock average (7,054 yen) ● Postal service privatization 		
Stages	Since 1938	Business start-up period		Rapid growth period		Cornerstone for manufacturing companies		Cornerstone of globalization	Business reconstruction
Timeline of important turning developments for JUKI	Conversion to a sewing machine business Establishment of JUKI's position as a comprehensive domestic sewing machine manufacturer		Entry into the electronics field		Building of foundations for quality management		Expansion of overseas sales and production systems		Concentration on core businesses Withdrawal from unprofitable businesses
<ul style="list-style-type: none"> ● Industrial Sewing Machinery Business ● Household Sewing Machinery Business ● Electronics Assembly & Systems Businesses ● Group Business ● Customer Support / IoT Platform Equipment Business ● Other businesses 	<ul style="list-style-type: none"> ● 1946 ● 1947 	<ul style="list-style-type: none"> ● 1950, 1952 to 1955 ● 1953 ● 1957 ● 1959 	<ul style="list-style-type: none"> ● 1961 ● 1962 ● 1969  	<ul style="list-style-type: none"> ● 1971 ● 1976 ● 1977  	<ul style="list-style-type: none"> ● 1981 ● 1986 ● 1987  	<ul style="list-style-type: none"> ● 1990 to 2000 ● 1992 ● 1998  	<ul style="list-style-type: none"> ● 2000 ● 2001 ● 2004 ● 2008 ● 2008 		
Cultivated strengths and values	<ul style="list-style-type: none"> ● In-house production of sewing machine parts and a manufacturing system for finished products ● Start of “JUKI” design ● Differentiation of sewing machines through the development of new technologies (Japan) 		<ul style="list-style-type: none"> ● Overseas market development ● Launch as a solutions provider for customers ● Establishment of an after-sales service system ● Differentiation of sewing machines through new technology development (overseas) 		<ul style="list-style-type: none"> ● Position as a TOP manufacturer of industrial sewing machines ● Customer-oriented quality management through company-wide improvements based on TQC 		<ul style="list-style-type: none"> ● Improved line productivity based on a modular concept (combination of chip and general-purpose machines) ● Differentiation using image-recognition technology 		<ul style="list-style-type: none"> ● Establishment of a manufacturing system to support global sales ● Concentration of management on core businesses
Numerous awards	1950, 1952 to 1955 Winners of Japan's New Year postcard lotteries receive JUKI household sewing machines as Special Prizes.		1950 A JUKI sewing machine wins the “Minister of International Trade and Industry Award” at the 3rd National Examination Committee for Sewing Machine Performance.	1954 The DDW-II wins “The Governor of Tokyo Award” at the All-Japan Invention Exhibition.	1955 The DDW-9 wins the “Patent Office Commissioner Award” at the Tokyo Invention Exhibition.	1957 JUKI wins the “Imperial Invention Prize” for inventing the single-axis rotational thread take-up lever.	1963 Kenichi Yamaoka, the third JUKI president, is awarded a “Blue Ribbon Medal.”	1989 JUKI wins a “Dark Blue Ribbon Medal” for donating household sewing machines to schools.	

Corporate value creation

Corporate value creation History of value creation

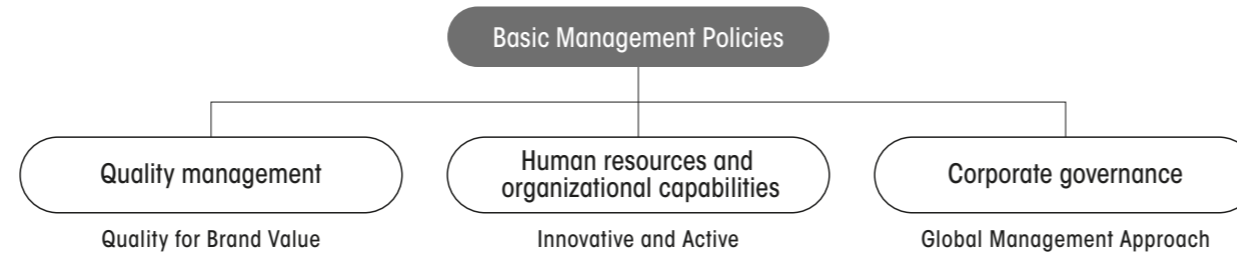
This is a history of the JUKI Group, a conglomerate of companies that have steadily grown their businesses and value by responding to the needs of customers and society, driven by a commitment to manufacturing for “peace.”

<p>Historical background</p> <ul style="list-style-type: none"> ● Economy ● Society 	<ul style="list-style-type: none"> ● Super-strong yen (75 yen to the dollar) ● Technological innovation through AI, IoT, and 5G (shifting from products to services) ● Smartphone diffusion ● Great East Japan Earthquake <h2>2010s</h2>	<ul style="list-style-type: none"> ● Recovery from the stagnation of economic activities caused by the COVID-19 pandemic ● Living with the COVID-19 pandemic, advent Postal service privatization of the new normal society ● Practical applications of IoT, AI, and 5G in corporate and personal life <h2>2020s</h2>				
<p>Stages</p>	<p>Expansion of core business areas</p>		<p>Business redefined (equipment & systems) New business areas expanded, ESG management established</p>			
<p>Timeline of important turning developments for JUKI</p> <ul style="list-style-type: none"> ● Industrial Sewing Machinery Business ● Household Sewing Machinery Business ● Electronics Assembly & Systems Businesses ● Group Business ● Customer Support / IoT Platform Equipment Business ● Other businesses 	<p>Reinforcement of the industrial sewing machine business for knitwear and non-apparel, as well as the household sewing machine line-up</p> <ul style="list-style-type: none"> ● 2011 A business alliance is formed with SIRUBA in Taiwan to expand sewing machines for knits. ● 2012 A Non-Apparel Company is established in-house to strengthen the product line-up and sales system. ● 2015 The development and sale of sewing machines for quilts begin. ● 2016 The development and sale of professional-use sewing machines are strengthened. 	<p>Reinforcement of the electronics assembly & systems lineup</p> <ul style="list-style-type: none"> ● 2011 An MI business is launched. ● 2014 JUKI AUTOMATION SYSTEMS CORPORATION is established to realize a full product line-up following the integration with Sony's SMT business department.  <ul style="list-style-type: none"> ● 2017 Sales of JaNets for electronics assembly & systems begin. ● 2018 Smarter PCB mounting factories are realized in collaboration with Hitachi, Ltd. ● 2019 A joint venture company is established with ESSEGI AUTOMATION S.r.l. to strengthen the development of the automated warehouse business. 	<p>Building of the pillars for the Group business and parts service business</p> <ul style="list-style-type: none"> ● 2015 The JGQMF begins. JUKI's quality-oriented management is rebuilt.  <ul style="list-style-type: none"> ● 2015 JUKI's Group business becomes independent. A plant in Vietnam starts operating in union with. ● 2017 A customer business commercializing parts sales and services begins. ● 2018 JUKI's contracted design and engineering business is strengthened. 	<p>Building of the pillars for the Sewing Machinery and Systems business and Industrial Equipment and Systems business</p> <ul style="list-style-type: none"> ● 2020 JUKI invests in XTIA Ltd. and deploys XTIA's technology to expand its inspection and measurement business domain.  <ul style="list-style-type: none"> ● 2021 An Asian branch office is established, and JUKI enters into a storage business. ● 2022 A capital and business alliance is formed with AIMECHATEC Ltd. to promote the expansion of business domains. 	<p>SDGs integration into management</p> <ul style="list-style-type: none"> ● 2020 An SDGs Promotion Office is established to clarify social challenges in the ESG domain. ● 2021 “Upcycling” activities aimed at reducing clothing waste are launched. The activities are to be expanded to overseas group companies in 2022.  <ul style="list-style-type: none"> ● 2021 JUKI pledges its commitment to achieving carbon neutrality. ● 2022 JUKI's pledges its endorsement of the TCFD. ● 2023 A refurbishment business for industrial sewing machines and electronics assembly & systems is deployed on a full scale. 	
<p>Cultivated strengths and values</p>	<ul style="list-style-type: none"> ● Next-generation revolution in lockstitch sewing machines ● Shift to management tailored to heavy users in the household sewing machine business ● Strengthened lineup of surface-mounting machines (high-speed machines, inspection machines, and screen printers) to offer one-stop solutions ● Persistently high level of quality management for globally deployed quality assurance 		<ul style="list-style-type: none"> ● 3-Dimensionalization of inspection machines and deployment of 3D to inspection and measurement machines ● Development of products and services using IoT, AI, and 5G ● Transformation into solution proposals based on “<i>Monodzukuri</i>” (manufacturing) and “<i>Kotodzukuri</i>” (value creation) through the redefinition of JUKI businesses 			
<p>Numerous awards</p>	<p>1989 The HZL-8800 household sewing machine wins the “Award of Excellence” in the “Camera and Daily Living Goods” category at the Nikkei Annual Awards for Outstanding Products.</p>	<p>1997 JUKI wins the “Japan Society Prize for the Promotion of Machine Industry” for developing an automatic bobbin thread winding and feeding device for industrial sewing machines (AW-1A).</p>	<p>2017 The HZL-9000CFMS (Full Digital Specification) industrial sewing machine wins the “Texprocess Innovation Award 2019.”</p>	<p>2021 The OHTAWARA PLANT wins a “GOOD FACTORY Award” in the <i>Monodzukuri</i> Process Innovation Award category (sponsored by the Japan Management Association).</p>	<p>2022 The AW-3S, an automatic bobbin thread winding and feeding device for industrial sewing machines, wins both the “Texprocess Innovation Award 2022” and the “Sustainability at Texprocess Award.”</p>	<p>The HZL-UX8 computerized sewing machine for home use wins the Good Design Award 2022.</p>

Corporate value creation

Corporate value creation Corporate value creation process

JUKI products are used by customers in 185 countries around the world. Our mission as a global company is to solve social challenges and enrich people's lives around the world through the creation of corporate value. The corporate value creation process demonstrates how sustainable circulation enhances both social value and business value.



Corporate Philosophy

The men and women of JUKI work hand in hand to spread happiness and enrich society.

JUKI technologies are constantly evolving and creating new value.

Corporate Slogan

Mind & Technology

Typical inputs

Total capital: 18,044.71 million yen
 Total assets: 145,169 million yen
 Years in business: 84
 Number of Group employees: 5,230
 Number of consolidated subsidiaries: 27
 Number of licensed items: 1,792
 (As of December 31, 2022)

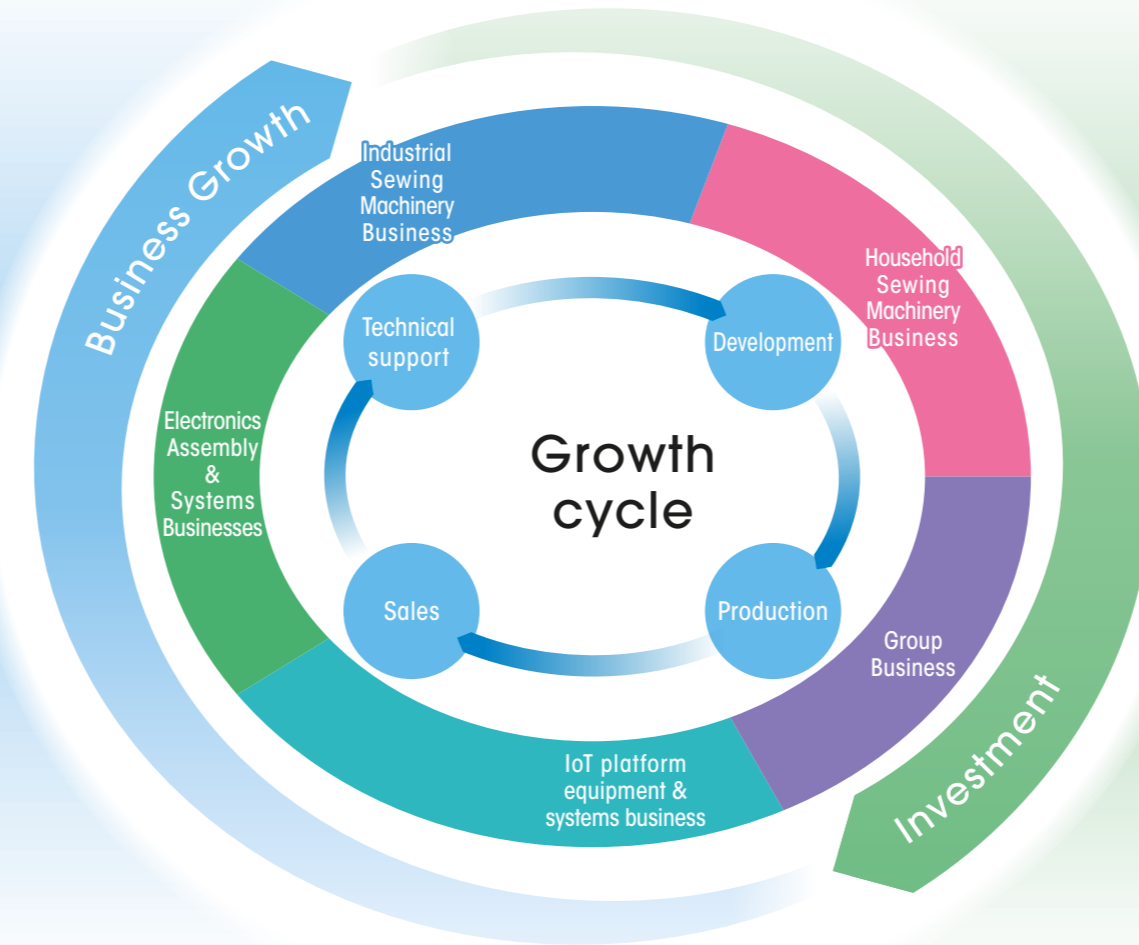
«Growth engine»

Global market development capabilities

Number of sales and service sites: 18
 Number of countries where distributors are set up: 104
 Number of countries where products and services are sold: 185 or more
 Number of development sites: 11
 Number of manufacturing sites: 12

«Growth engine»

Customer-oriented development and manufacturing capabilities



Management priorities
Three Structural Reforms

6 Transformations (6Xs)

Data-driven management

ESG management

Thorough management focused on sustainability perspectives

Realizing social value enhancements

1. Creation of employment opportunities
2. Promotion of social participation by various human resources
3. Ensuring occupational health and safety
4. Contributing to reduced clothing waste
5. Support for technological innovation through improvement to productivity in the electronics industry
6. Reduction of environmental load

Realizing business value enhancements

Achieving the Medium-term Management Plan (FY2025)

Net sales: 160,000 million yen
 Ordinary profit: 10,000 million yen
 Gross profit: 50% or more in businesses other than industrial sewing machines

ROIC management

Clarifying "investment and return" for each business to maximize earnings

Corporate value

Realizing a sustainable society that enriches lives all over the world!

Achieving a rich living environment where people around the world can enjoy quality clothing and fashion



Improving industrial infrastructure through IoT and AI



Realizing a world without climate change by achieving carbon neutrality



Stakeholders

- Shareholders
- Customers
- Business partners (subcontractors and distributors)
- Employees and local communities

Corporate value creation

Corporate value creation ESG management

To assure JUKI's sustainability, we embody the ideas behind the "Mind & Technology" corporate slogan and aim for manufacturing based on the "customer-first principle (customer creed)." Every JUKI employee works to improve the quality of their work and refine their skills, keeping their sights set on the customer's satisfaction and passing on "JUKI's heart-to-heart technologies" to the future. We will incorporate solutions to various sustainability challenges into our Medium-term Management Plan and thoroughly emphasize ESG perspectives in management, in order to realize JUKI's long-term vision of becoming a "global, innovative *mono-koto zukuri* (manufacturing and value-creation) company that survives in the 21st century." By doing so, we will realize a sustainable society and pursue sustainable growth for JUKI.

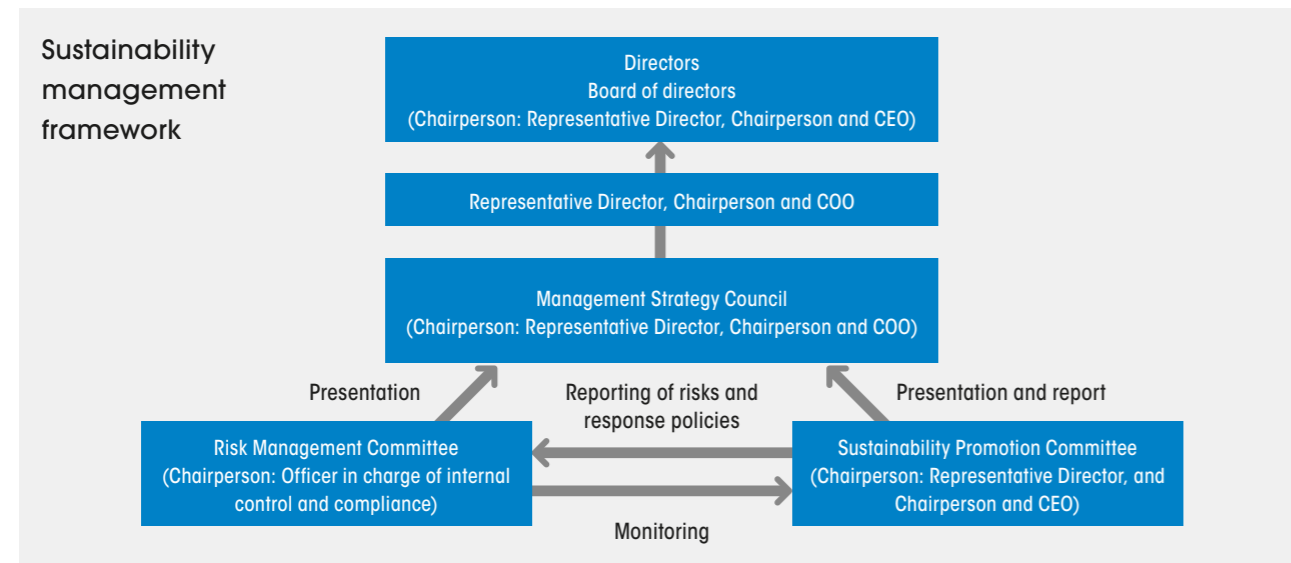
Sustainability policy

We will realize a sustainable society by continuing to create and provide products and services that benefit society based on heart-to-heart technologies and the customer-first principle (customer creed)—the core elements expressed in JUKI's "Mind & Technology" corporate slogan.

We will act in accordance with our "Corporate Philosophy," "Basic Management Policies," and "Corporate Code of Conduct" and sustainably enhance our corporate value.

Our framework to promote sustainability

JUKI established its Sustainability Promotion Committee in August of 2022. Chaired by the Representative Director, Chairman, and CEO, the committee meets four times a year to deliberate and decide on sustainability policies, plans, and measures, manage progress, and report and make proposals to the Board of Directors and other relevant bodies. Risks identified, addressed, and examined by the Sustainability Promotion Committee are reported to the Risk Management Committee to strengthen governance.



Commitments

1. Achieve carbon neutrality

We will further enhance our initiatives to reduce CO₂ emissions in our product development and production/ business activities with a view to achieving carbon neutrality by 2050.

2. Endorse the TCFD recommendations

In July 2022, the head office of the JUKI Group endorses the TCFD (Task Force on Climate-related Financial Disclosure) recommendations established by the Financial Stability Board (FSB) and has announced its participation in the TCFD Consortium organized by companies that support the recommendations. The JUKI Group will proceed with the disclosure of information based on the TCFD recommendations.



► See p. 56 for details.

Materiality

The JUKI Group analyzes risks and opportunities within the changing external environment and extracts priority challenges based on the perspectives of both JUKI and its stakeholders. The JUKI Group also creates social and business value by tackling social challenges head-on through its business activities.

Processes to identify social challenges

STEP1

Organizing the social challenges

We will organize challenges into two broad categories based on an analysis of risks and opportunities in the business environment: those with significant impacts on JUKI and its stakeholders, and those which, if solved, will open the way to significant corporate value enhancements.

STEP2

Identifying the important social challenges

Among the social challenges categorized, we will identify a set of "important social challenges" that should be addressed based on how they relate with our in-house policies and activities.

STEP3

Incorporating the social challenges into the Medium-term Management Plan

We will discuss initiatives to solve important social challenges at the Management Strategy Council and incorporate them into our Medium-term Management Plan.

Categories	Materiality	Main initiatives	Related SDGs
Environment (E)	Reduction of environmental load	<ul style="list-style-type: none"> Reduction of environmental load through business activities Environmental consideration in product life cycles 	<p>► Page 54</p>
	Creating employment opportunities Promotion of social participation by various human resources	<ul style="list-style-type: none"> Creating new jobs in emerging countries Increasing the working population and improving the working conditions for workers through vocational education support 	<p>► Page 58</p>
Society (S)	Ensuring occupational health and safety	<ul style="list-style-type: none"> Supporting the building of safe and secure sewing factories 	<p>► Page 59</p>
	Contributing to reduced clothing waste Support for technological innovation through improvement to productivity in the electronics industry	<ul style="list-style-type: none"> Providing a system to achieve moderate-volume production Spreading JUKI's "upcycling" activity using old clothes, waste materials, and by-products Realizing a factory that produces high-quality products in a short time at low cost Making sewing and mounting factories smarter and supporting technological innovation Improving a pre- and -pro process infrastructure at SMT factories 	<p>► Page 59</p>
	Realizing ideal working conditions	<ul style="list-style-type: none"> Revitalizing the organization by promoting diversity Reforming work style, facilitating job satisfaction, and educating human resources 	<p>► Page 44</p>
Governance (G)	Strengthening corporate governance	<ul style="list-style-type: none"> Enhancing JUKI's corporate governance system Providing thorough compliance and strengthening risk management 	<p>► Page 60</p>



Akira Kiyohara
Representative
Director, Chairman,
CEO, and COO
JUKI Corporation

Medium-term Management Plan Message from Representative Director, Chairman, CEO, and COO

We will take on the challenge of creating value that lives up to the trust of our customers, using the “transformation of people and culture” as our growth engine.

Looking back at the previous Medium-term Management Plan (2020-2022)

Since its foundation in 1938, JUKI has been striving to create new value while creating and evolving technologies centered around “*Monozukuri*” (manufacturing) at the core of its business. JUKI is now working toward a fundamental corporate reform with a view to recovering business performance and conducting higher value-added corporate activities focused on customers in today’s rapidly changing environment.

Looking back through the previous Medium-term Management Plan (2020-2022) over the last three years, JUKI was more affected than ever by the social environment. Factors such as the spread of COVID-19, the Russia-Ukraine conflict, and international tensions linked to strained U.S.-China relations all had dramatic influences on the company’s performance. While many things did not go as planned in corporate management, we also gained a renewed appreciation of the preciousness of life and the important role of social actors in working together to protect life.

After a period of high uncertainty in the first half of the previous Medium-term Management Plan, the second half saw a gradual easing of COVID-19 infections and the activation of new measures toward economic recovery. Looking at society as a whole, both companies and individuals are responding to the “new normal,” while the swift rollout of revolutionary new technologies such as AI, IoT, and 5G at a practical level is changing the ways we do business and live.

Under these circumstances, sewing and SMT factories, JUKI’s main customers, are scaling up their capital investments in smart and automated production. We feel that JUKI has created an environment in which it can fully develop its businesses to support the activities of its customers. To seize this business opportunity more confidently, we must first re-establish firm contacts with the customers and distributors that were the most constrained by the COVID-19 pandemic.

Review of business activity and performance for FY2022

FY2022 was the final year of the previous Medium-term Management Plan. JUKI has been engaging in company-wide sales activities and restructuring its supply chain in order to capture demand during the market recovery period and expand business areas in growth fields.

Turning to business performance, net sales of the entire JUKI Group rose by 16% from the previous year to 117,454 million yen. The Sewing Machinery and Systems Business grew its net sales mainly in the Asian market by serving the recovered demand in the apparel market and strengthening efforts to develop the middle market. Worldwide, however, net sales grew by only 26.5% from the previous year to 79,937 million yen, mainly due to the impact of the zero-Covid policy in China and postponements in purchasing due to unfavorable foreign currency exchange rates in emerging countries in Asia. Net sales in the Industrial Equipment and Systems Business decreased by 1.5% from the previous year to 37,253 million yen. The Electronics Assembly & Systems Businesses within the Industrial Equipment and Systems Business saw a decline for the year, mainly due to sluggish investment demand caused by the zero-Covid policy in China and delays in bringing new products to market. The Group Business deploying parts processing, design, engineering, and other contracted services remained strong mainly in Japan, buoyed by the rising demand for capital investment in Japan and Southeast Asia to cope with the supply chain fragmentation customers faced.

Ordinary profit, on the other hand, fell by 66.2% from the previous year to 1,163 million yen, in spite of the positive effect of the yen depreciation on net sales. The main factors behind the decline were the increased burden of overseas material costs and expenses, the price hike delays associated with increased cost burdens due to ongoing strategic investments in market development, and the incompleteness of improvements to be achieved in JUKI’s product portfolio by expanding high-value-added business areas.

Overall, JUKI was left with many challenges in the wake of 2022. Better results would have been achieved if we had responded more strongly to the changes in the business environment and had more capably implemented the important measures planned.

Medium-term Management Plan Message from Representative Director, Chairman, CEO, and COO

“Growth & Transformation Plan 2025” – The slogan for the new Medium-term Management Plan toward the way JUKI should be

JUKI started its work on the new Medium-term Management Plan in fiscal 2023 under the “Growth & Transformation Plan 2025” slogan. The new Plan sets out three structural reforms—Value-added Structure Reform, Cost Structure Reform, and Behavioral Reform—to realize the following core ideal we envision for JUKI in 2025: To “continue to serve customers as a solutions partner that delivers ‘good impressions’ and ‘peace of mind,’ and as a practitioner of robust ESG management that is trusted and needed by society.”

First, our Value-added Structure Reform will help us maintain and expand our customer base by contributing to the recovery of performance in our customers’ businesses in step with the economic recovery underway overall. We will also make strong efforts to build new business models by expanding our business domain through strengthened collaboration with alliance partners.

Second, our Cost Structure Reform will help us restructure our businesses to enable sustainable growth based on thorough reviews of JUKI’s cost structure within a business environment in which most costs, from materials to fuel and freight costs,

are rising. In FY2023 we established a Cost Structure Reform Committee to promote the restructuring of our production/logistics/procurement networks, the integration of functions at JUKI’s local offices, the streamlining of administrative back-office departments, and more.

Third, our Behavioral Reform will help us strengthen the ability of every employee to implement measures. We will evolve JUKI’s people and organization by focusing on the use of diverse human resources on a global scale, the development of next-generation leaders, reskilling at every employee level, and job-based human resources management according to performance at work and job responsibilities. The Behavioral Reform is a challenging but integral measure for the future of JUKI as it seeks to transform its people and culture. We will break away from self-sufficient development, the policy we have tended to follow, and encourage our human resources and organization to proactively apply and incorporate the cutting-edge technologies and differentiating technologies used in different industries. By doing so, we intend to broaden our vision, expand our scope of activity, and become an organizational group with high employee engagement that broadly captures business opportunities.

We will move forward with these Three Structural Reforms by vigorously pushing through the Six Transformations as engines of growth. By doing so, we will surely strengthen strategies for

future growth and build a business foundation that responds to the “new normal” in the lead-up to our next stage of growth. JUKI will boldly transform itself through the Six Transformations: “Borderless X,” “Business Model X,” “SDGs Management X,” “R&D Model X,” “Work-style Reform X,” and “Financial Structure X.” We believe that the management infrastructure of the entire JUKI Group must be changed in conjunction with the Six Transformations. Specifically, we will renew our ERP (Enterprise Resource Planning) system to create an environment in which every employee can do high-quality highly productive work and to build a management foundation that will enable further value creation.

Business strategies to pursue high value-added and high growth

To achieve the Value-added Structure Reform set forth in the Medium-term Management Plan, we need to demonstrate our earning power to JUKI’s stakeholders as proof of the value created by JUKI’s activities. Profits, however, are not a goal in itself. We value the idea that JUKI is truly serving its customers and that the profits earned are the result of JUKI services.

The Medium-term Management Plan promotes forward-looking growth strategies in which we keep our sights firmly fixed on the business portfolio goals we should aim for in each of our businesses.

In the Industrial Sewing Machinery Business within the Sewing Machinery and Systems Business, we will build a structure to provide high value-added products and services to customers in non-apparel industries such as automotive-related and sports shoes, with the backing of the industrial sewing machinery business acquired from the Mitsubishi Electric Group in July 2022. In the meantime, we are also making efforts to meet the casualization needs of apparel industry customers. As part of these efforts, we have been pursuing a broad-based business alliance with Pegasus Co., Ltd., a leading maker of chainstitch sewing machines, since April 2021. We will take on the challenge of various initiatives to serve many customers and increase the added value of JUKI’s entire Industrial Sewing Machinery Business by leveraging the No. 1 global brand and advanced technological capabilities JUKI has built in the apparel field. In the Household Sewing Machinery Business, JUKI will be increasing customer satisfaction among heavy hobbyists, a priority target group, by speeding up the market launch of new products equipped with UX (User Experience) functions not available from other companies, including several winners of the 2022 Good Design Award.

In the Electronics Assembly & Systems Businesses within the Industrial Equipment and Systems Business, we will develop markets with new high-speed machines that deliver unrivalled performance in the industry, in addition to medium-speed and general-purpose machines in the mounter (SMT machine) field, where we have a strong competitive advantage. As SMT factories become smarter, we will also heighten our ability to propose one-stop solutions by developing and providing automated equipment that handles pre- and

post-SMT process along with the SMT process itself. JUKI will also be strengthening the Group Business as another pillar of the Industrial Equipment and Systems Business. JUKI’s Group Business provides the contracted services for parts processing to design and engineering to the manufactures who do not have an SMT factory. This business also provides services to improve the efficiency of manufacturing sites and to help reduce labor shortages through automated solutions for robotic equipment, inspection and measurement, and automatic warehouse management. We will meet the needs of customers who are expanding into Japan and Asia by providing high value-added services using the automation and labor-saving production technology capabilities accumulated at the production sites of the JUKI Group.

In parallel with these business deployments, JUKI newly established its “IoT Platform Equipment & Systems Business Unit” in the current fiscal year and took the first steps to growing it to a scale comparable to that of the Industrial Sewing Machinery Business and Electronics Assembly & Systems Businesses. First, we will shift from an indirect marketing approach to customer business centered on the provision of existing parts and technical services through sales offices and distributors in various regions to a direct marketing approach using a customer management system.

We are also working to commercialize our services by expanding the use of JaNets (JUKI Advanced Network System), a system that connects devices in each process within sewing and SMT factories. We will use these JUKI IoT platforms to remotely monitor the operational status of production equipment at customer factories and deploy services to support the transformation into smart factories.

We will build a portfolio to maximize JUKI’s consolidated earnings from each of JUKI’s business pillars - Sewing Machinery and Systems Business, Industrial Equipment and Systems Business, and IoT Platform Machinery and Systems Business - while keeping an eye on changes in the business environment.

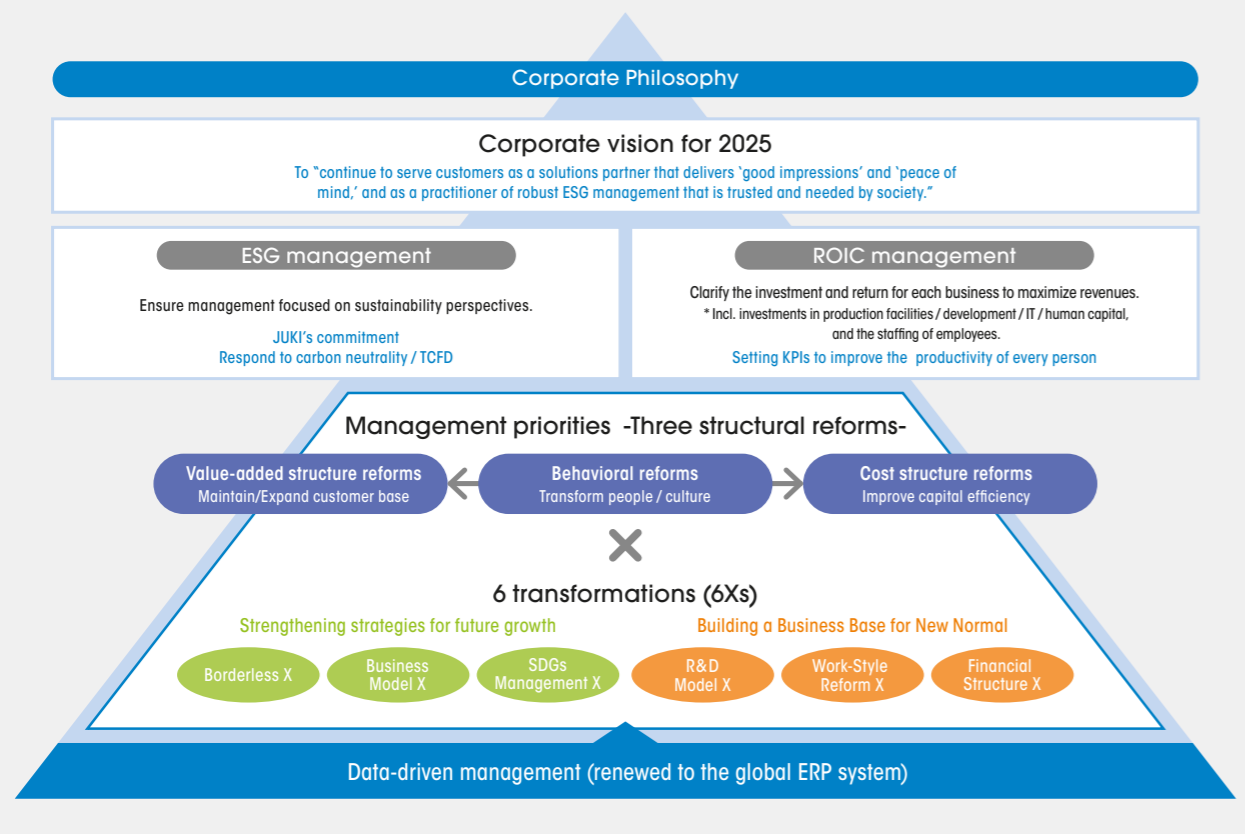
A solid management foundation to support growth strategies

The production, development, and head office administration departments making up the infrastructure for manufacturing management will aim for a smart and solid business foundation.

The production department will move forward with the multiplexing of production and procurement sites in preparation for changes in the environment and the shift to DX (Digital Transformation)/GX (Green Transformation) at each factory.

The development department will develop new products and services that can be differentiated using new technologies such as IoT, AI, 5G, energy-saving technologies, VR, and robots, while continuously brushing up JUKI’s existing products. Intellectual property forms the basis of our sustainable growth. We will actively deploy

Medium-Term Management Plan under the “Growth & Transformation Plan 2025” slogan



Medium-term Management Plan Message from Representative Director, Chairman, CEO, and COO

intellectual property protection not only for JUKI products, but also for JUKI's automation and smart technologies.

The head office administration department will aim to realize data-driven management at the group-wide level by focusing on the restructuring of the ERP system that supports the foundation of these businesses. We will be synchronizing the functions and operations of the head office and business sites around the world by collecting and accumulating real-time information on the JUKI Group and will establish a system to enhance our responses to changes by making prompt and accurate business judgments and decisions. And by strengthening our design strategy, we will formulate a roadmap to promote "design management" and build a friendlier brand design that expresses JUKI's unique character.

Solidifying the foundation for growth with a new management governance structure

In March 2023, JUKI adopted a new management

governance structure with a view to quickly implementing the company's growth strategies and recovering the company's business performance in the rapidly changing business environment. The Representative Director, Chairman, and CEO now also serves as COO, assuming both chief executive and chief operating responsibilities. The centralized supervision and execution functions under the new structure will drastically advance structural reforms, the cornerstone of the Medium-term Management Plan, speed up decision-making on important measures, and strengthen our ability to execute them. We will be using market information obtained from the sales teams at the front lines to create a robust management structure that enables us to quickly seize business opportunities. Shinsuke Uchinashi, our former Representative Director, President, and COO, now serves as the Director and President in charge of the Finance Department, where he will be addressing urgent issues such as inventory reduction and the easing of interest-bearing debt burden, in addition to logistics reforms.



In conjunction with this **adjustment in JUKI's management structure**, the company has also changed the composition of its Board of Directors by increasing the number of outside directors from two to three. The Board of Directors will more directly and promptly reflect outside opinions in management decision-making. The diversity of the Board of Directors has been also enhanced by the appointment of one female Director and one female Audit & Supervisory Board Member. An Outside Director has been made the chairperson of the Nominating and Compensation Advisory Committee to further enhance its independence.

I would like to request that our officers also implement the Behavioral Reform as a key move under the Medium-term Management Plan. We will break free from conventional wisdom and adopt a policy of concurrently performing multiple duties. We are convinced that doing so will enable us to make more appropriate management decisions and actions from the perspective of total optimization transcending the framework of business departments and specialized areas. This policy will also strengthen our efforts to develop future management personnel and successors.

To become a company trusted by society as a thorough practitioner of ESG management

The **Sustainability Promotion Committee** will take the lead in vigorously implementing ESG (Environmental, Social, and Governance) management under the new management structure. We will seek to balance business value and social value by striving to operate in a way that inextricably links our SDGs initiatives with our original business activities.

On the environmental (E) front, the entire JUKI Group will take responsible action to meet the two commitments JUKI has already pledged: (1) to achieve carbon neutrality by 2050 and (2) to support the TCFD (Task Force on Climate-related Financial Disclosure) recommendations. In addition to addressing the issue of global warming and reducing CO₂ emissions, we are working to reduce clothing waste by proposing optimal production systems as smart solutions based on the diagnosis of customer factories. We are also helping to construct a sustainable, environment-friendly society through the JUKI Way, a policy to support people's lives using industrial and household sewing machines. We are also engaging Group company employees, distributors, and customers in a campaign to expand upcycling activities for the recycling of waste materials, by-products, and old clothes that have outlived their usefulness into new and valuable things.

As a new line of operation, we are preparing to launch a full-scale business focused on the selling of refurbished JUKI machines and devices that have previously been sold. This business is currently listed as the "buying and selling of used articles" in our Articles of Incorporation. We have already conducted this business with mounters for electronics assembly systems, and by doing so have come to understand the need for establishing a system to follow up on the products we sell to

the end of their life cycle. As part of JUKI's social responsibility, we are committed to the 3Rs (Reuse, Reduce, and Recycle) surrounding our business activities.

On the social (S) front, investment in human resource development is a key issue. To adapt to the era of the "new normal," we will develop human resources able to behave robustly and flexibly in the face of the demand for unconventional ways of working. As a global company, we will accept internationally-minded people with diverse values throughout the group and create a system to enhance the competencies of all of our employees, the human capital of a company.

On the governance (G) front, we will establish a further enhanced corporate governance system that can be appropriately operated and maintained. We will work to ensure compliance, strengthen risk management, and increase management transparency through timely and accurate information disclosure.

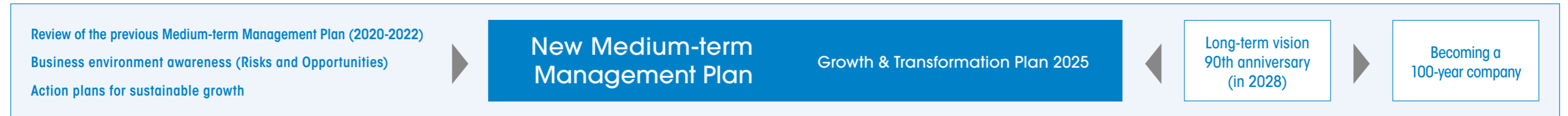
To continue being JUKI, a company that lives up to the trust of its customers

JUKI will celebrate its 85th anniversary in December 2023. Looking back, **JUKI has a history of tackling the challenge of value creation**. JUKI began developing household sewing machines as a business that could contribute to the peace and economic recovery of Japan in the ruins after World War II. The main target of the business was to help Japan achieve self-sufficiency in clothing, one of the core necessities of living alongside housing and food. JUKI quickly captured the trend of "industrialization of clothing" in the postwar period and expanded its business to the development and manufacture of industrial sewing machines. As computers and other electronics fields became growth industries in the 1960s, JUKI used the technologies for its flagship sewing machinery to develop electronics assembly & systems through a long process of trial and error. Electronics assembly & systems grew to become JUKI second core business, forming the foundation for its current mounter operations. JUKI has grown by addressing the social challenges and market needs of the times head-on and **creating value that delivers good impressions and peace of mind to customers and society under its "Mind & Technology" corporate slogan**. **JUKI's growth cycle (value-creation scenario)** will create new values to provide innovative solutions and strengthen SDGs initiatives through strategic investments in development, IT, human resource development, and facilities for promoting automation. This new value-creation will help solve the business and social challenges customers face and realize a growth cycle by winning customer trust, driving the growth of JUKI's businesses, and enhancing JUKI's corporate value. We hope that you will continue supporting our work to achieve the JUKI challenges as we approach our 90th anniversary in five years and our 100th anniversary in ten. Don't lose the opportunity for JUKI's growth.

Medium-term Management Plan

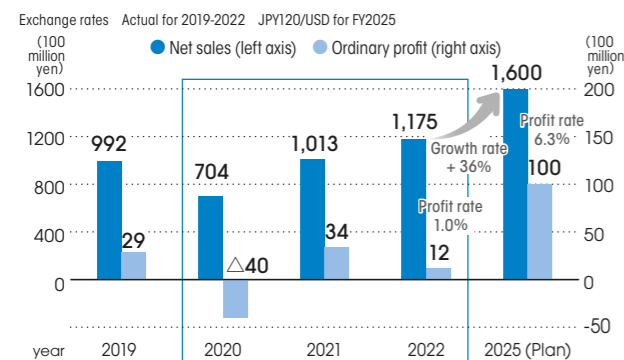
Factors behind the Medium-term Management Plan

Fiscal 2023 marks the launch of JUKI's new Medium-term Management Plan under the "Growth & Transformation Plan 2025" slogan. The new plan lays the groundwork for JUKI's growth strategy for fiscal 2028, the 90th anniversary year since the company's founding.



Review of the previous Medium-term Management Plan (2020-2022)

Net sales / Ordinary profit



Our performance in the three years of the previous Medium-term Management Plan was affected by the lockdowns of JUKI, its customer, and its supplier factories to limit the spread of COVID-19, the supply chain fragmentation and procurement difficulties caused by the prolonged conflict between Russia and Ukraine, and so on.

With the sluggish capital investment demand and postponement of purchase caused by the zero-Covid-19 policy in China, net sales in FY2022 grew by only 18% from the FY 2019 level, to 117.5 billion yen.

Despite the positive effect of the yen depreciation, ordinary profit declined by 59% from FY 2019 due to procurement difficulties, increased cost burdens in logistics, delays in raising product prices to offset the increased cost burdens associated with JUKI's ongoing strategic investments, and the incompleteness of improvements in the portfolio toward value-added businesses.

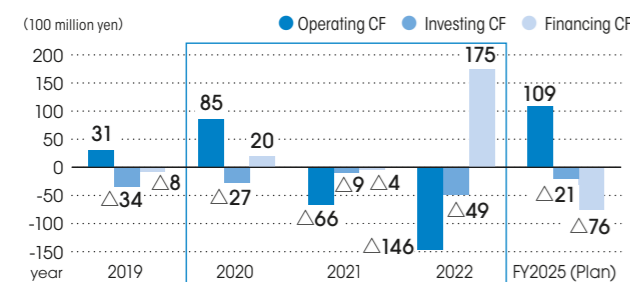
Major financial items

	/year	FY2019 results	FY2020 results	FY2021 results	FY2022 results	FY2025 plan
Total assets		1,147	1,102	1,291	1,452	1,485
Net assets (Foreign currency translation adjustment)		378 (Δ34)	314 (Δ41)	357 (Δ15)	375 (10)	623 (30)
Equity ratio		32.3%	28.2%	27.3%	25.3%	40.0%
Trade receivables (Turnover period)		305 (3.7 months)	233 (4.0 months)	341 (4.0 months)	375 (3.8 months)	400 (3.0 months)
Inventories (Turnover period)		415 (5.0 months)	367 (6.3 months)	511 (6.1 months)	624 (6.4 months)	400 (3.0 months)
Trade payables (Turnover period)		100 (1.2 months)	101 (1.7 months)	198 (2.3 months)	133 (1.4 months)	250 (2.0 months)
Interest-bearing debt		539	574	590	745	350
Cash and deposits		60	138	66	49	65
Net D/E Ratio		1.27	1.39	1.47	1.99	0.7
Period end rate for USD		JPY110	JPY104	JPY115	JPY133	JPY120

Total assets in FY2022 increased by 30.5 billion yen from FY2019 to 145.2 billion yen, mainly due to an increase in accounts receivable and inventories in line with sales growth, while deposits were used to repay borrowings.

Interest-bearing debt increased by 25.5 billion yen from FY2019 to 74.5 billion yen due to an increase in trade receivables and inventories in line with sales growth.

Cash flows



Net cash used in operating activities in FY2022 totaled 14.6 billion yen (3.1 billion was provided in the same period of FY2019). This was the result of an increase in trade receivables and inventories.

Net cash used in investing activities totaled 4.9 billion (3.4 billion was used in the same period of FY2019). This was mainly the result of expenditures for the purchase of property, plant and equipment and new investment securities (shares of subsidiaries and affiliates).

Net cash provided by financing activities totaled 17.5 billion yen (0.8 billion yen was used in the same period of FY2019). This was mainly the result of an increase in borrowings.

Business environment awareness (Risks and Opportunities)

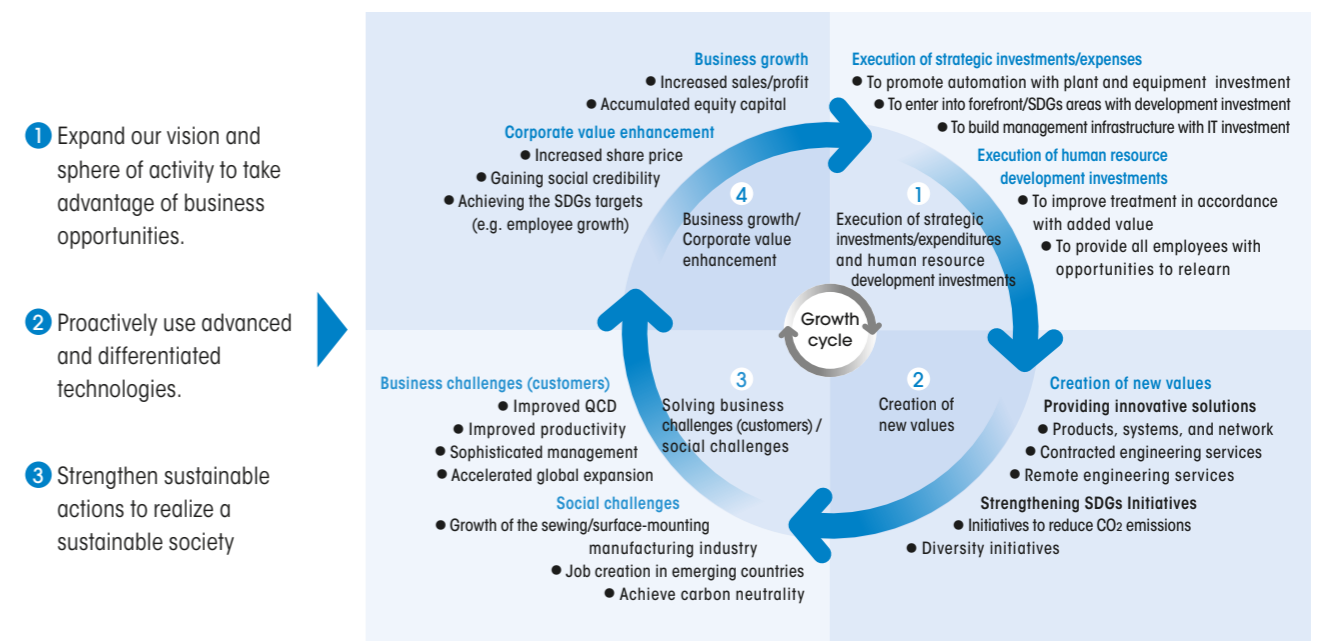
Risks

External environments	<ul style="list-style-type: none"> Variations in monetary policy in major countries (Interest rate rises in Europe and the U.S., monetary easing in China.) Ongoing turmoil and strife caused by Russia's invasion of Ukraine Ongoing tensions between the U.S. and China Gradual improvement of the supply chain fragmentation and logistics disruptions Ongoing rises in procurement costs driven by higher component prices
Competitive environments	<ul style="list-style-type: none"> Intensifying competition to offer smarter products to customers Acceleration of product commoditization (lower prices)

Opportunities

External environments	<ul style="list-style-type: none"> Covid-19 policy change in China Recovery of the demand for capital investment in apparel, automobiles, IoT, etc. Technological innovation in AI/IoT/5G, etc. Changes in markets and customers expected in the post-COVID-19 society Social demand for a reduced environmental load
JUKI	<ul style="list-style-type: none"> Establishment of a new business model and management foundation adapted to the new normal society. Development of new markets through strengthened solution proposals. Development of leading-edge products and services using advanced technologies. Building of a flexible production system that responds to changes in the environment. Initiatives for a sustainable society (SDGs)

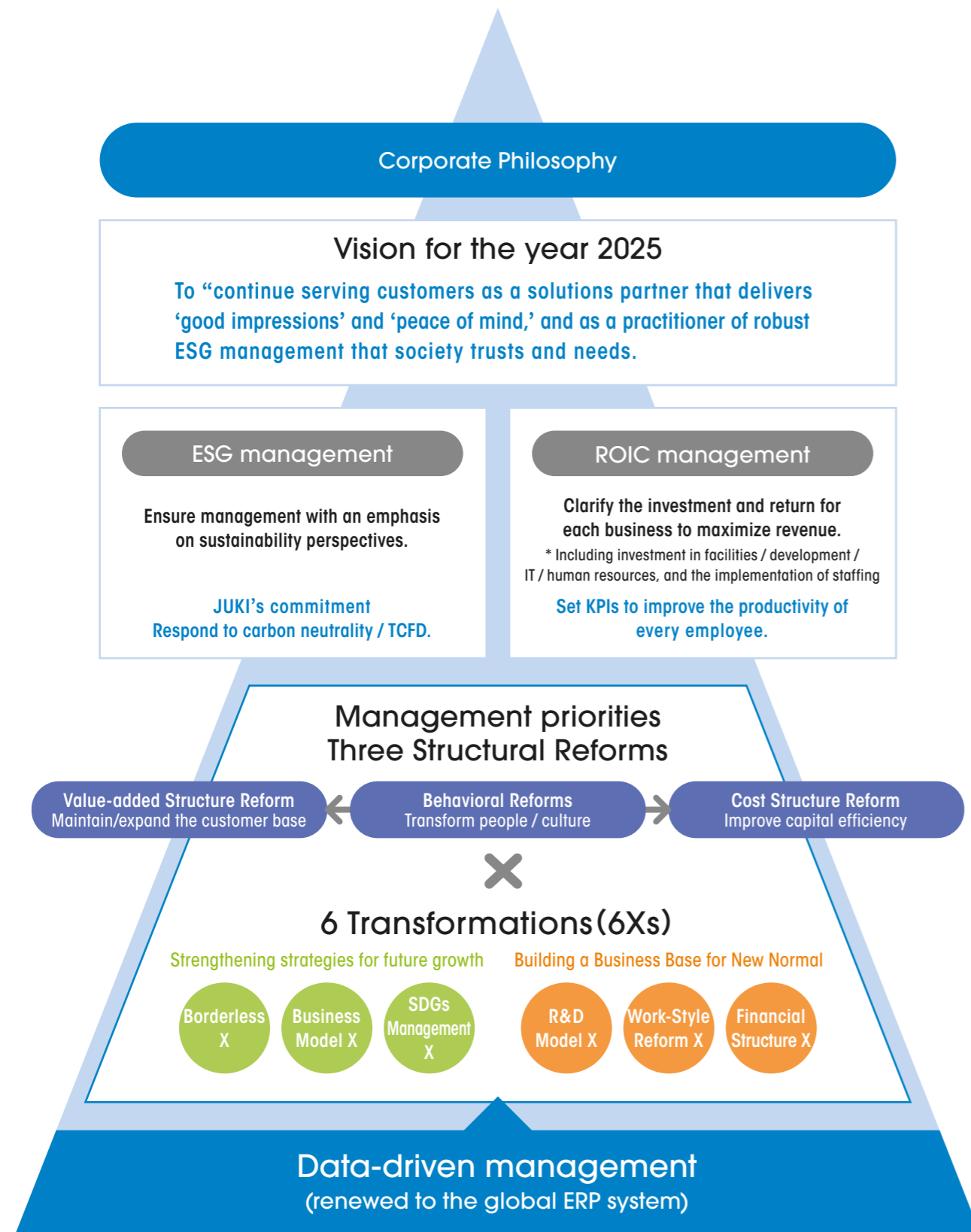
Action plans for sustainable growth



Medium-term Management Plan

Reforms and transformations in the Medium-term Management Plan

The new Medium-term Management Plan under the “Growth & Transformation Plan 2025” slogan calls for enhancements in our corporate value based on the three structural reforms and six transformations (6Xs). By following this plan, JUKI will continue pursuing its vision of continuing to serve customers as a solutions partner that delivers “good impressions” and “peace of mind,” and as a practitioner of robust ESG management that is trusted and needed by society.



Three Structural Reforms (Management priorities)		
Value-added Structure Reform Maintain/expand the customer base	Behavior Reform Transform people/culture	Cost Structure Reform Improve capital efficiency
<p>Maintain and expand the customer base by strengthening high value-added areas.</p> <ul style="list-style-type: none"> ● Create a new business model by expanding our business domains. ● Strengthen collaboration with alliance partners. 	<p>Strengthen every employee’s ability to implement measures.</p> <ul style="list-style-type: none"> ● Use diverse human resources on a global scale. ● Develop next-generation leaders and provide opportunities for relearning to employees at all levels. ● Implement job-based management based on job responsibilities and performance at work. ● Provide officers and employees with opportunities for relearning. 	<p>Review our cost structure in light of the changes taking place in the business environment.</p> <ul style="list-style-type: none"> ● Restructure our production, logistics, and procurement networks. ● Integrate our business functions and streamline the operations of our administrative departments. ● Eliminate all forms of waste.

6 transformations (6Xs)		
Borderless X	Business Model X	SDGs Management X
<ul style="list-style-type: none"> ● Rebuild our distributor network and develop emerging markets by leveraging trading companies. ● Retain and expand high-end customers by strengthening our ability to propose solutions. ● Retain loyal customers through the integrated management of our head office and sales companies. 	<ul style="list-style-type: none"> ● Expand our business domains to increase profitability. ● Create new businesses not confined to existing areas. 	<ul style="list-style-type: none"> ● Reduce CO2 emissions by taking environmental measures (energy saving, etc.) at in-house factories. ● Reduce environmental load in the supply chain in consideration of product life cycles (product development/refurbishment business). ● Support the development of emerging countries through e-learning, vocational training, factory diagnosis, etc.
R&D Model X	Work-Style Reform X	Financial Structure X
<ul style="list-style-type: none"> ● Develop innovative products using new technologies. ● Rebuild a patent network and corporate branding by effectively using intellectual property/design functions. ● Significantly reduce manufacturing costs through design revolution. ● Strengthen our business planning function by improving our marketing capabilities. 	<ul style="list-style-type: none"> ● Promote automation by strengthening production technology. ● Review supply chains in line with market trends. ● Drastically overhaul our administrative overhead costs. ● Improve our operational efficiency using smart tools. ● Strengthen our corporate communication. ● Use diverse human resources and provide employees at all levels with opportunities for relearning. 	<ul style="list-style-type: none"> ● Reduce inventory/trade receivables by restructuring the supply chain. ● Reduce interest-bearing debt (achieve a D/E ratio target). ● Shorten the cash conversion cycle.

Data-driven management

(renewed to the global ERP system)

With ERP restructuring as the core, collect and accumulate information on the JUKI Group around the world in real time to synchronize operations between the head office and group sites, and enhance our responsiveness to change through prompt management and accurate decision-making.

Medium-term Management Plan

Quantitative plans and measures in the Medium-term Management Plan


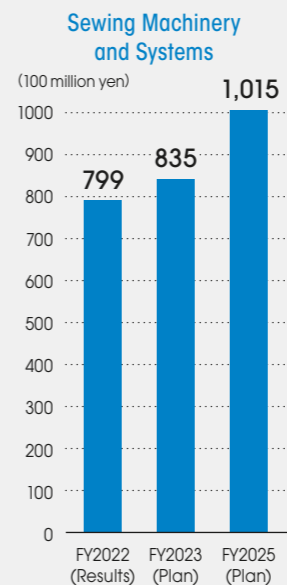


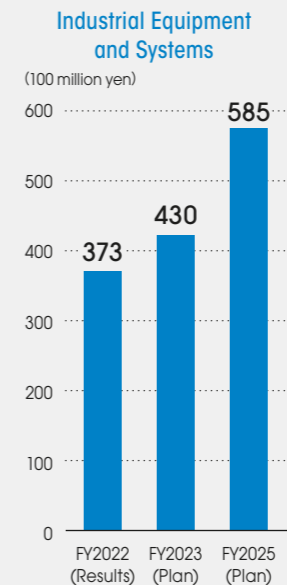
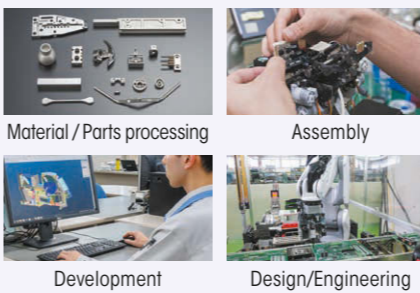

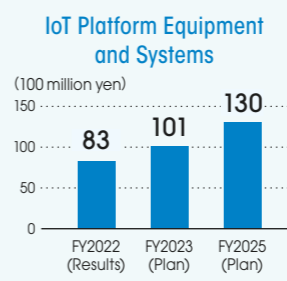
JUKI has formulated a set of quantitative targets, along with KPIs and measures to achieve them, in its new "Medium-term Management Plan" under the "Growth & Transformation Plan 2025" slogan. We will make strategic investments and implement solid measures.

Planned value	Priority policies	Measures	KPI (Key Performance Indicator)	Amount invested																					
<h3>Net sales/Ordinary profit</h3> <p>Exchange rates Actual for 2022 JPY120/USD for FY2023, FY2025 (100 million yen)</p> <p>Net sales (left axis) Ordinary profit (right axis)</p> <p>FY2022: Net sales 1,175, Profit rate 1.0%, Ordinary profit 12 FY2023: Net sales 1,270, Profit rate 2.4%, Ordinary profit 30 FY2025: Net sales 1,600, Profit rate 6.3%, Ordinary profit 100</p> <p>FY2022 - FY2025 Growth rate +36%</p>	<h3>ESG management</h3> <p>Strengthen efforts to surely realize carbon neutrality and TCFD information disclosure, while making progress in solving social challenges through our core business.</p>	<ul style="list-style-type: none"> Clarify the definition of Scope 1, 2, and 3 of CO2 emissions and promote their calculation. Appropriately disclose in-house information on climate change (including TCFD). Strengthen initiatives on social challenges. Strengthen governance. <p>▶ Page 54</p>	<h3>CO2 emissions reduction</h3> <p>By 2025 -37% (Compared to the 2013 level) (Scope 1 and Scope 2)</p>	<h3>SDGs investment</h3> <p>(100 million yen)</p> <p>2022: 13 (11 Development, 2 Production) 2023: 16 (14 Development, 2 Production) 2024: 19 (18 Development, 1 Production) 2025: 25 (24 Development, 1 Production)</p> <p>*This figure is extracted from the amounts invested in development and production (shown at the bottom of the same page).</p>																					
<h3>Businesses other than the mainstay industrial sewing machinery business</h3> <h4>Gross profit composition (Gross profit)</h4> <p>FY2022: Industrial Sewing Machinery Business 57%, Net sales 117.5 billion yen FY2025: Industrial Sewing Machinery Business 50%, Net sales 160.0 billion yen</p>	<h3>DX (Digital Transformation)</h3> <p>Restructure data-driven management with DX.</p>	<ul style="list-style-type: none"> Restructure our Global ERP system. Visualize management of inventory, sales, ROIC, etc. Reform supply chain management. <p>▶ Page 42</p>	<h3>Introduction of a global ERP system</h3> <p>100% compliance with scheduled dates</p> <p>2023: Two major sales companies 2024: Sales companies in Asia 2025: Manufacturing companies in Japan</p>	<h3>Information system investment</h3> <p>(100 million yen)</p> <p>2022: 4 (3 Building of new systems, 1 Update of existing systems) 2023: 14 (10 Building of new systems, 4 Update of existing systems) 2024: 12 (9 Building of new systems, 3 Update of existing systems) 2025: 9 (7 Building of new systems, 2 Update of existing systems)</p>																					
<h3>Major financial items</h3> <table border="1"> <thead> <tr> <th></th> <th>FY2022 results</th> <th>FY2025 plan</th> </tr> </thead> <tbody> <tr> <td>Trade receivables (turnover days)</td> <td>375 (3.8 months)</td> <td>400 (3.0 months)</td> </tr> <tr> <td>Inventories (turnover days)</td> <td>624 (6.4 months)</td> <td>400 (3.0 months)</td> </tr> <tr> <td>Cash Conversion Cycle (CCC)</td> <td>264 days</td> <td>120 days</td> </tr> <tr> <td>Interest-bearing debt (Net of cash and cash equivalents)</td> <td>745</td> <td>350</td> </tr> <tr> <td>Equity ratio (%)</td> <td>25.3</td> <td>40.0</td> </tr> <tr> <td>Net D/E ratio (times)</td> <td>1.99</td> <td>0.70</td> </tr> </tbody> </table>		FY2022 results	FY2025 plan	Trade receivables (turnover days)	375 (3.8 months)	400 (3.0 months)	Inventories (turnover days)	624 (6.4 months)	400 (3.0 months)	Cash Conversion Cycle (CCC)	264 days	120 days	Interest-bearing debt (Net of cash and cash equivalents)	745	350	Equity ratio (%)	25.3	40.0	Net D/E ratio (times)	1.99	0.70	<h3>Enhancing human resources</h3> <p>Build a highly productive organization by promoting diversity and work-life balance.</p>	<ul style="list-style-type: none"> Use diverse human resources and promote their success. Overhaul employee treatment based on performance and results. Enhance individual/organizational skills through relearning. Create a pleasant work environment. <p>▶ Page 44</p>	<h3>Ratio of female management positions</h3> <p>FY2022 6% → FY2025 10%</p>	<h3>Investment to strengthen human resources (Training and development, relearning, etc.)</h3> <p>500 million yen (Total for 3 years)</p>
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<h3>ROIC management</h3> <p>FY2022 1.59% → FY2025 10%</p>	<h3>Business growth</h3> <p>Adopt a marketing-based market strategy and transform our portfolio by expanding high value-added areas.</p>	<ul style="list-style-type: none"> Strengthen our marketing capabilities and collaboration from a global sales perspective. Strengthen our ability to propose market-oriented products and solutions. Strengthen collaboration with alliance partners. Expand new business and business domains. <p>▶ Page 28</p>	<h3>Net sales by business</h3> <p>(100 million yen) Exchange rates Actual for 2022 JPY120/USD for FY2025</p> <p>FY2022: 1,175 FY2025: 1,600 Growth rate +36%</p>	<h3>Development investment</h3> <p>(100 million yen)</p> <p>2022: 50 (15 SDGs investment, 11 Advanced technology, 24 Existing technology/others) 2023: 61 (21 SDGs investment, 14 Advanced technology, 26 Existing technology/others) 2024: 63 (18 SDGs investment, 18 Advanced technology, 27 Existing technology/others) 2025: 64 (24 SDGs investment, 24 Advanced technology, 16 Existing technology/others)</p>																					
<h3>ROE</h3> <p>FY2022 -0.2% → FY2025 18.7%</p>	<h3>Technological development</h3> <p>Develop differentiated products by creating customer value and social value, and develop products and systems that expand our business domains.</p>	<ul style="list-style-type: none"> Strengthen efforts to address the SDGs (carbon neutrality, environmental load, etc.). Smartize our customers' factories. Improve the efficiency of JUKI development. Execute and promote the intellectual property and design strategies. <p>▶ Page 46</p>	<h3>New product sales ratio</h3> <p>FY2022 23% → FY2025 40%</p>	<h3>Investment in production facilities</h3> <p>(100 million yen)</p> <p>2022: 18 (5 SDGs investment, 13 Capacity enhancement/Smartization, 2 Quality enhancement, etc.) 2023: 21 (6 SDGs investment, 15 Capacity enhancement/Smartization, 2 Quality enhancement, etc.) 2024: 20 (9 SDGs investment, 11 Capacity enhancement/Smartization, 1 Quality enhancement, etc.) 2025: 12 (3 SDGs investment, 9 Capacity enhancement/Smartization, 1 Quality enhancement, etc.)</p>																					
	<h3>Production</h3> <p>Improve quality, reduce costs, and shorten delivery times by deploying a production site strategy.</p>	<ul style="list-style-type: none"> Promote smart production at each site across the departments. Stabilize quality and reduce F-costs (manufacturing failure costs). Stabilize procurement and promote cost reduction. Respond to the risk of supply chain fragmentation and promote production site strategies linked to sales market trends. Strengthen measures to achieve carbon neutrality. <p>▶ Page 48</p>	<h3>Effect of measures to promote automation (cumulative total)</h3> <p>FY2022 Cumulative total 400 million yen → FY2022 Cumulative total 4,300 million yen</p>	<h3>Effects of cost reductions, etc.</h3> <p>Compared to FY2022 -3.9 billion yen</p>																					
	<h3>Financial strategy</h3> <p>Strengthen our ability to implement a value-added structure reform and cost structure reform.</p>	<ul style="list-style-type: none"> Restructure our production, logistics, and procurement networks. Integrate our business functions and streamline the operations of our administrative departments. Strengthen the high-value-added business fields. <p>▶ Page 40</p>																							

Create a Sustainable Future with Smart Solutions.

We create a sustainable future with smart solutions.

We support the growth of customer businesses through smart solutions.

Business segment	Business	Business description	Main products and services	Net sales (Medium-term Management Plan)	Major group companies involved	
					Manufacturing	Sales
Sewing Machinery and Systems This business supports “stitches” of all types by supplying more than 2,000 sewing machine models and systems for customers at every level, from professionals to hobbyists.	Industrial Sewing Machinery Business A world-leading business driving the sewing machinery business ▶ Page 30	Our business is to assist in the creation of optimal sewing factories through line solutions centered on the world’s No. 1 market share industrial sewing machines in combination with automation equipment and IT systems.		Sewing Machinery and Systems (100 million yen) 	<ul style="list-style-type: none"> ● OHTAWARA PLANT ● JUKI MATSUE CORPORATION ● JUKI (SHANGHAI) INDUSTRIAL CO.,LTD. ● JUKI (LANGFANG) INDUSTRIAL CO., LTD. ● SHANGHAI JUKI SEWING MACHINE CO., LTD. ● JUKI (VIETNAM) CO., LTD. 	<ul style="list-style-type: none"> ● JUKI TECHNOSOLUTIONS CORPORATION ● JUKI SALES (JAPAN) CORPORATION ● JUKI (CHINA) CO., LTD. ● JUKI (HONG KONG) LTD. ● JUKI SINGAPORE PTE. LTD. ● JUKI MACHINERY BANGLADESH LTD. ● JUKI MACHINERY VIETNAM CO.,LTD. ● JUKI INDIA PVT.LTD. ● JUKI AMERICA, INC. ● JUKI CENTRAL EUROPE SP.ZO.O. ● JUKI ITALIA S.P.A. Other
	Household Sewing Machinery Business A business that provides products to stimulate the creativity of home sewers ▶ Page 32	This business supports a comfortable sewing life with reliable product capabilities that incorporate the performance of industrial sewing machines. We hold various workshops and support a wide range of hobbyists in sundry fields.				
Industrial Equipment and Systems This business supports customers’ production factories by providing products, systems, development capacity and manufacturing capacity while utilizing “manufacturing (Monodzukuri) capabilities” developed over many years.	Electronics Assembly & Systems Businesses A business that provides total solutions to support circuit boards manufacturing factories ▶ Page 34	This business supports the smartening of entire factories by providing equipment and systems for the production of PCBs (printed circuit boards). And based on our smart technology, we are expanding our business to customers other than manufacturers operating PCB board mounting factories.		Industrial Equipment and Systems (100 million yen) 	<ul style="list-style-type: none"> ● JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION ● JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION ● JUKI AIZU CORPORATION ● SUZUTAMI PRECISION INDUSTRY CO., LTD. ● OHTAWARA PLANT 	<ul style="list-style-type: none"> ● JUKI AUTOMATION SYSTEMS CORPORATION ● TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO.,LTD. ● JUKI SMT ASIA CO., LTD. ● JUKI AUTOMATION SYSTEMS INC. ● JUKI AUTOMATION SYSTEMS GMBH. Other ● JUKI METAL CORPORATION ● JUKI HIROSHIMA CORPORATION ● JUKI MATSUE CORPORATION ● JUKI (VIETNAM) CO., LTD.
	Group Business A business that supports manufacturing companies through the collective strengths of “people, equipment, methods, and materials” ▶ Page 36	In this business we contract the development, manufacturing, processing, etc. of various products using the know-how that JUKI Group companies have accumulated in development, design, production, and production management in the course of manufacturing their main products.				
IoT Platform Equipment and Systems	IoT Platform Equipment & System Business A solutions business to solve customer challenges through automation and various services ▶ Page 38	With the IoT platform at its core, this business supports factory operations that are one step ahead of the competition by providing various solution services such as proactive prevention services and smarter operations.		IoT Platform Equipment and Systems (100 million yen) 	<ul style="list-style-type: none"> ● Group manufacturing companies ● Business partners (Suppliers) 	<ul style="list-style-type: none"> ● Group sales companies

(Note) The figures in the bar chart represent sales in the customer business. The above figures are included in the Sewing Machinery & Systems Business Unit and Industrial Equipment & Systems Business Unit.

Vision

Working under the “JUKI Smart Solutions” concept, JUKI helps customers innovate by offering inventive technologies and system proposals.



Minoru Nitta
Managing Officer, and
General Manager of the
Sewing Machinery & System
Business Unit

The industrial sewing machinery business provides products and services to sewing factories serving mainly the apparel and automotive industries, and supports the growth of its sewing factory customers as a provider of solutions activities. JUKI's products are widely used in 185 countries around the world. The industrial sewing machines business supports the production of clothing as an essential part of daily life and drives both economic development and employment growth, especially in emerging countries. The COVID-19 pandemic has brought about many changes in the apparel industry.

The demand for knit-based apparel is rising due to the expansion of e-commerce site sales and the spread of work-at-home jobs, while consumers are demanding further action to reduce clothing loss and respond to the SDGs as their sustainability consciousness grows. Sewing factories must respond to these challenges as they continue their businesses.

JUKI provides solutions to make sewing factories smarter globally. We provide a high quality solution system including a sewing management system (JaNets) to improve and integrates all of the processes at work in full-fledged sewing factories, from pre-sewing to post-sewing, in addition to products. We also support market needs such as the JUKI customers' expansion to overseas countries and relocation of production sites in emerging countries in our industry-leading global system.

In the knitwear field, we will collaborate with the world's top manufacturers. In the non-apparel field, we will further grow our business by expanding our product range through a new company launched last year.

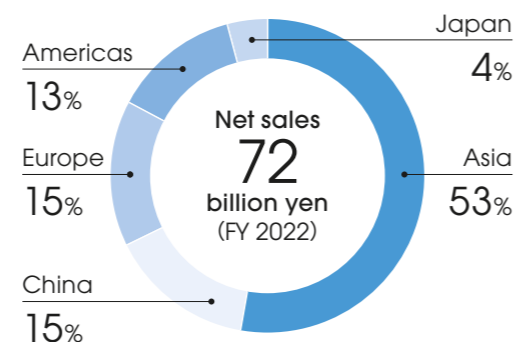
Strengths

- Brand power with the No.1 global market share
- Unparalleled product lineups responding to every process in the manufacture of sewn items
- Simultaneous pursuit of high quality and performance based on core technologies
- JUKI's DNA as a developer of global markets
- Solution capabilities backed by more than 60 years of consulting activities

Summary of FY2022

While the supply chain development and recovered demand in the apparel market increased net sales mainly in Asian markets, our performance was held back by the zero-Covid-19 policy in China and the postponement of purchases in the fourth quarter due to the deteriorating foreign currency situation in Asia and other emerging countries. While net sales grew overall, ordinary profit was constrained by the decline in factory operating ratios with the lockdown of factories in China in the first half of the year and the persistently high raw material prices and logistics costs.

Global sales ratio (FY2022)

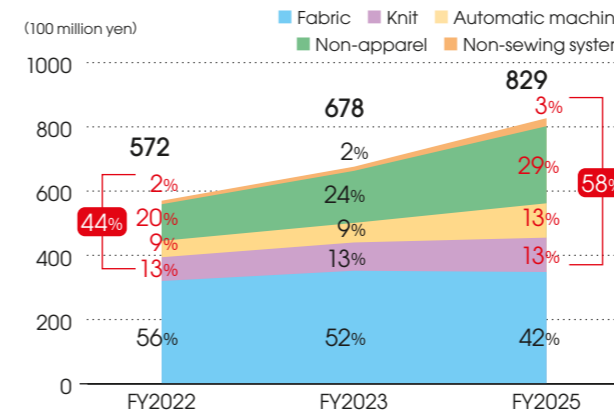


* Exchange rate: Actual rate

Medium-term Management Plan

Value proposition	Solving customer challenges Improve productivity and quality through comprehensive proposals / support the overseas expansion of JUKI customers
	Solving social challenges Contribute to the reduction of clothing waste
Priority areas and strategies	● Expand business partners by developing new middle markets.
	● Expand revenues by increasing sales in high value-added fields.
	Automatic machines: Propose automation for high-end customers Knit: Expand sales in the growing casual knitwear market through collaboration with PEGASUS Non-apparel: Expand market share by developing new markets such as automobile/shoes/furniture

Sales portfolio of the Industrial Sewing Machinery Business



The Business aims to increase the sale ratio of non-fabric sewing machines from 44% to 58% and to achieve net sales of 82.9 billion yen in FY2025, up by 45% from FY2022.

* Exchange rate: in-house planned rate

Major target items	Sales in the middle-market field FY2022: 18.3 billion yen → FY2025: 31.5 billion yen
	Sale ratio of non-fabric sewing machines FY2022: 44% → FY2025: 58%

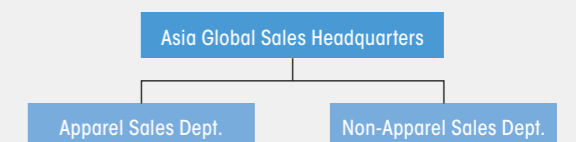
Risks and Opportunities

Risks
<ul style="list-style-type: none"> ● Improved product development capabilities and sales expansion by automatic machine makers in China ● Paradigm shift in fashion with the advent of the new normal ● Costs pushed up to soaring levels by the logistics system and supply chain impacts stemming from factors such as geopolitical risks and the economic conditions in different countries.
Opportunities
<ul style="list-style-type: none"> ● Accelerated relocation of the production sites of global companies ● Positive change in the awareness of SDGs, labor issues, etc. ● Booming knitwear and bottom markets with the growth of casual wear ● Automation and systemization needs generated by labor shortages ● New needs driven by changes in the automotive industry such as the shift to EVs

TOPICS

JUKI establishes an Asia Global Sales Headquarters in Vietnam.

In May 2023, JUKI established its Asia Global Sales Headquarters in Vietnam as a new operational base to speedily respond to diversifying customer needs in the Asian market. We will support major sewing companies that are relocating their production sites to Asia at an accelerated pace by helping them build smart factories through JUKI's advanced products, systems, and smart solution proposals.



JUKI releases the AW-3S, an automatic bobbin thread winding and feeding device that can be retrofitted to customer machines now in use.

JUKI has released a technologically unique device that can retrofit the “automatic bobbin thread feed” function to electronic cycle machines (AMS-EN series) used for sewing decorative seams for car seats, airbags, etc. A retrofit with the new device can improve the productivity of customer's sewing machines. This device significantly reduces the downtime associated with frequent bobbin thread changes as the thick threads are used for the sewing of car seats and other non-apparel products.



Vision

Creating new fun with hobbyists



Minoru Nitta

Managing Officer, and General Manager of the Sewing Machinery & System Business Unit, A manager in charge of household sewing machines

Strengths

- Trust in a brand based on industrial sewing machines
- Pioneer in the field of semi professional sewing machines
- High performance and quality based on core technologies
- Support from sewing influencers
- JUKI's DNA as a pursuer of user-oriented products

The Household Sewing Machinery Business spreads the fun of hobbying through the sale of equipment and accessories that enhance the creativity of home sewing. Backed by the failsafe reliability of JUKI's industrial sewing machines at their core, our enhanced-quality, high-performance, high-end products continue to win the strong support of customers who have a genuine love for sewing, from hobbyists to entrepreneurs who sell their creations. The need for highly specialized sewing machines has been increasing in recent years as more customers, the highly sophisticated hobbyists, sell their creations online.

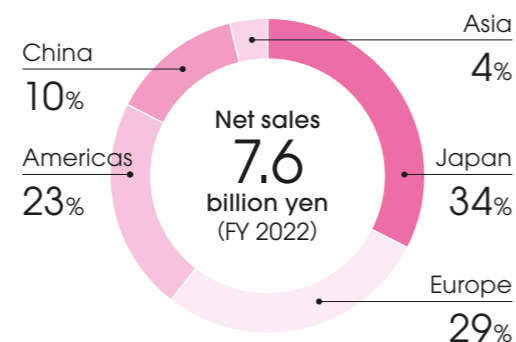
To expand in this environment, we aim to enhance the added-value of professional-use sewing machines with one of our core strengths, by offering equipment that enables even greater specialization, such as our computerized buttonholer exclusively for professional-use sewing machines and our original automatic thread tension compact overlock sewing machine with a chain-off thread cutter function. We are promoting the value creation of JUKI's unique business by providing equipment that allows for even greater specialization. We are working to expand the business to 10 billion yen in net sales under the new Medium-term Management Plan by promoting marketing that strengthens contact with distributors and street stores and increasing the number of JUKI sewing machine fans.

On the SDGs front, JUKI will also be developing upcycling activities in the household sewing machine sales channel based on the know-how cultivated in-house.

Summary of FY2022

Although net sales fell short of the level of the previous year, ordinary profit was maintained at the same level, largely thanks to the introduction of new products and high-function models targeted for the highly sophisticated hobbyists. Sales of mainstay professional-use sewing machines and mid- to high-end models remained stable, while the introduction of the MO-2000/3000 series, high-performance compact overlock sewing machines, helped us reach out in earnest to knit sewing enthusiasts. Going forward, we will continue to promote digital marketing to the highly sophisticated hobbyists making up our largest base of target users by providing compelling news and information through social media and striving to add more value to the JUKI brand.

Global sales ratio (FY2022)



* Exchange rate: Actual rate

Medium-term Management Plan

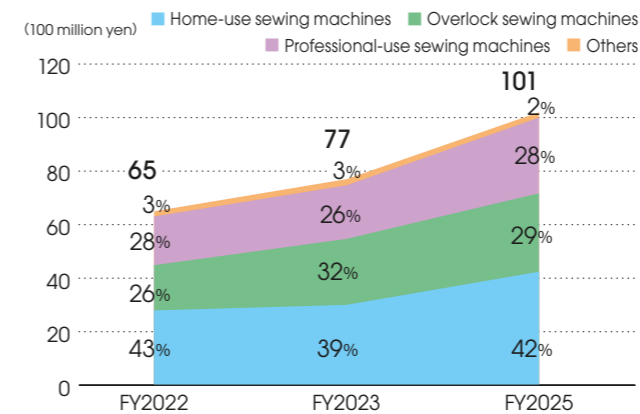
Value proposition

- Solving customer challenges**
Contributing to *Kotodzukuri* (value-creation) by providing products/services
- Solving social challenges**
Contributing to the reduction of clothing waste through upcycling activities

Priority areas and strategies

- Maintain and expand our customer base by developing a product lineup tailored to each market.
- The Americas:
Develop high value-added products by cultivating new sales channels.
- Europe:
Raise awareness by deploying our home-use sewing machines, professional-use sewing machines, and overlock sewing machines.
- Japan:
Capture the heavy user base by focusing on the development of new models.

Sales portfolio of the Household Sewing Machinery Business



We aim to achieve net sales of 10.1 billion yen in FY2025, up 55% from FY2022, by expanding sales of JUKI's forte lineups of professional-use sewing machines and quilting machines.

* Exchange rate: in-house planned rate

Major target items

Sales of professional-use*

FY2022: 1.8 billion yen → FY2025: 2.7 billion yen

*Including the sewing machines for quilting and related equipment (Alliance)

Risks and Opportunities

- Risks**
- End of the stay-at-home demand
 - Higher prices of commodities, including prices for infrastructure use, worldwide
 - Higher uncertainty in specific regions
 - Changes in the competitive environment amid industry restructuring
- Opportunities**
- Expansion of our base of home sewing machine users driven by the stay-at-home demand
 - Expansion of information transmission through social media to influence customers, highly sophisticated hobbyists of sewing machines.
 - Expansion of opportunities for from individual sales to customers, highly sophisticated hobbyists of sewing machines to online sales

TOPICS

We strengthen an overseas marketing approach through integrated team management.

The Sales Department, Product Planning Department, and Marketing Department will no longer be divided into domestic and overseas sections. Information shared from each market will be reflected in products and measures and in horizontally deployed sales activities to strengthen overseas marketing and improve customer service. We will also be operating the organization at a faster pace to rapidly reflect information obtained through user service in product planning and service activities, and will steadily work to expand the number of JUKI fans and heighten their satisfaction.

JUKI releases the "MO-3000," a compact overlock sewing machine for home use.

JUKI's top-of-the-line overlock sewing machine for home use is now available. The feature-packed MO-3000 incorporates technology from JUKI industrial sewing machines, UX/UI elements that allow users to quickly perform the operations they want to perform, and three new functions: automatic thread tension, automatic chain-off thread cutter, and float. This new machine dramatically improves the work product quality by eliminating the difficult operations often required with overlock sewing machines.



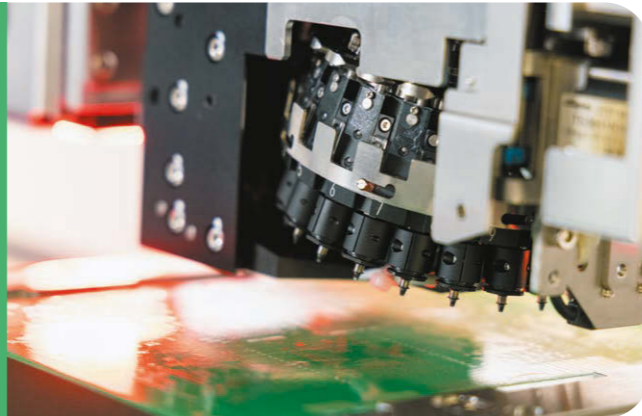
JUKI releases the EB-1 Buttonholer, a dedicated buttonholer for JUKI's professional-use sewing machines.

This device is a dedicated buttonholer attached to JUKI's professional-use sewing machines for use. The EB-1 Buttonholer is the industry's first product to offer the buttonholing functions long yearned for by the users of professional-use sewing machines in the booming handmade market. This product has been developed for the creation of professional works of art. Detailed computer-controlled settings can be easily set to enable the completion of quality buttonholes with a simple press of the start button.



Vision

To be a trusted business partner for customers by strengthening the mounter business and expanding non-mounter and non-SMT areas



Hirokazu Nagashima

Executive Vice President, General Manager of the Industrial Equipment & System Business Unit and the Electronics Assembly & Systems Company of the company, and Representative Director, President, and COO of JUKI AUTOMATION SYSTEMS CORPORATION

The Electronics Assembly & Systems Businesses have been working on the automation of parts warehouses, manual insertion processes, and inspection processes to help the customers operating the PCB mounting factories smartize not only the PCB mounting process but also the entire PCB mounting factory. We believe that we are steadily approaching the realization of a smart factory by systematizing the entire PCB mounting factories using enhanced hardware and software.

The business environment has also changed significantly in response to geopolitical risks and the impacts of COVID-19. The demand to shift from manual work to unmanned and labor-saving operations at production sites continues to grow. We believe that our image recognition technology and high-speed, high-precision control technology are further expanding the areas where we can help customers make this shift.

To realize our mid-term vision, we will expand our target fields to include not only the mounting area but also the non-SMT area. We will also be actively engaging in the automated warehousing business and inspection and measurement business for mechanical parts other than electronic components. JUKI aims to become a “*Monodzukuri* and *Kotodzukuri*” (Manufacturing and value-creation) company that works with customers to enhance corporate value through products and services. We continue to pursue this aim by developing problem-solving proposals that realize total solutions and further working to enhance our business value.

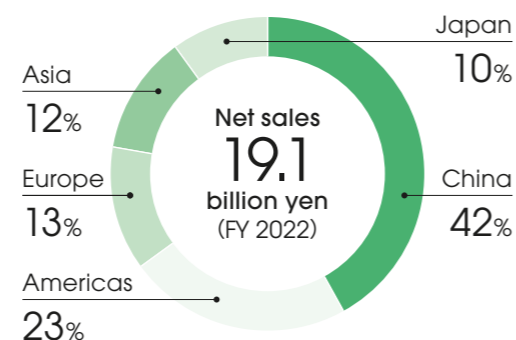
Strengths

- Numerous proprietary core technologies based on optical technologies
- The human resources and technological capabilities of JUKI and SONY (Management integration with the same business department of SONY in 2014)
- Customer-oriented solution capabilities
- Repair service system using remote support
- JUKI’s DNA as a late starter that grew to become a developer of markets

Summary of FY2022

Net sales of the Electronics Systems & Systems Businesses declined with sluggish capital investment demand stemming from the zero-Covid-19 policy in China. Ordinary profit also declined due to JUKI’s ongoing strategic investments and a significant decrease in the sale of mounters and other products in the second half of the year.

Global sales ratio (FY2022)



* Exchange rate: Actual rate

Medium-term Management Plan

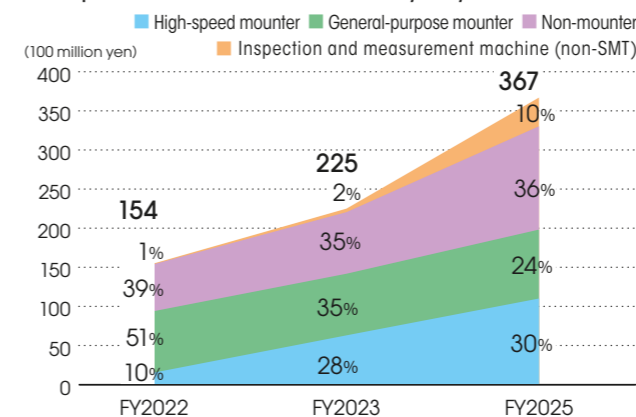
Value proposition

- Solving customer challenges**
Productivity improvement through automation/manpower-saving solutions
Improvement of quality
- Solving social challenges**
Support for technological innovation by improving productivity in the electronic industry

Priority areas and strategies

- Expansion of the businesses for inspection and measurement equipment etc. In the non-SMT area and high-speed mounters and pre- and post-process equipment and systems for PCB mounting factories
- Market development to increase sales in regions other than China
- Commercialization of semiconductor manufacturing, 3D mounting, etc.

Sales portfolio of the Electronics Assembly & Systems Businesses



We are targeting net sales of 36.7 billion yen in FY2025, a 38% increase over FY2022, by increasing the market share of high-speed mounters and significantly expanding the non-mounter area.

* Exchange rate: in-house planned rate

Major target items

- Ratio of non-mounter and non-SMT areas**
FY2022: 40% → FY2025: 46%
- Ratio of sale outside of China**
FY2022: 45% → FY2025: 60%

Risks and Opportunities

- Risks**
- Reduction in the workloads at the PCB mounting factories and willingness to invest due to ongoing shortages of semiconductors and electronic components
 - Soaring material costs and reduced cost competitiveness
 - Intensifying competition due to the entry of Chinese competitors and rivals from other industries
 - Decline in product competitiveness as competitors expand their business areas and make technological progress

- Opportunities**
- Expanded capital investment with the acceleration of DX, the shift to EVs, and the growing base of electronics products
 - Increased labor-saving and automation needs due to production efficiency and labor shortages
 - Expanding demand for PCB mounting in India, countries on the periphery of Europe, Mexico, Brazil, etc.

TOPICS

JUKI establishes an MI Promotion Headquarters.

Many of our customers’ PCB manufacturing factories rely on the manual insertion of lead components. The automation of this process is lagging behind. JUKI has been increasing sales of automatic insertion machines (MI: Manual Insertion) for lead components in China, the largest market in the world. We continue to accumulate successful examples and know-how to meet customers’ automation needs. With the establishment of the MI Promotion Headquarters, JUKI will build a system to accurately grasp the automation needs of customers in China and around the world and respond to them promptly.

JUKI releases the RX-8, a high-speed compact modular mounter.

JUKI has released a two-headed mounter that places extremely small components such as small ICs at high speeds. The capacity to pick up a greater number of components at one time leads to 1.3 times faster production versus conventional machines and enhances productivity per area. Ideal for continuous placement of the same component, the new mounter achieves high-quality production of PCBs for lighting and panels using LED edge lights.



JUKI releases the LX-8, an advanced flexible mounter.

A highly versatile mounter capable of placing electronic components of many types and sizes at double the conventional speed is now available. The LX-8 is almost the same size as its compact predecessor, but achieves 1.9 times higher productivity per area. JUKI’s unique “Takumi Head” is configured with two units in pursuit of high-speed performance highly demanded in the market and versatility.



Vision

We build win-win relationships with customers through proactive solution proposals that leverage the strengths of each plant.



Hirokazu Nagashima

Executive Vice President, General Manager of the Industrial Equipment & System Business Unit, A manager in charge of the group business

Strengths

- Core technologies for JUKI's 80-odd years of abundant manufacturing
- Precision development and manufacturing capabilities in wide-ranging fields, from mechanical to electronic products
- Engineering capabilities based on production technology
- Passion for success in Japanese manufacturing
- Experience in developing medical devices and equipment for different industries

The Group Business started as a contract business for wide-ranging customers. The strengths of JUKI's manufacturing and production technologies were harnessed to develop an integrated production system spanning all stages from raw material production to machining and assembly completion. Year by year, this system has been cultivated through the deployment of industrial and household sewing machines, electronics assembly & systems, and more. The Group Business has now grown to account for 10% of JUKI's net sales in total.

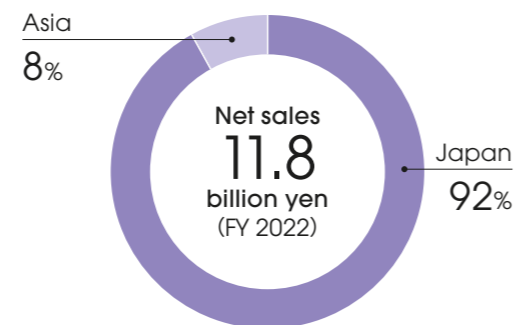
The new Medium-term Management Plan calls for a strengthening of JUKI's engineering business, not only through unique conventional contracted manufacturing in the fields in which each manufacturing company excels, centered on 7 domestic manufacturing sites and 1 overseas manufacturing site, but also more broadly through consistent business development from development and design to production with a view to offering services to the widest possible range of customers.

We will promote automation and manpower-saving at each of our manufacturing sites using in-house technologies that ensure a build-to-order production system, and develop the know-how we have learned through automation and manpower-saving to offer useful new solutions for the customers.

JUKI has developed an integrated business encompassing the contracted businesses from development and design to manufacturing at our domestic manufacturing sites. JUKI also developed an overseas development site in Vietnam last year, and will grow its business in the expanding Southeast Asian market to offer useful products and services to worldwide customers based on its Japanese manufacturing expertise.

The Group Business will be deploying the development, technology, manufacturing, sales, and service capabilities of our existing businesses to further enhance the value of our products and services for customers around the world as the third pillar of our business.

Global sales ratio (FY2022)

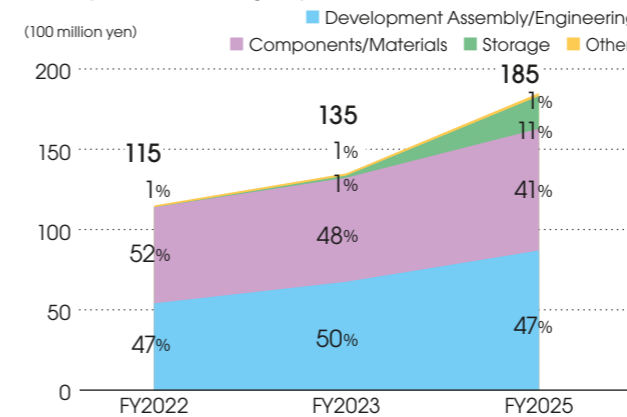


* Exchange rate: Actual rate

Medium-term Management Plan

Value proposition	Solving customer challenges Improved productivity/QCD (quality, cost, delivery) in customer manufacturing processes
	Solving social challenges Improved labor productivity in the manufacturing industry
Priority areas and strategies	● Expanded new business areas for core customers
	● Strengthen external sales and expand business domains by leveraging the strengths of each manufacturing site

Sales portfolio of the group business



We aim to achieve net sales of 18.5 billion yen in FY2025, up 61% from FY2022, by expanding its core customers and substantially growing in the storage business.

* Exchange rate: in-house planned rate

Major target items	Expand sales to priority customers
	FY2022 9% → FY2025 24%
Major target items	Expand a storage business in the manufacturing sector
	FY2022 50 million yen → FY2025 2 billion yen

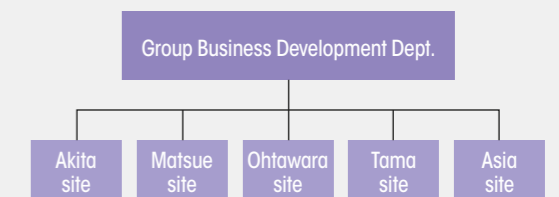
Risks and Opportunities

Risks
<ul style="list-style-type: none"> ● Delays in parts procurement ● Price hikes of raw materials and materials ● (JUKI) Shortages of space and human resources due to increased orders
Opportunities
<ul style="list-style-type: none"> ● Higher demand for automation and labor-saving solutions generated by changing work styles with the advent of the new normal in production factories ● Growing number of fables companies (manufacturers without factories) ● Return of Japanese manufacturers to Japan in the face of soaring overseas labor costs and sharply fluctuating transportation costs caused by the weak yen

TOPICS

JUKI establishes an "Asia Site for the Group Business Development Department" to expand its business in the Asian region.

We are strengthening our sales site in Vietnam to expand our business in the booming Asian market thanks to the relocation of production sites etc. In January 2023, JUKI switched from a "sub-office" to a "site" structure by taking charge of cross-border R&D functions along with the smaller projects contracted at individual sites. To capture more of the engineering contracts highly demanded in Asia, JUKI has reinforced its structure by establishing a new Asia Site for its Group Business Development Department. The integrated management of sales and development has accelerated abilities to respond to local sites, which in turn has brought in more projects.



JUKI improves environment for the "precision instrument assembly" at the Ohtawara Plant.

We have increased our production capacity to meet strong demand by improving our production environment in response to the contracted assembly of precision equipment products. Temperature and humidity control and the prevention of electromagnetic radiation are essential in the production environment, as static electricity and rust directly lead to product damage and quality defects in precision instruments. We have established a dedicated room that can be maintained under optimal environmental conditions in the Ohtawara Plant to meet the quality requirements of our customers based on our core assembly technologies.

Vision

Commercialization of *Koto-uri* (selling systems and services) to improve production efficiency close to the customer



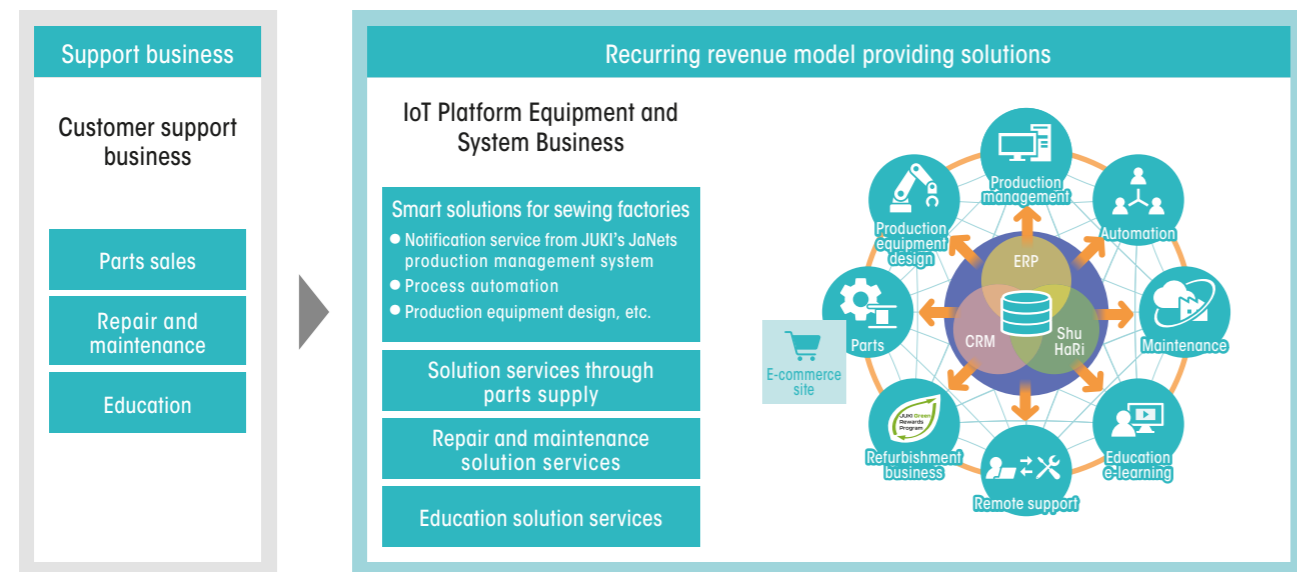
Jirou Ishibashi
Managing Officer, and General Manager of the IoT Platform Equipment & Systems Business Unit

Business Unit in March 2023 based on its predecessor, the Customer Support Business, with plans to expand it into core JUKI operations. We will be integrating the parts sales, support services, and system software sales we have cultivated in our industrial sewing machinery business and electronics assembly & systems businesses, and will add automation support for sewing factories to further increase customer value as an IoT Platform Equipment & Systems business.

We will achieve the above through two courses of action: (1) provide advanced services and supply parts and equipment in a timely manner by sharing technical information and utilizing remote support to solve customer challenges, (2) create educational opportunities in emerging countries through e-learning in the Sewing Machinery Business and reduce waste by providing high quality services in the Electronics Assembly & Systems Businesses to solve social challenges from an SDGs perspective. As we do so, we will also be expanding activities to reduce environmental load by promoting the collection of used products from customers and profitably selling them as refurbished products. In addition to the ongoing sale of products (*Mono-uri*), an activity where JUKI holds a strong advantage, the Medium-term Management Plan calls for a full-fledged expansion in the sales of systems and services (*Koto-uri*) that support the smartization of the entire customer factories.

Strengths

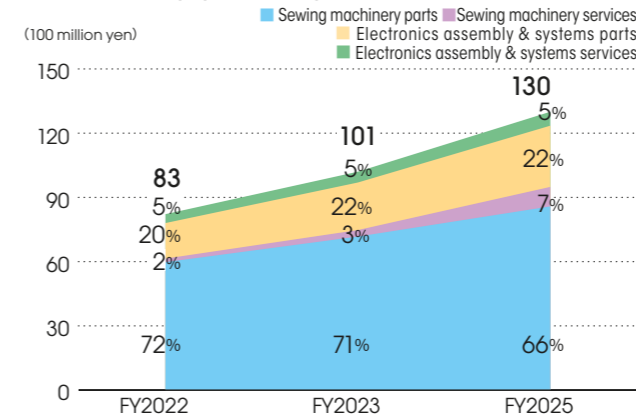
- High expectations of the JUKI brand based on many years of business
- A large number of products in operation in the market
- The handling of an unparalleled number of parts and the possession of core parts based on JUKI's No. 1 global share in the industrial sewing machine market
- Solutions and technical support based on abundant knowledge and experience



Medium-term Management Plan

Value proposition	<p>Productivity improvement</p> <p>We provide value-added services from planning and development to services based on the IoT platform</p>
	<p>Solving social challenges</p> <ul style="list-style-type: none"> • Reduce waste through the refurbishment business • Create employment opportunities in emerging countries • Promote the participation of various human resources in society
Priority areas and strategies	<ul style="list-style-type: none"> • Promote parts sales using the JUKI-ShuHaRi sewing machine inspection and support system and develop new business by adding service contents • Expand maintenance contracts, improve customer satisfaction, and increase service sales using the remote support system
	<ul style="list-style-type: none"> • Improve the technical capabilities of sales companies and utilization of alliance partners by strengthening and deploying technical information (JOL, JAS-OL, etc.)
	<ul style="list-style-type: none"> • Expand sales, repair main components, and increase refurbishment sales by expanding the refurbishment business

IoT Platform Equipment & Systems Business Portfolio



We expand sales by 57% in FY2025 compared to FY2022 by increasing parts sales and various service menus.

* Net sales and ordinary profit from the IoT Platform Equipment & Systems Business Unit are recorded in the Sewing Machinery and Systems Business Unit and the Industrial Equipment & Systems Business Unit respectively.
* FY2022 figures are for the customer support business.
* Exchange rate: in-house planned rate

Major target items	Total parts sales (Sewing machinery and electronics assembly & systems)	
	FY2022 7.6 billion yen	FY2025 11.4 billion yen
Major target items	Number of JUKI-ShuHaRi registered companies compared to FY2022	
	FY2025 Six-fold expansion	Refurbishment business FY2025 240 million yen

Risks and Opportunities

- | Risks |
|--|
| <ul style="list-style-type: none"> • Prolonged conflict in Russia and Ukraine resulting in sharp rises in resource prices and supply chain fragmentations • Global inflation leading to higher material and freight costs, as well as higher costs for labor and property |
| Opportunities |
| <ul style="list-style-type: none"> • Technological innovation and practical application of XR (AR/VR/MR), AI, etc. • Changes in capital investment and production systems stemming from SDGs needs • Acceleration of online operations in the post-COVID-19 society • Permanent web-based seminars |

TOPICS

JUKI launches a refurbishment business.

JUKI has launched the JUKI Green Rewards Program, a for-profit service that collects old JUKI industrial sewing machines, mounters, and other electronics assembly & systems that customers have outgrown at the time of replacement, and refurbishes them using proprietary technologies for resale. Products refurbished through the Green Rewards Program will be marketed mainly to customers in emerging and developing countries as entry-level machines that satisfy their quality and price requirements.



JUKI builds a new platform for the JUKI-ShuHaRi system.

The ShuHaRi is a system that supports the daily inspection and maintenance of sewing machines in sewing factories using smartphone and PC browser applications. As we promote introduction of the ShuHaRi, we are also expanding its functions and collecting information on improvements needed. We are also leveraging the ShuHaRi as a direct marketing platform by promoting its use in activities to solve individual customer problems such as breakdowns, parts repairs and replacements, and employee training.

JUKI sells a "Hanger System," automated equipment for sewing factories.

JUKI has built and marketed a new hanger system, an automatic solution for the inter-process transfer of parts. The hanger system improves the productivity of the garment sewing assembly by transferring the sequential parts with the hanger system and eliminating the need for handling and handover. The attachment of RFID tags to the hangers makes it possible to trace and manage the equipment operation and productivity of individual workers. Linkage with the JaNets production management system enables production control for the entire sewing process.

(▶ See Page 47 for details.)

Business foundation

Message from Shinsuke Uchinashi, President and Director in charge of the Finance Department



Shinsuke Uchinashi
President and Director in charge of the Finance Department
(Chairman of the Cost Structure Reform Committee)

Initiatives in the Medium-term Management Plan

Medium-term Management Plan under the “Growth & Transformation Plan 2025” slogan: a value-added structure reform, a cost structure reform, and a behavioral reform (transformation of people/culture). The third, the behavioral reform, supports the first two, the value-added and cost structure reforms. The business environment has changed dramatically in today’s New Normal conditions in the wake of COVID-19. Competition is becoming more intense and customers are demanding lower-priced products. JUKI has established a Cost Structure Reform Committee to cope with today’s stringent conditions. This committee is building a new cost structure that can flexibly respond to the current business environment and is deploying cost structure reforms that extend throughout the entire JUKI Group.

As a manufacturing company, the largest costs JUKI incurs are related to manufacturing, such as parts procurement and labor. At the same time, overhead costs such as indirect labor costs and logistics costs are also increasing. We have a mission to deliver products to JUKI customers in a timely manner. To do so, we must refine our QCD. Quality is naturally important. We are building a system that contributes to profitability and sustainable growth in the medium to long term by thoroughly reviewing costs and delivery times in the supply chain. To this end, we established a new Logistics Management Department in January of this year to identify problems in the JUKI Group’s logistics and review the logistics system from scratch. In the supply chain, procured parts and finished products are stored as inventory in factories, warehouses, sales companies, and distributors. The important next steps will be to rectify the supply chain flow and then minimize and optimize lead times, logistics costs, inventory, and the like. We would also like to create a more robust supply chain. With the aggressive reforms of our supply chain logistics, we will improve our financial structure by reducing inventory and interest-bearing debt.

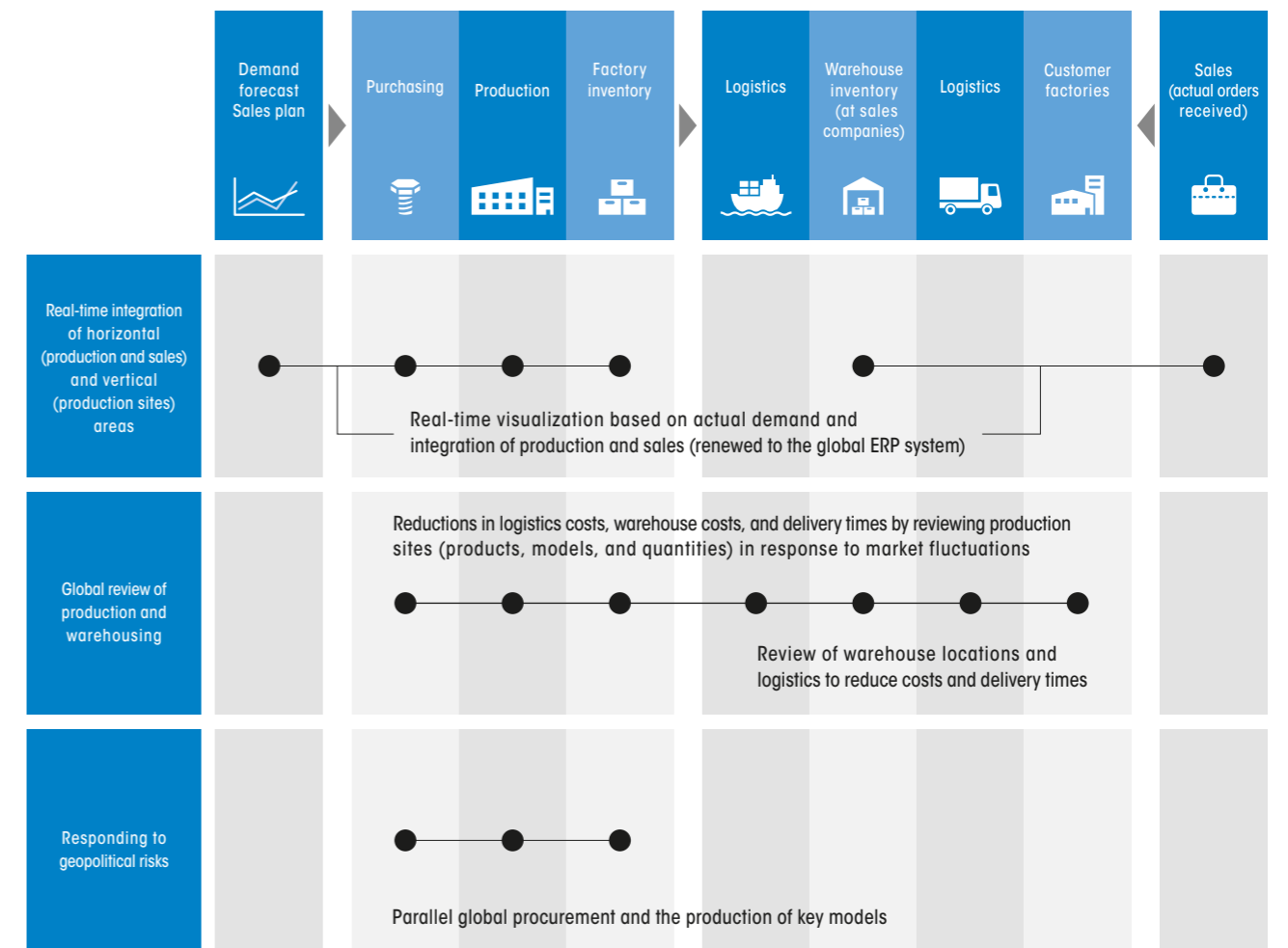
Major financial items

Exchange rates Actual in FY2022 JPY 120/USD in FY2025

(100 mil. yen)

	FY2022 results	FY2025 plan
Inventories (turnover days)	624 (6.4 months)	400 (3.0 months)
Interest-bearing debt, net of cash and cash equivalent	745	350
Trade receivables (turnover days)	375 (3.8 months)	400 (3.0 months)
Cash Conversion Cycle (CCC)	264 days	120 days
Equity ratio (%)	25.3	40.0
Net D/E ratio (times)	1.99	0.70

Supply chain reform



Ensuring ROIC management

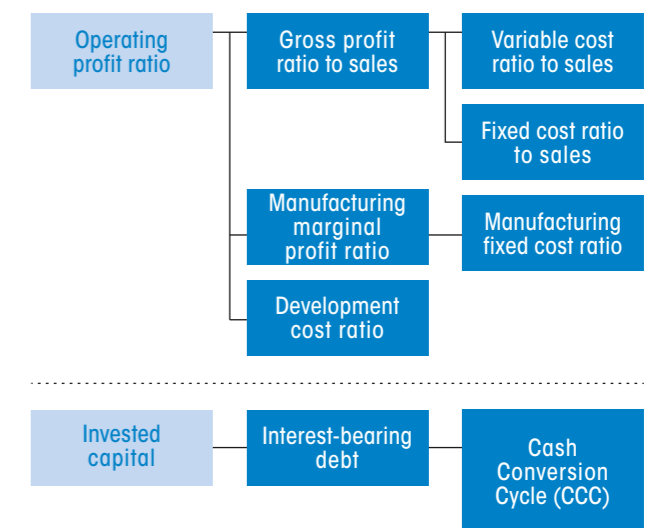
Workable management strategies are formulated by anticipating the effects and results that will emerge in the future and back-casting to decide what should be done in the present. The new Medium-term Management Plan under the “Growth & Transformation Plan 2025” slogan sets numerical targets for JUKI’s consolidated net sales, ordinary profit, and equity ratio for the year 2025 and incorporates specific measures and processes to achieve those targets.

The JUKI Group has introduced ROIC management to fulfill its role as a social actor entrusted with precious shareholder funds to carry out corporate activities. Under the ROIC management approach, we clearly define investment and returns for each business and review our strategies and businesses in a flexible manner.

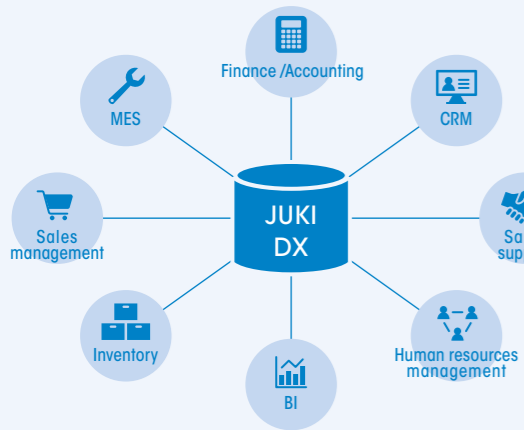
To further develop in the lead-up to our 90th and 100th anniversaries, we need to improve our business growth strategy and earning power. We will work to achieve our sales and profit targets by increasing the number of new business fields and new customers and growing high-value-added businesses.

Drivers of ROIC improvement

ROIC tree (partial excerpts)



Business foundation DX (Digital Transformation)



Vision

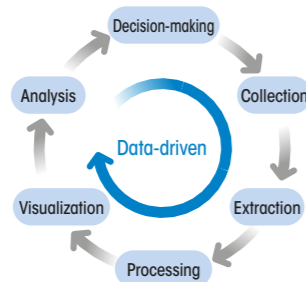
Restructuring of data driven management with DX

* CRM: Customer Relationship Management
MES: Manufacturing Execution System
ERP: Enterprise Resources Planning

Basic concepts behind the initiatives

1. Establish a data-driven management (attack and defense) system.

We will establish a system that seamlessly visualizes operations and enhances governance and business strategy for top management using logical data analysis. We will also create added value and establish a competitive advantage in the market by analyzing the collected and accumulated data.



2. Implement work-style reforms from a systems perspective

As the evolution and practical application of IT systems using new technologies such as AI and 5G accelerate, we will introduce RPA to automate tasks like transcription and establish automated systems that improve efficiency and productivity without the use of people. These systems will allow us to make corrections in working hours. And



Tomohiro Takeda

Corporate Officer,
CDO (Chief Digital Officer),
and General Manager of the
Information System Dept.

“The shift from selling things to selling services” is a key theme under the new Medium-term Management Plan. JUKI will need to fundamentally rethink the supply chain, the backbone of the manufacturing industry, to embody this theme.

First, to make corporate activities transparent (visualization), we will promptly establish a data-driven management environment that utilizes CRM data to manage sales activities, MES data from the production system to show the production status, and ERP data encompassing ordering and accounting information. This environment will allow our head office to understand what happens on the other side of the world in almost real time.

In parallel, we will carry out operational reforms such as a reorganization of our business sites, sales reforms, logistics reforms, and labor saving and productivity improvements at the factories. With those reforms in place, we hope to re-establish a robust management structure by standardizing and synchronizing our operations and implementing the PDCA cycle in a visualized environment.

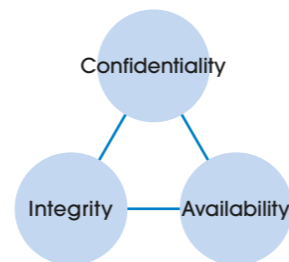
Rather than staying cloistered in-house, our own databases and business processes will link with our customers to grow an even larger supply chain. The supply chain we complete will become a corporate activity infrastructure that lives on for 90 years, 100 years, and further into the future. This is JUKI's supply chain concept using DX.

as manpower shortages become increasingly serious due to declining birthrates, the system will support flexible work styles such as telework.

3. Ensure high-level information security

We will keep our information assets in good working order and bolster them against the various threats in the information environment by securing confidentiality, integrity, and availability.

Access to information is granted only to authorized persons, and only when needed, to prevent the unauthorized alteration or destruction of information.



* RPA: Robotic Process Automation

Medium-term Management Plan

Priority measures	Details on the initiatives
Renewal of the ERP system	(1) Introduce the sales company model to two sales companies in China (2023). (2) Introduce the sales company model to sales companies in Asia (2024). (3) Introduce the sales company model to group companies in Japan (2025).
Visualization of management	(1) Visualize inventory (2023). (2) Visualize management KPIs and sales negotiation activities linked to the new ERP (2024). (3) Visualize ROIC (2025).
Supply chain reform	(1) Be motivated to carry out the reform and analyze its current state (2023). (2) Implement the reform through model projects (2024). (3) Deploy the reform across the whole company (2025).

Target level

Introduction of a
global ERP system
Schedule compliance rate

100%

We will deepen cooperation with the sales companies and production factories to ensure that every measure is implemented.

TOPICS

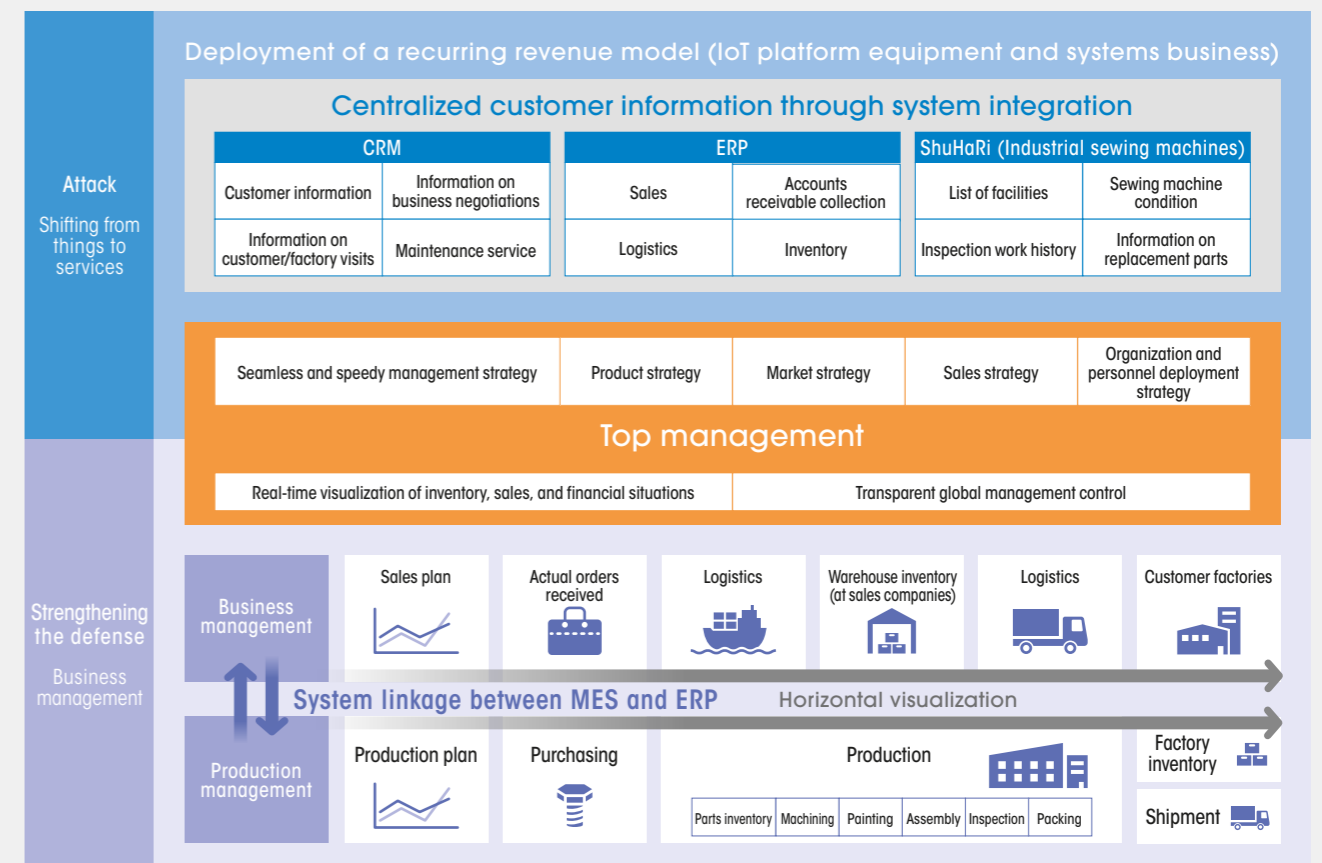
Restructuring of data-driven management through DX

The “Rebuilding of Data-Driven Management” has been set as the foundation underpinning the three structural reforms and six transformations to be realized under the Medium-term Management Plan.

The COVID-19 pandemic had major impacts on JUKI's supply chain, causing lockdowns in globally deployed production factories and logistics disruptions in procurement. We will use this experience to move to a global ERP system that will improve efficiency and diversify risk.

The move to the global ERP system will also help JUKI form links between its independent sales management and independent production management functions. The head office, sales companies, and production companies are connected, enabling real-time status checks and speedy management decisions.

On the sales front, each system dedicated to sales services manages its customer information independently. With the new integration, we will improve services for individual customers by linking them together and converting them into big data.



Business foundation

Business foundation Strengthening of human resources



Vision

Building a highly productive organization by promoting diversity/work-life balance



Kiyoshi Matsumoto

Managing Officer, in charge of the Human Resources Dept. within the Global Co-operate Center

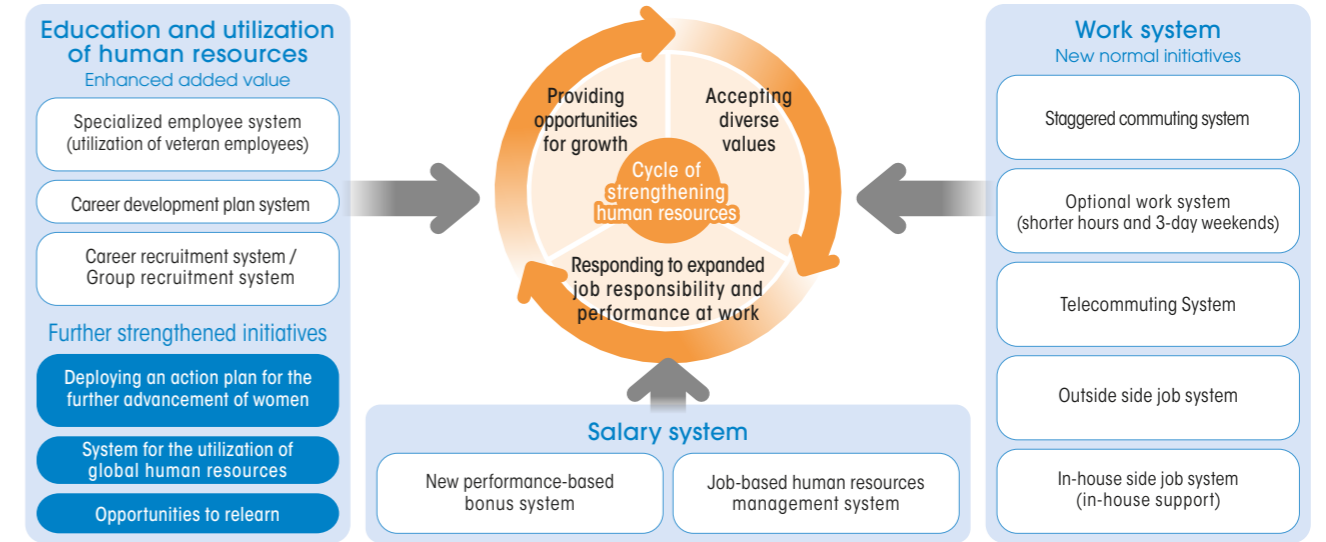
JUKI has positioned “Behavioral Reform, ‘Transformation of People and Culture’” at the center of the three structural reforms under its new Medium-term Management Plan.

With the dwindling of the COVID-19 pandemic and pickup of economic activities, we are welcoming the various differences in the values and customs of people across the world in order to better develop human resources who are resilient and capable of responding flexibly to the challenges and needs at hand. We are also promoting the creation of a system to further enhance the capabilities of individuals and strengthen human resources that contribute to business growth.

To this end, we are working on initiatives to promote the growth of individual employees and the revitalization of the organization through a cycle of providing opportunities for growth, embracing diverse values, and responding to expanded job responsibility and performance at work. This cycle is activated by our initiatives to create a comfortable and rewarding work environment. Measures to enhance cognitive and social skills that promote and maintain health and motivation will ultimately increase employee loyalty and engagement.

Based on these initiatives, we will continue in FY2023 to invest aggressively in strengthened human resources for the growth of individuals, widen the career horizons of our employees, expand our sphere of activities as an organization, and transform ourselves into an organization that broadly captures business opportunities.

JUKI’s personnel system



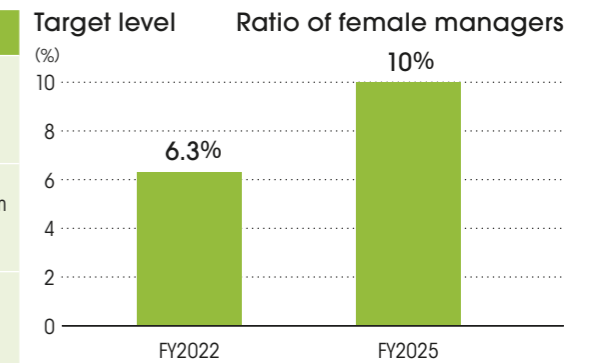
Comfortable and rewarding work environments

Health Management

Fostering a corporate culture

Medium-term Management Plan

Priority measures	Details on the initiatives
Promoting the use and success of diverse human resources	(1) Utilization and expansion of women’s activities (2) Allocation to strategic fields (3) Utilization and expansion of national staff
Reviewing pay and benefits in response to job performance and results	(1) Global deployment of a personnel compensation system (2) Review of competitive compensation levels
Enhancing the level of JUKI’s people/organization through relearning	(1) Expansion of relearning content and promotion of all-student enrollment (2) Enhancement of human resources in priority areas (expansion of sales/development/DX/IT human resources)
Creating a pleasant work environment	(1) Organizational revitalization through the promotion of diversity (2) Reform of work style, promotion of rewarding work, and training of human resources



Ratio of female managers to all managers
* Offices covered: Head Office, Ohtawara Plant, JUKI AUTOMATION SYSTEMS CORPORATION, and JUKI TECHNOSOLUTIONS CORPORATION

Basic concepts underpinning the strengthening of human resources

Providing opportunities for growth

We will provide opportunities for autonomous career development to nurture the growth of individual employees, along with the education necessary to realize this growth. By doing so we will realize the sustainable growth of both the organization and individuals at JUKI. By focusing on careers and expertise in our deployment of human resources, rotating employees, and sending young employees for training overseas, JUKI will be circulating human resources in Japan and overseas, improving individual abilities, and sharing diversity and values. We are actively grooming national staff for management positions at overseas offices. National staff at the management level accounted for 82% (137 employees) of JUKI national staff worldwide at the end of March 2023.

Embracing diverse values

The JUKI Group engages employees with various social backgrounds and values throughout its global organization. To secure excellent human resources and drive innovation, we must create an attractive environment in which every employee, regardless of gender, age, or nationality, can play an active role by understanding and welcoming the diverse backgrounds of their co-workers throughout the group. We can maximize our organizational performance by encouraging diversity based on the three pillars of promoting the advancement of female employees,

assigning global human resources, and promoting the advancement of specialized employees.

Responding to expanded job responsibility and performance at work

This system provides dramatically improved pay and benefits to employees who take on challenges without succumbing to doubt and go on to achieve results. While the salaries paid are determined according a job-based human resources management system (specifying job duties and job performance) in place for both managers and general employees, bonuses are paid on a merit-based pay system linked to job performance. For managers in particular, we will put greater emphasis on a results-oriented approach and work to reflect performance results more deeply, starting from July 2023. For young and mid-career employees, we will focus on their rapid development into competitive forces and pathways to early promotion.

Comfortable and rewarding work environments

We are actively introducing satellite offices and free-address systems in workplaces to ensure that employees can carry out their work comfortably. We are providing equal opportunities to all employees, regardless of age or gender, and developing systems in line with the ways individuals prefer to work (hours, type of work, work area, etc.).

TOPICS

Declaration and deployment of “Relearning” for all employees

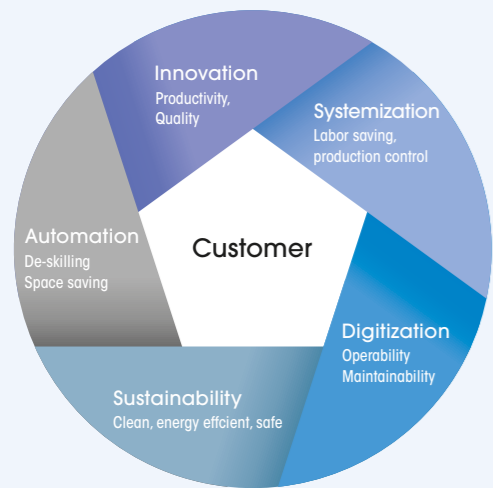
Since the fall of 2022 we have been encouraging employees to take the initiative to proactively relearn by joining various webinars and e-learning courses on DX, diversity, organizational management, and the like. We also regularly distribute knowhow-focused materials that can be used to relearn and foster motivation. The opportunities for continuous relearning offered at JUKI will encourage behavioral reforms and help every employee strive for enhanced abilities, skills, and career pathways.



DX training workshop (on supply chain reform) for officers and executives

DX training was conducted at all of the group companies for the factory managers, presidents, and other executives. Organizations grouped by functions such as production and sales joined teams in the DX training to share their findings on the supply chain using written cards, tree diagrams, and the like. Though conducted offline by analog methods, the workshop serves as a good opportunity to organize JUKI’s ideals and problems. Four sessions have been held so far since the workshop launch in 2022.





Vision

Working as a group to create solutions for the problems customers face in “*Monozukuri*” one by one

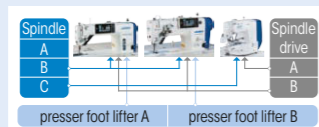
Strengths

- Simultaneous pursuit of high quality and performance based on core technologies
- Capacity to create technologies based on thorough research using the “Sangen Principles”: going to the sites, directly observing, and determining the facts
- Integration with forefront technologies such as IoT and AI
- Diverse human resources engaged in mechanical, electrical, and software engineering
- JUKI’s DNA as a developer of world-first technologies

Major Initiatives for FY2022

Modular design for speedy development and quality improvement

We are working on a design that incorporates methods for modularizing seven types of industrial sewing machines. Prototypes will be created and evaluated for 44 modules, including the main shafts and presser foot lifters for the machines, with the aim of incorporating the designs into new products. Modular design is a bottom-up design approach that combines pre-prepared units and assemblies. The commonly adopted design specifications in modular design reduce man-hours and parts counts, stabilize quality, and significantly reduce development lead-times. We will establish a modular design methodology and a development system that responds quickly to market requirements.



Hiroshi Anzai

Managing Officer in charge of JUKI’s main Development Center and the Development Center of JUKI AUTOMATION SYSTEMS CORPORATION, and General Manager of the Development Center of JUKI TECHNOSOLUTIONS CORPORATION

The Medium-term Management Plan under the “Growth & Transformation Plan 2025” slogan outlines steps to make JUKI a solutions partner that delivers “good impressions” and “peace of mind” to its customers. To achieve this plan, JUKI identifies current (manifest) and future (potential) challenges from the customer’s perspective and works to develop and provide products and services as a solutions provider responsive to social challenges and technological evolution.

Under these overarching initiatives, each development department in JUKI has formulated its own technology roadmap suited to its business and field. We are strengthening the processes used identify the challenging technologies we will need to deploy in our future products and are working to establish those technologies before moving on to product design. The roadmap also prioritizes smart-factory technologies that advance automation, de-skilling, and IoT, as well as SDGs-centered technologies responsive to CO₂ emission reduction, low vibration, and low noise.

JUKI TECHNOSOLUTIONS CORPORATION was launched as a joint venture with Mitsubishi Electric Corporation in July 2022 to strengthen JUKI’s capabilities in the automotive field and other non-apparel fields requiring extremely high levels of quality. In addition to expanding our products and sales, we will continue to strengthen our products and technologies by further evolving the advanced control technology cultivated by the Mitsubishi Electric Group and expanding it into overarching business fields such as industrial sewing machines.

The first unit jointly developed in a new company for non-apparel

JUKI TECHNOSOLUTIONS CORPORATION was established in July 2022 through the merger of JUKI’s non-apparel-related departments and Meiryu Technica Corporation, a wholly owned subsidiary of Mitsubishi Electric Corporation. Meiryu Technica is renowned in the industry for its strong expertise in sewing equipment for non-apparel applications. We have developed a specification that allows the retrofitting of JUKI’s technologically unique automatic bobbin thread winding and feeding device to the electronic pattern sewing machine formerly produced by Mitsubishi Electric (PLK-J series). Four sewing machine models with full-rotary, double-capacity hook specifications will be released.

We will be integrating the technologies of both companies to develop products that realize smarter production for customers in automotive production and other industries.

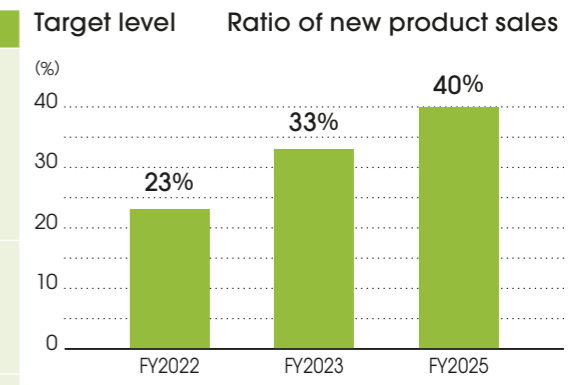


Risks and Opportunities

Risks	Opportunities
<ul style="list-style-type: none"> • Ongoing rises in procurement costs due to higher component prices • Accelerated price competition and lower barriers to entry due to product commoditization • Stricter targets and regulations for SDGs in different countries • Intensifying competition for technical personnel in Japan 	<ul style="list-style-type: none"> • Expanding DX-oriented needs for networking and automation • Technological innovation and practical use of AI, IoT, 5G, etc. • Response to the SDGs and the social demand for reduced environmental load • Growing demand for automated equipment due to workforce declines in developed countries

Medium-term Management Plan

Priority measures	Details on the initiatives	Target level	Ratio of new product sales
Strengthen the SDGs initiatives	(1) Strengthen carbon-neutral initiatives by building technology to reduce power consumption by 30%. (2) Work on an oil-free structure and approach the introduction of SDGs materials. (3) Accumulate conceptual CAE data for sound and vibration and apply it to products.	(%)	23%
Make our customers’ factories smarter	(1) Promote automation using advanced technologies and robots. (2) Expand the scope of use of JaNets. (3) Respond to changes in our customers’ production devices (forms).		33%
Streamline development at JUKI	(1) Improve development efficiency through commonization, modularization, and the use of fewer parts. (2) Reduce product costs by strengthening our cost realization capabilities.		40%
Implement and promote IP and design strategies.	Intellectual property strategy ▶ See p.52 Design strategy ▶ See p.53		



The target level represents the percentage of total sales of new products (products that have been on the market for less than three years).

We will focus on customer-oriented innovation by improving and upgrading existing products and creating new technologies, both individually and through alliances, with the aim of increasing the ratio of new product sales.

TOPICS

Building a flexible production system by linking JaNets to hanger systems

JUKI’s “Hanger System,” a production control facility that works with digital sewing machines and JaNets, has now been brought to market to help customers evolve their production facilities into smart, highly productive, human- and eco-friendly factories. In addition to improving productivity and quality, we can build a production line that flexibly adapts to the way people work and to variable-mix, variable-volume production.

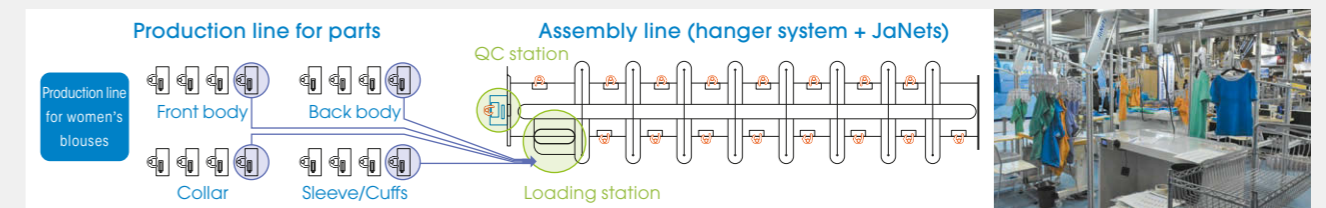
JUKI’s hanger system

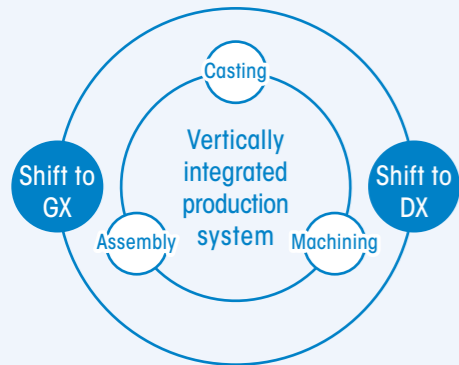
This is an automated inter-process transfer system for sewing factories. This system suspends sequential assembly and sewing processes on multiple hangers, connects them with lanes, and automatically transfers them. The system eliminates the need for reaching and retrieving by delivering every piece of fabric composing a garment directly into the operator’s hands. RFID tags attached to the hangers make it possible to trace and manage individual operator productivity and equipment operation. Defective products found at the QC station can be returned directly to the operator in charge of hanger system operation.

Linkage among digital sewing machines, JaNets, and hanger systems

The system can visualize challenges in the progress of production and production operation management in all sewing processes, including the sewing of parts in the previous process. Better still, the use of digital sewing machines enables communication between the system and equipment, and labor-intensive changes in production items can be easily performed by linking digital sewing machines, JaNets, and hanger systems.

* JaNets: Juki Advanced Network system, JUKI’s sewing management system software





Global production strategy tailored to markets

Vision

Avoiding the risk of supply chain fragmentation to ensure a stable supply of products to customers

Strengths

- Integrated production system for casting, machining, and assembly within the JUKI Group
- Technological wherewithal to create unique production methods such as digital production
- DNA of “Kaizen” awareness based on long-standing QC circle activities
- Cooperation among production sites in Japan and overseas

Major Initiatives for FY2022

Construct a new factory (No. 5 factory) at JUKI VIETNAM

The recently constructed No. 5 factory is the fifth building at JUKI VIETNAM. We have expanded the sewing machinery production models in Vietnam and reorganized our global product supply system. We have established a parallel production system in response to geopolitical risks, the risk of supply chain fragmentation, and geographical changes in customer markets.



Implement energy-saving activities

We are promoting CO2 emission reductions by introducing renewable energy, upgrading to high-efficiency equipment and facilities, and scaling up the activities of the Energy Savings Promotion Team (formed in November 2021).

Achieve a 96% reduction of CO2 emissions compared to the FY2022 plan.

- (1) Introduce solar power generation
- (2) Hold a meeting to discuss the CO2 reduction activity report
- (3) Renew high-efficiency equipment and facilities
- (4) Conduct energy-saving diagnoses by using an external agency
- (5) Save energy by utilizing exhaust heat



Keiichi Hashimoto

Managing Officer in charge of the Production Center

JUKI is committed to the evolution of “Monozukuri” with a vertically integrated production system that covers casting, machining, and assembly as core competencies. We are restructuring our global production strategy and strengthening the shift to DX *1 and GX *2 in our factories.

In order to restructure our global production strategy, we will minimize the risk of supply chain fragmentation due to growing geopolitical risks, calibrate our supply system for customers with) geographical changes in customer markets, and further promote local production for local consumption by expanding the local procurement of parts.

To shift to DX, we will further expand the Automation Promotion Center, actively use advanced technologies to strengthen our production technology capabilities, and horizontally deploy the DX conversion to Group factories.

The shift to GX is one of the key elements supporting the SDGs management strategies promoted by the JUKI Group. On the environmental front, we will promote the introduction of renewable energy, switch to high-efficiency equipment, and horizontally deploy energy-saving activities in our carbon neutrality initiatives. To reinforce these activities, we will expand the functions of the Energy Savings Promotion Team by bringing in experts from overseas factories to join the Japan-based experts already working on the team. All of JUKI’s plants around the world will take part in JUKI’s DX and GX activities.

*1 Digital Transformation *2 Green Transformation

Risks and Opportunities

Risks	Opportunities
<ul style="list-style-type: none"> ● Production in China amid the U.S.-China trade frictions, etc. ● Aging of employees at domestic business sites and difficulty in hiring new employees (in JUKI) ● Production methods required to curb CO2 emissions ● Rising procurement costs due to shortages of key components (semiconductors, etc.) 	<ul style="list-style-type: none"> ● New production site strategies responsive to supply chain fragmentation and logistics disruption ● Technological innovations such as IoT, AI, and 5G and their practical use in production factories ● Production innovations needed to reduce CO2 emissions

Medium-term Management Plan

Priority measures	Details on the initiatives	Target level	Effect of automation promotion (cumulative)
Promote smarter operations at each business site across the departments	(1) Promote smarter production through collaboration on production technology with the group company’s business sites (2) Accumulate and horizontally deploy know-how by actively using advanced technologies	50	43
Stabilize quality and reduce F-costs (manufacturing failure costs)	▶ See p.51	40	10
Stabilize procurement and promote cost reduction	▶ See p.50	30	4
Respond to SCM fragmentation risk and promote production site strategies linked to sales market trends	(1) Establish a parallel production system (expansion of JUKI’s Vietnam factories) (2) Shorten delivery lead times to customers by reviewing the global production system	20	
Reinforce measures to achieve carbon neutrality	(1) Promote the introduction of renewable energy (2) Switch to high-efficiency equipment in line with capital investment plans (3) Horizontally deploy energy-saving initiatives (4) Improve the skills of members and develop human resources capable of horizontal deployment	10	
		0	

(100 million yen)

FY2022 FY2023 FY2025

We will promote smartization solutions such as factory automation strategies to save labor, improve space efficiency, and eliminate waste and loss. The target figures are the costs needed to attain effects such as added value expansion.

TOPICS

Manufacture of industrial sewing machines developed by the Mitsubishi Electric Group at JUKI

In July 2022, JUKI and Nagoya Technica (a wholly owned subsidiary of Mitsubishi Electric Corporation) jointly established JUKI TECHNOSOLUTIONS CORPORATION by integrating their development and sales operations in the field of industrial non-apparel sewing machines. JUKI MATSUE CORPORATION, a company that excels in the production of non-apparel sewing machines, will begin production of the PLK-J series (a line of machines developed by Mitsubishi Electric and now marketed as JUKI brand products) in October 2023. JUKI MATSUE CORPORATION will take advantage of its own machining center and automated equipment design capabilities to produce the PLK-J series with high speed and flexibility.



Promotion of automation at JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION

JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION, a core producer of electronics assembly & systems, is promoting initiatives for factory automation and the shift to DX as an important member of the Group Business. JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION uses an articulated robot to internally manufacture equipment that automates the deburring and finishing work in the manufacture of SMT mounter parts. Reduced manpower, stabilized quality, and improved productivity have all been achieved. JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION also introduced a system to synchronize production plans across the three factories it operates, leading to shorter lead times and fewer man-hours spent on planning.



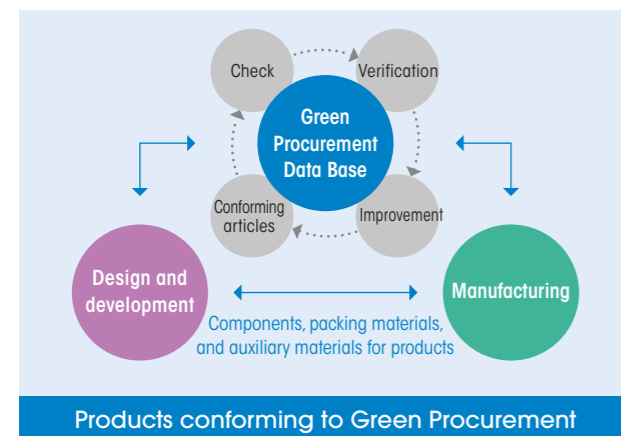
Business foundation Procurement

Basic policies for JUKI's procurement activities

The procurement policies of the JUKI Group place high priority on “Compliance with laws and regulations,” “Coexistence and co-prosperity,” and “Fair and equitable evaluation and selection” with suppliers. The Group's procurement activities adhere to these priorities in every global region.

Compliance with laws and regulations

We conduct our global procurement activities in compliance with the regulatory requirements and standards governing safety and health, global environmental protection, legal compliance, fair trade, corporate ethics, etc.



Coexistence and co-prosperity

We actively communicate with suppliers to deepen our relationships of trust with them and conduct manufacturing activities that encourage our mutual growth. As an active supporter of co-existence and co-prosperity, we regularly hold a workshop for cooperating companies to share JUKI's initiatives, sense of direction, and goals. We aim for coexistence and co-prosperity with cooperating companies by learning from each other as good partners and existing and developing together sustainably into the future.



▲ A monument presented to JUKI in 1992 in commemoration of the 40th anniversary of JUKI's Suppliers Association (JUKI Cooperative Association)

Fair and equitable evaluation and selection

JUKI selects suppliers based on a comprehensive evaluation of (1) the quality, price, delivery time, etc. of procured products, (2) technical capabilities, and (3) reliability as a company.

We will always respond sincerely and provide fair and equitable opportunities to new entrants, regardless of their scale or where they are based (domestic or international).

Suppliers who make notable contributions to QCD are commended at JUKI's regularly held workshop for cooperative companies, and all suppliers who meet JUKI's quality assessment standards are issued a Certificate of Guaranteed Delivery.

Enhancing the quality of delivered parts

JUKI rechecks manufacturing quality continuously and redundantly. As part of this quality effort, we conduct “audits” on technical and management functions in cooperation with major suppliers in Japan and overseas. If improvements are observed, we activate the PDCA cycle to increase the inspection-free rate. Activities like these help us deepen communications with our suppliers in pursuit of higher-quality delivered parts and the building of long-term relationships of trust.



Medium-term Management Plan

Details on the initiatives

We will work to “stabilize procurement and promote cost reductions.”

- (1) Build a local production system for local consumption, including parts procurement, and expand local procurement.
- (2) Promote cost reduction activities with an emphasis on major sales models.
- (3) Forecast the demand-and-supply balance in major parts industries and manage it ahead of time to ensure stable procurement.

TOPICS

Workshop

The JUKI Quality Month workshop held in the midst of the COVID-19 pandemic in November 2022 took place virtually (using web conferencing tools) to avoid the three C's (closed spaces, crowded places, and close-contact settings).

JUKI presenters at the workshop reported on the smartization of JUKI's production factories and the company's initiatives for the re-inspection of manufacturing quality.



▲ Sharing of knowledge on the three business environments in which JUKI's management operates (zero-COVID-19 policy in China, material shortages and rising costs, and fragmentation of the global logistics network and supply chain), etc.

Business foundation Quality management

Basic stance on quality control

JUKI Quality was based on QC activities introduced in the 1970s. In 1981, JUKI was awarded the Deming Application Prize for Divisions in the business section of the industrial sewing machine category. After subsequent developments, JUKI instituted a core basic management policy called “Promote Total Quality Management,” in 1988. JUKI has managed business with an emphasis on quality ever since.

Five-Article Quality Declaration

JUKI has established the Five Articles of Quality, a set of action standards for quality to be observed within all departments of the JUKI Group. With the articles, JUKI ensures that all employees are thoroughly familiar with the Five Articles and cultivate a quality mindset to guarantee the quality that JUKI provides.

Five-Article Quality Declaration for Safety and Peace of Mind

1. We comply with laws, rules, and the commitments we make to our customers when providing our products and services.
2. We give the highest priority to the customer's safety and peace of mind in our work on the quality of our products and services.
3. We rely deeply on the customer's voice to guide our unceasing efforts towards quality improvement.
4. We raise quality based on the five-Gen principles* to earn the customer's trust and grow our business.
5. We contribute to the sustainable development of society by improving the quality of our products and services.



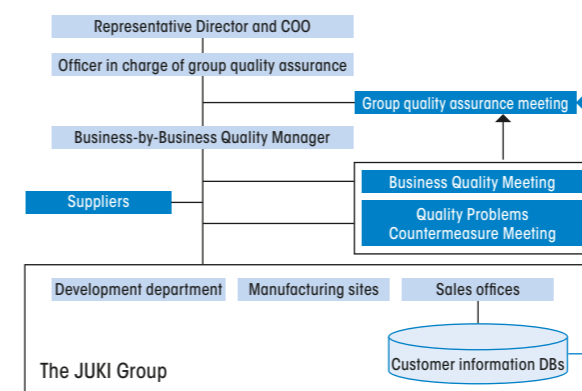
* The five-Gen principles: Genba, Genbutsu, Genjitsu, + Genri, Gensoku

◀ Japanese, English, Chinese, and Vietnamese versions are distributed to all speakers of those languages in the JUKI workforce.

Quality control system

JUKI maintains and improves quality by holding regular meetings for the development, manufacturing, and sales departments of each business, including its suppliers. In the unlikely event of a quality problem, the JUKI Group has established a Group-wide system to act quickly and quickly to solve the defects.

The JUKI Group Quality System Chart



Reinforce the production of good products

Our manufacturing factories are working to become “100% Good Product Shipment Plants” and reduce customer complaints to zero. JUKI has been promoting a 4-process consistency activity to thoroughly match the four basic steps since 2019. A process audit conducted from a third-party perspective was introduced in FY2022 to further improve and heighten the accuracy of this 4-process consistency activity and widen the scope from a single inspection to repeated inspections.



Medium-term Management Plan

Details on the initiatives

We will work to stabilize quality and reduce F-costs (production failure costs).

We conduct quality re-inspection activities themed on “We don't accept,” “We don't produce,” and “We don't overlook” in accordance with our “From Reactive to Proactive” slogan.

- (1) Improve the quality of delivered parts by evaluating suppliers.
- (2) Implement process re-inspection activities from an objective viewpoint (cross auditing among business sites)

TOPICS

Initiatives for “Quality Month” in November

Quality Month in 2022 was centered on the following theme: “Enhance customer value creation in the new society – To realize business and social value through the 6Xs (Six Transformations).” A message from the president and the director in charge of quality was distributed in advance of Quality Month to raise awareness. In November we held the JGQMF (JUKI GLOBAL QUALITY MANAGEMENT FORUM), a series of case presentations shared online to showcase the improvements achieved by group companies and horizontally deploy good practices. All of JUKI's group companies participated.



▲ JGQMF for the year 2022

Business foundation Intellectual property strategy

The concept behind JUKI's intellectual property strategy



Yasuyuki Ueda
General Manager,
Intellectual Property Strategy Dept.

Intellectual property is an important asset for securing competitive advantage and ongoing business growth. We are creating and operating an intellectual property strategy for accumulating and using intellectual property (attack) while respecting the rights of third parties (defense).

Accumulation and use of intellectual property (attack)

We are also working to build a strong patent network that will be reinforced by technologies that are expected to be developed in the near future, in order to appropriately protect the fruits of our research and development efforts and to ensure competitive advantage and freedom of development centered around the key development themes of our business in the years ahead. Our business policy overseas is to file global patent applications, especially in China, in light of the competition.

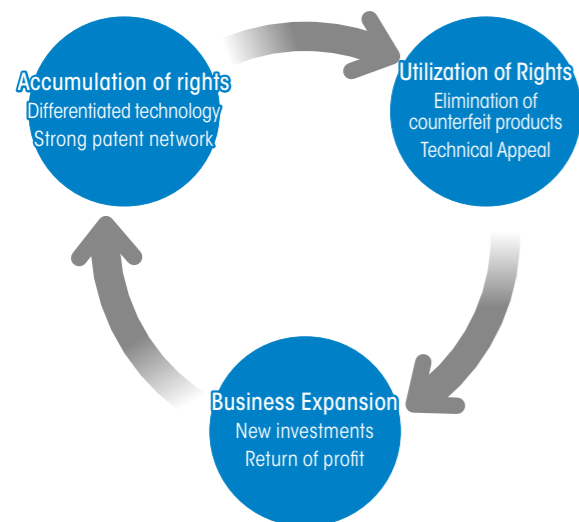
We strive to maintain and enhance our brand image by appropriately eliminating counterfeit products through legal action and the issuance of warnings. The registered "JUKI" trademark acquired legally protected status as a famous trademark in China in 2018, thanks to our anti-counterfeit efforts.

Respect for the third-party rights (defense)

We strive to reduce the risk of infringement of third-party rights by establishing and operating a system to investigate and review third-party rights at all stages of the development cycle: before development begins, during development, and after development is complete.

Cycle of Growth

The "accumulation" and "utilization" of intellectual property are closely related activities. Our goals are to use acquired intellectual property to contribute to corporate growth by generating profits and expanding business, and to bring superior products to the market.



Medium-term Management Plan

Details on the initiatives

① Reinforce the accumulation of rights

- In line with our management and business strategies, we will strengthen our patent applications in categories where future growth is expected, such as system-related technologies and automation technologies, by setting them as priority themes.
- JUKI's patent activities linked to the priority themes will be far more extensive than one-off applications. We will be setting targets for the numbers of patents to be filed and will work to protect our technologies by building a comprehensive patent network.
- With regard to the total portfolio of rights we hold, we will work to increase the value of the holdings by actively disposing of obsolete rights and strengthening investment in new inventions.

② Utilize ownership rights

- By identifying the links between the differentiating technologies of our products and the rights we hold, we will be scaling up the use of those technologies as a means of promoting the superiority of JUKI's products.
- We will strengthen applications for design rights as an effective means of eliminating counterfeit products and safeguarding important intellectual properties that enhance JUKI's brand image.

TOPICS

Multifaceted product protection through patent, design and trademark rights

The HZL-UX8 computerized sewing machine for home use, a winner of the Good Design Award 2022, realizes UI/UX by combining smartphone-like and dial operations to heighten the fun and comfort of sewing for users. We have adopted a mixed intellectual property strategy that deploys patent rights, design rights, and trademark rights to ensure the competitive advantage of the HZL-UX8.

Business foundation Design strategy

JUKI's design strategy concept

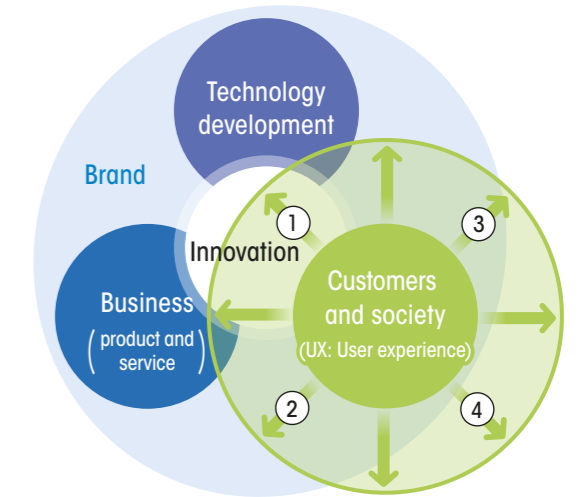


Seiji Sakurai
General Manager, Design Strategy Dept.

In October 2022, JUKI established a new design department to further enhance its brand value, accelerate the innovation of products and services, strengthen brand appeal to stakeholders, and move forward with its initiatives toward the long-term vision of becoming a *Monodzukuri* (manufacturing) and *Kotodzukuri* (value creation) company. We believe that design can improve our corporate competitiveness through both "branding" and "innovation." JUKI has been incorporating design thinking and user experience design into the technology and management fields in recent years. The design strategy we are promoting is based on expanding contact with customers and society and strategies to visualize problems and new findings.

Course of action

- ① Connect customers and society with technology and take a lead role in the "Kotodzukuri," experience-based value creation.
- ② Understand the site where the product is used, share the problems there, and take the lead in improving them.
- ③ Provide stakeholders with customer experiences in using non-products.
- ④ Create future customers and a future society, and explore and propose new value.



Medium-term Management Plan

Details on the initiatives

① Product design

We are redefining the essential character of JUKI by striving for products and services with more visual appeal and superior usability based on the concepts of collaboration with people and people-friendly design. JUKI is committed to creating innovations that start with the people who use our products and systems, and the sites and environments in which they are used.

- Promote a product design strategy
- Build a UX development process
- Improve attentive ease of use

② Develop XR technology

We will use AR, VR, and other XR technologies from the product development to marketing stages and work on transformation (DX) in the value chain.

- Multiple uses of 3D CAD data
- Development of virtual prototypes
- Improved customer experience through use in sales

③ Brand design

We will showcase the brand assets to users in easy-to-understand ways at JUKI's 85th anniversary in order to generate empathy with the value of JUKI's existence and enhance the brand value toward the next generation.

- Brand image enhancement
- Release of a brand story
- Visualization of JUKI's vision and management strategy

TOPICS

An AR360°Viewer facilitates the viewing of more product images.

In addition to the AR (Augmented Reality) product displays using 2D codes in the product catalog on JUKI's industrial sewing machine website, JUKI products are now displayed in 3D on internet browsers. 3D displays make it possible to view products from all angles and to virtually position products in production spaces for the easy checking of product sizes and installation positions.



Virtual showrooms stir user anticipation for new products.

In the leadup to the mounter LX-8 release, JUKI invited special customers to experience the product in a virtual showroom at JISSO PROTEC, a comprehensive exhibition of electronic component mounting technologies. VR goggle displays conveyed the virtual experience of using the LX-8 and witnessing its features and performance at the actual scale. The lifelike VR experience promotes the appeal of the product and raises customer expectations.



Map out the activities of professional-use sewing machines to create an improved journey for the customer.

We are mapping out sewing activities to create an improved journey (customer experience) for the customers who use JUKI's professional-use sewing machines, a mainstay line of products for many companies. The creation of innovation starts with customers. With this in mind, we are working to solve problems and realize ideas that lead to *Kotodzukuri* by chronologically visualizing the sewing work at the sites where JUKI customers actually use their sewing machines.



ESG initiatives Environmental initiatives

Reduction of environmental load

Relation to the SDGs



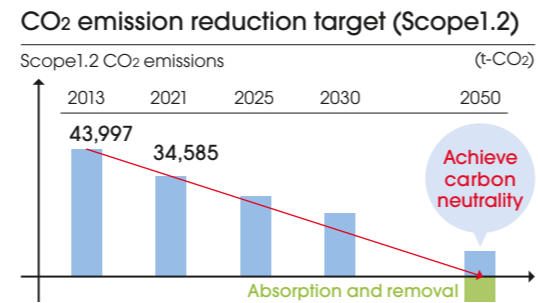
We are working to reduce our environmental load through business activities focused on reducing greenhouse gas emissions, complying with environmental regulations, and developing safe and eco-friendly products.



Takashi Yamada
General Manager of the General Affairs Dept. and the SDGs Promotion Office

Achieve carbon neutrality

The JUKI Group has made a commitment to achieving carbon neutrality by 2050 using CO₂ emissions as an indicator to address climate change and other global environmental issues. To achieve this goal, we have set mid-term targets of reducing CO₂ emissions in Scope 1 (in-house direct emissions) and in Scope 2 (indirect emissions from energy used in-house) by 37% in FY2025 and 50% in FY2030, compared to the FY2013 level. In addition to promoting energy-saving activities throughout our operations and decarbonizing our production facilities, we will introduce renewable energy generation facilities, storage batteries, carbon-free electricity, etc. to achieve our targets.



Scope 1 and Scope 2

Carbon-neutral initiatives in product supply chains and lifecycles

Procurement / Logistics	<ul style="list-style-type: none"> Strengthening green procurement Improving the use of recycled materials Improving logistics methods for procurement
Development	<ul style="list-style-type: none"> Further promoting the planning and development of energy-saving products Using eco-friendly materials Downsizing product weights and sizes
Production	<ul style="list-style-type: none"> Switching to lower-carbon fuels, hydrogen, biomass, and synthetic fuels, etc. Switching used fuels to non-petrochemical fuels Establishing smarter and more efficient production methods
Building environment / work styles	<ul style="list-style-type: none"> Replacing equipment used in buildings with energy-saving products Promoting the introduction of solar panels Improving efficiency by reforming work styles and operations (promoting RPA, etc.)

Developing eco-friendly products

ECO PRODUCTS certified in FY2022

The product meets the JUKI Group Green Procurement Guidelines, a set of standards even stricter than the RoHS Directive and other regulations governing the handling and use of hazardous chemical substances.

Industrial sewing machines



Automatic bobbin thread winding and feeding device (a retrofit kit for the AMS-EN Series Shuttle Hook Machine)
AW-3S

Household sewing machines



2-Needle, 2/3/4-Thread Differential Feed, Overlock with an Automatic Thread Supply and Easy Threader
MO-3000

Electronics assembly & systems

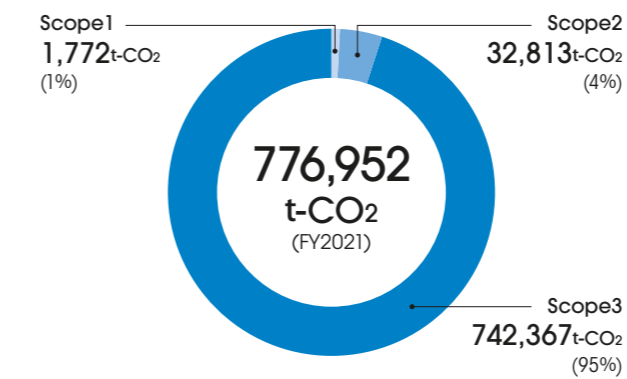


Multi task platform
JM-50

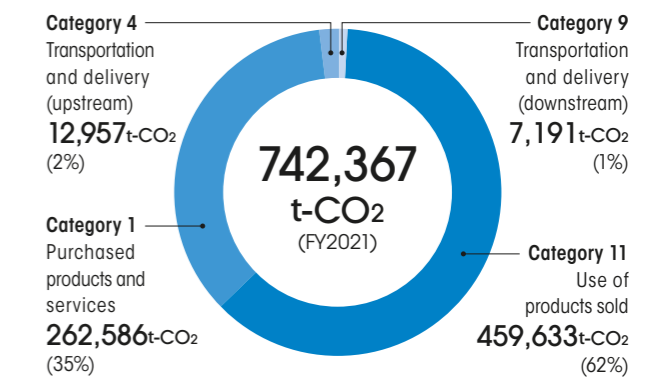
Calculation of CO₂ emissions for all supply chains in total (Scope 3)

In 2022, the JUKI Group began calculating Scope 3 emissions (non-Scope 1 and non-Scope 2 emissions related to JUKI's business activities in the value chain, including raw material procurement, logistics, and sales. Because of the way JUKI's businesses are structured, most of Scope 3 emissions occur in Category 1 (purchased products and services), Category 4 (transportation and delivery (upstream)), Category 9 (transportation and delivery (downstream)), and Category 11 (use of products sold). As Category 11 emissions account for the largest among these four categories, priority was given to surveying the four categories mentioned above. As a result, we found that Scope 3 emissions account for more than 90% of the total CO₂ emissions of the JUKI Group (total of Scope 1, 2, and 3 emissions). We will strive to reduce Scope 3 emissions by developing and supplying products with enhanced environmental performance.

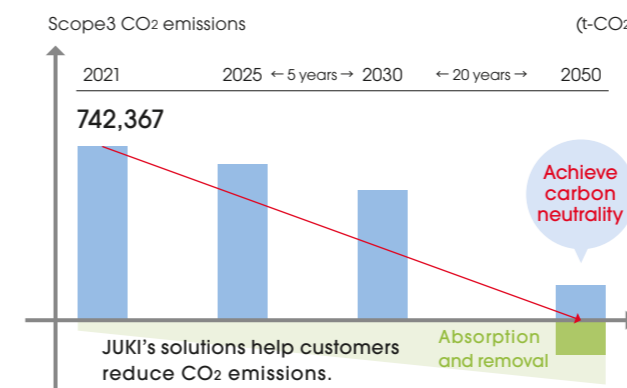
CO₂ emissions by Scope



Percentage of emission results in Scope 3



CO₂ emission reduction target (Scope 3)



* Achieve carbon neutrality by 2050 through absorption and removal measures as well as the CO₂ emission reductions contributed by customers using JUKI solutions.

Scope 3 category

Category that accounts for the majority of JUKI's CO₂ emissions.

1	Purchased products and services
2	Capital goods
3	Fuel and energy-related activities not included in Scope 1 and 2
4	Transportation and delivery (upstream)
5	Waste from business activities
6	Business travel
7	Employer commuting
8	Leased assets (upstream)
9	Transportation and delivery (downstream)
10	Processing of products sold
11	Use of products sold
12	Disposal of products sold
13	Leased assets (downstream)
14	Franchises
15	Investment

Waste reduction through the refurbishment business

The JUKI Group is working to reduce waste and realize a circular economy by developing a refurbishing business called the JUKI Green Rewards Program.* We collect used products from customers and recycle them using proprietary JUKI technologies. We are working to build a recycling-oriented business model by providing customers with "refurbished" machines that we have reconditioned after that.

* JUKI Green Rewards Program
"Under the Green Rewards Program, JUKI collects and recycles products that customers originally intended to discard."



Disclosure of information based on the TCFD recommendations

The JUKI Group has made a commitment to achieving carbon neutrality by 2050 by increasing its efforts to reduce CO₂ emissions in product development, production, and business activities to the greatest possible extent. In July 2022, the Group endorsed the TCFD (Task Force on Climate-related Financial Disclosures) recommendations established by the Financial Stability Board (FSB) and announced its participation in the TCFD Consortium, a group of companies that support the TCFD recommendations.



As a TCFD member committed to carbon neutrality, the JUKI Group has analyzed the risks and opportunities that climate change poses to its business. We will reflect this analysis in our management and business strategies, practice thorough information disclosure, and strengthen our efforts to achieve carbon neutrality.

Governance

In August 2022 the JUKI Group established a Sustainability Promotion Committee chaired by the Chairman and CEO to enrich its business activities by incorporating a sustainability concept that aims to ensure the stability and sustainability of the “environment,” “society,” and “economy” into the future without losses of corporate value, while solving social challenges and achieving sustainable growth for the entire Group. The Sustainability Promotion Committee, the Management Strategy Council, and the Risk Management Meeting work together to formulate long-term corporate strategies to promote management from a sustainability perspective.

Strategies (scenario analysis)

JUKI has identified climate change-related risks and opportunities that may affect the Group’s businesses now and in the future under two scenarios, a 1.5°C scenario (Note 1) and 4°C scenario (Note 2) assumed as a climate-related scenario, along with the risks (Note 3) and opportunities (Note 4) for the Group businesses under each scenario.

The following risks and opportunities related to climate change in the JUKI Group have been identified based on the results of our scenario analysis, along with their impacts and the countermeasures against them.

(Note 1)

Rapid social changes toward carbon neutrality in 2050 will limit the global average temperature increase to 1.5°C at the end of the 21st century.

<Scenarios referenced>

- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report SSP1-1.9 (Common Social Pathways SSP1 / Representative Concentration Pathways RCP1.9)
- RCP2.6 (While the RCP2.6 scenarios are similar to the scenarios of less than 2°C, some supplemental data is drawn from other references.)
- International Energy Agency (IEANetZero by 2050)

(Note 2)

Social activities to reduce greenhouse gas emissions will not progress, resulting in a global average temperature increase of more than 4°C at the end of the 21st century.

<Scenarios referenced>

- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report SSP5-8.5 (Shared Social Pathways SSP5 / Representative Concentration Pathways RCP8.5)

(Note 3)

Identified in line with the Group’s business in terms of transition risk (policy, regulation, technology, market, reputation) and physical risk (acute, chronic)

(Note 4)

Based on transition and physical risks identified in line with the Group’s business in terms of resource efficiency, energy sources, products/services, markets, and resilience.

Climate-related risks and opportunities

Scenarios	Risks / Opportunities	Time frame	Impact on business	Response measures	Financial impact
1.5°C	Transition risks	Policies/Regulations	<ul style="list-style-type: none"> ● Increased business costs incurred through the introduction and strengthening of climate change policies and regulations such as carbon pricing (introduction of a carbon tax, capital investment for decarbonization, raw material price hikes, higher transportation costs, etc.) 	<ul style="list-style-type: none"> ● Promotion of decarbonized production facilities (conversion of electricity to lower-carbon fuels, hydrogen, biomass, synthetic fuels, etc., and non-petroleum fuels) ● Rebuilding of the production, logistics, and procurement networks in cooperation with suppliers 	Medium
		Technology market	<ul style="list-style-type: none"> ● Lower demand when the rising demand for products and services that lead to decarbonization drives up the cost of R&D to improve the environmental performance of products and cannot be offset by lower price competitiveness. ● Price hikes and procurement difficulties due to changes in the supply-demand balance of raw materials, semiconductors, etc. accompanying the decarbonization of society 	<ul style="list-style-type: none"> ● Further promotion of the planning and development of products with high environmental performance (especially energy saving) ● Promotion of the use of eco-friendly materials (strengthen green procurement, increase the use of recycled materials, etc.) ● Improved efficiency of raw material use through reductions in product weights, sizes, etc. 	Medium
	Reputation	Short-term to Long-term	<ul style="list-style-type: none"> ● The emergence of adverse effects on financial arrangements, business relationships, etc. if climate change measures are delayed 	<ul style="list-style-type: none"> ● Systematic and steady promotion of initiatives to achieve carbon neutrality 	Small
	Opportunities	Market	Medium-term to Long-term	<ul style="list-style-type: none"> ● Growing demand for products and services that help customers improve productivity and save energy, as well as for products and services that contribute to the circular economy and reduce CO₂ emissions over their lifecycles 	<ul style="list-style-type: none"> ● Provision of products and services to increase productivity and energy-saving performance, including support and consulting services to make customer factories smarter and more energy-efficient ● Deepening of the used equipment business and the establishment of a recycling system for the products and parts after being sold.
Short-term to Long-term			<ul style="list-style-type: none"> ● Increased demand for our products thanks to rapid growth in demand for circuit boards (PCB) as a result of digitization in all sectors as a contribution to decarbonization 	<ul style="list-style-type: none"> ● Continuation of planned production by maintaining production facilities capable of responding to increased demand 	Medium

Scenarios	Risks / Opportunities	Time frame	Impact on business	Response measures	Financial impact	
4°C	Physical risks	Acute	Long-term	<ul style="list-style-type: none"> ● More frequent occurrence of natural disasters such as floods, severe typhoons, torrential rains, and storm surges, causing damage to JUKI’s production facilities, etc. and supply chains, as well as losses due to operational shutdowns, etc. 	<ul style="list-style-type: none"> ● Strengthened business continuity plan (BCP) in all operational areas, including JUKI’s supply chains 	Medium to small
		Chronic	Long-term	<ul style="list-style-type: none"> ● Worsened employee working environments and a higher risk of heat stroke ● Higher costs for air-conditioning and temperature control 	<ul style="list-style-type: none"> ● Introduction of equipment, etc. that will improve working environments ● Promotion of automation and labor-saving solutions in factories 	Medium
	Opportunities	Resilience	Long-term	<ul style="list-style-type: none"> ● Better maintenance of customer production systems through the provision of a stable supply of products in the event of a disaster 	<ul style="list-style-type: none"> ● Strengthened business continuity plan (BCP) in all operational areas, including JUKI’s supply chains 	Medium

(Time frame)Short-term: 5 years, Medium-term: 10 years, Long-term: more than 10 years.

Risk management

JUKI has established and operates a risk management system to appropriately address all Group risks. The system is centered on the Management Strategy Council, which handles strategic risks, the Crisis Measures Headquarters, which is responsible for business continuity, and the Risk Management Meeting, which consists of corporate officers and the heads of business units and group companies. We respond to the ever-changing risk environment by conducting annual policy reviews and quarterly risk assessment and monitoring audits and by reporting to the Board of Directors on the details of our risk response and the occurrence of major risks, with a view to making continuous improvements.

Indexes and Targets

▶P.54 and P.55 “Reduction of Environmental Load”

ESG initiatives Social initiatives

Solving social challenges

Creating employment opportunities



JUKI's industrial sewing machines business support the growth of the labor-intensive sewing industry in developing countries. JUKI's equipment and systems change simple labor-intensive workplaces into peoplefriendly working environments by making factories smarter.

Creating employment opportunities in developing countries

Since its founding in 1959, JUKI's Sewing Efficiency Research Institute has provided support activities focused on performance optimization by using production management and IE technologies to maximize the power of "materials, equipment, and people."

The institute's activities have been applied in ODA (Official Development Assistance) projects to foster export industries in developing countries towards the creation of national wealth and employment. JUKI has worked with government agencies in many countries, including Cambodia, Myanmar, Ghana, and Madagascar, to provide equipment and educational training to local apparel training centers.

The goal is to create a cycle of employment in developing countries by cultivating the training participants as future managers and key personnel.



Promotion of social participation by various human resources



The world is still full of illiterate people, especially in developing countries. JUKI organizes vocational education programs and works in other ways to increase the employment of workers with poor literacy skills and improve their treatment in the workplace.

Developing e-learning menus and providing them to worker trainees

We continue to offer seminars and group training to improve productivity and sewing quality in sewing factories and to disseminate maintenance techniques to customers. We launched these activities to provide "e-learning" training services in 2020. We will further expand our training service menu and promote highly specialized e-learning education to nurture advanced operators and maintenance personnel.



Sewing Operator Training Course

Simplifying difficult processes by linking sewing machines

The JAPAN SEWING MACHINERY MANUFACTURERS ASSOCIATION*1 (Chairman: JUKI President Shinsuke Uchinashi) has been commissioned by the Mechanical Social Systems Foundation this year to develop an innovative strategy to simplify difficult, skilled processes such as "Isekomi Nui" (shirring stitches) by directly importing CAD data into sewing machines.

CAD-created data serving as the blueprint of a garment is directly imported into a digital sewing machine to realize sewing that can be executed without relying on the skills of experienced workers. We begin this process by creating a "shared format" that links all apparel CAD systems and digital sewing machines to enable the automation of the sewing process and the mass production of customized garments in the future.

*1 A Japanese industry association of manufacturers of sewing machinery, parts, and accessories. The association promotes the planning, standardization, and hosting of international exhibitions (JIAM) for the industry.

Providing an inspection support system that leads to employee development

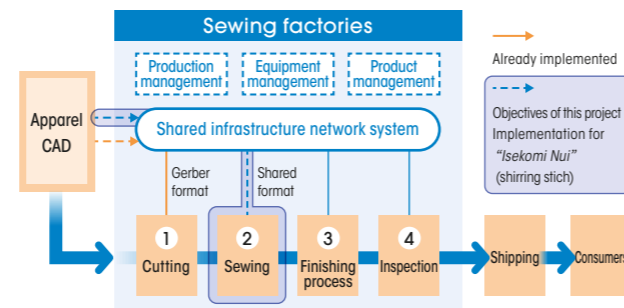
Industrial sewing machines are provided with voice guidance functions and explanatory illustrations and symbols.

A system that supports daily sewing machine inspections in sewing factories with both a smartphone application and PC browser application is available free of charge. The system guides users through sewing machine inspections of 10 to 20 items with easy-to-understand pictures and teaches them about the important parts of sewing machines in the process. JUKI aims to use this system to promote employment in developing countries.



The images illustrate inspections and daily maintenance.

Sewing factory network system diagram



* Information on each process is used in a coordinated manner through a network.

Reference: (General Incorporated Foundation) The Mechanical Social Systems Foundation*2

*2 A general incorporated foundation in Japan. This incorporated foundation conducts projects related to the research, development, and dissemination of mechanical systems that adapt to societal needs.

Contributing to reduced clothing waste



Mass production and large inventories have resulted in clothing waste. From the standpoint of supporting the production of sewn products, we will work to solve this challenge by optimizing low-volume production, improving the efficiency of mass production, and expanding JUKI's business domains.

Achieving the production in just the right amount through automation, digitalization, networking, and consulting

To achieve production in just the right amount, JUKI is building a highly productive and compact line that optimizes the amount of inventory in short-cycle production by making full use of automation, digitalization, and networking technologies. The seam values registered in a digital machine can be adjusted with just a few touches, making it easy to accommodate changes in sewn items. Automation saves labor, and the network-based JaNets system enables production progress and volume control. JUKI is also leveraging its 60-plus years of consulting experience to build a production system that eliminates clothing waste according to every customer's individual needs.



JaNets and Hanger System exhibition at JIAM (Japan International Apparel Machinery & Textile Industry Trade Show)

Spreading JUKI's "upcycling" activity using old clothes, waste materials, and by-products

JUKI has been focusing on "upcycling" activities for the recycling of old clothes and waste materials that have outlived their usefulness into new and valuable things, and has been holding the Upcycle Award as an in-house event since 2021. In 2022, we expanded the scope of the activities to include the Group companies involved in the manufacture and sale of household sewing machines. About 60 people (9 teams) from the United States, Europe, Vietnam, China, and Japan presented their activities for "upcycling" the old clothes. We will promote further efforts to raise awareness of clothing waste loss and to expand the activities that will lead to its reduction.



▲ Show-and-tell session. Yumi Suzuki (on the left), a designer working on a one-of-a-kind remake brand with vintage clothing, took part as a judge and advisor.

Ensuring occupational health and safety



Safer and more secure work conditions protect JUKI employees from workplace accidents and create working environments that allow each individual to reach their full potential. JUKI is committed to creating good working environments with its products and support.

Toward safe and clean sewing factories

JUKI develops products that realize clean and less fatiguing working environments by integrating functions to suppress operating noise and vibration while improving operability, safety, and dust collection efficiency. JUKI will also realize people-friendly working environments through initiatives to deskill the workplace and reduce heavy workloads through automation.



Save the factory. Save the operator.

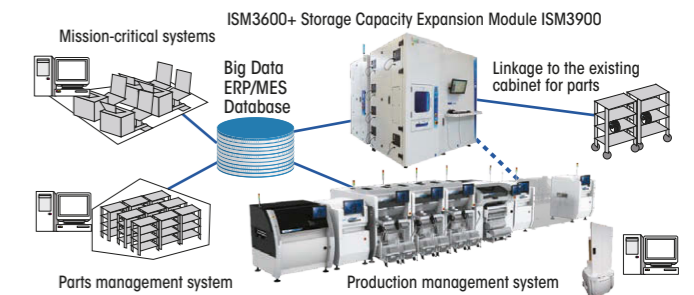
Support for technological innovation through improvement to productivity in the electronics industry



As a comprehensive manufacturer of board mounting equipment, we support the evolution of circuit boards for electronic and electrical appliances by responding to increasingly miniaturized chip components and complicated, irregularly shaped components. We support the industries that design the future with DX through technological innovation.

Improvements to back-and-forth process infrastructure in PCB mounting factories

We are working to realize smart factories that incorporate the latest technologies and reduce manpower to the greatest possible extent. We seek to reduce labor in the processes before and after the manpower-intensive PCB mounting line by developing an automated warehouse to store and manage electronic components, an automatic insertion machine that automates manual work in the post-mounting process, and a system that can be linked to mission-critical systems. We will realize convenient and comfortable lifestyles by making factories smarter through labor saving strategies and distributing inexpensive, high-quality products throughout the world.



ESG initiatives Corporate governance initiatives

Directors, audit & supervisory board members and corporate officers

(As of July 1, 2023)

Directors



Akira Kiyohara

Chairman, CEO and COO
Chairman of the Board of Directors
Member of the Nominating and Compensation Advisory Committee
Chairman of the Sustainability Promotion Committee

May 2009 Joined the Company, Advisor
June 2009 Senior Managing Director, CAO, and CCO
July 2009 Senior Managing Director, CFO, CAO, and CCO
June 2010 Representative Director and President
August 2013 Representative Director and President, and President of JUKI AUTOMATION SYSTEMS CORPORATION
January 2021 Representative Director, Chairman and CEO
March 2021 Representative Director, Chairman and CEO, and Representative Director, Chairman and CEO of JUKI AUTOMATION SYSTEMS CORPORATION (Present)
July 2022 Representative Director, Chairman, and CEO of the Company, Representative Director, Chairman, and CEO of JUKI AUTOMATION SYSTEMS CORPORATION, and Representative Director, Chairman, and CEO of JUKI TECHNO SOLUTIONS CORPORATION
March 2023 Representative Director, Chairman, CEO, and COO of the Company, Representative Director, Chairman, and CEO of JUKI AUTOMATION SYSTEMS CORPORATION, and Representative Director, Chairman, and CEO (present post)



Shinsuke Uchinashi

President and Director in charge of the finance department (chairman of the Cost Structure Reform Committee) and in charge of internal control and compliance (chairman of the Risk Management Committee)

May 2011 Joined the Company, Senior Executive Operating Officer
March 2013 Managing Officer
March 2017 Director and Managing Officer
March 2018 Director and Senior Managing Officer
March 2020 Representative Director and Senior Managing Officer
January 2021 Representative Director, President and COO (Present)
March 2023 Director and President of the Company in charge of the finance department (present post)

Outside Directors



Kazumi Nagasaki

Outside Director
(Independent Directors)
Member of the Nominating and Compensation Advisory Committee



Yutaka Hori

Outside Director
(Independent Directors)
Chairman of the Nominating and Compensation Advisory Committee



Junko Watanabe

Outside Director
(Independent Directors)
Member of the Nominating and Compensation Advisory Committee

April 1976 Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)
November 1998 General Manager of Production System Development Dept., ditto
March 2003 Plant Manager of Kumamoto Plant, ditto
January 2005 Plant Manager of Yokohama Plant, ditto
July 2005 Manager of Chemical and Industrial Products Production Div., ditto
July 2008 President of Bridgestone EMK Co., Ltd.
February 2014 Senior Advisor, ditto
March 2014 Director of the Company (Present)

April 1979 Registered as an attorney (Dai-ichi Tokyo Bar Association)
December 1989 Representative attorney of Hori & Associates Law Office (currently Hori & Partners) (Present)
June 1999 Lecturer of Graduate School of International Corporate Strategy, Hitotsubashi University
April 2004 Executive and Vice President, National University Corporation Chiba University (Present)
April 2010 Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office
March 2016 Director of the Company (Present)
June 2016 Outside Director of FIDEA Holdings Co. Ltd.(Present)
August 2017 Outside Director of Pasona Group Inc.

April 1980 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)
June 2003 General Manager of Hiyoshi Branch, Mizuho Bank, Ltd.
February 2006 General Manager of Oji Branch, ditto
April 2008 General Manager of Diversity Promotion Office, Human Resources Dept., ditto
September 2010 Executive Officer of Mizuho Research Institute Ltd.
May 2011 Senior Executive Officer, ditto
April 2014 Joined Joban Kosan Co., Ltd., Executive Officer
March 2020 Audit & Supervisory Board Member of the Company
June 2020 Managing Director of Joban Kosan Co., Ltd.,
June 2022 Outside Audit & Supervisory Board Member of KYB Corporation (Present)
March 2023 Director of the Company (Present)

Audit & Supervisory Board Members



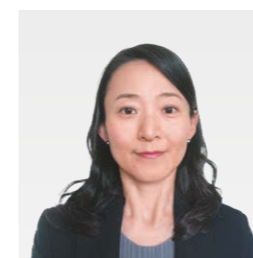
Masahiko Suzuki

Audit & Supervisory Board Member
(Full-time)



Masatoshi Tanaka

Audit & Supervisory Board Member
(Outside)
(Independent Directors)



Hiroko Nihei

Audit & Supervisory Board Member
(Outside)
(Independent Directors)

April 1980 Joined the Company
June 2011 General Manager of Finance & Accounting Dept.
April 2016 Corporate Officer and General Manager of Finance & Accounting Dept.
March 2019 Full-time Audit & Supervisory Board Member

April 1983 Appointed as judge
April 2006 Retired as judge, Registered as an attorney (Dai-ichi Tokyo Bar Association)
April 2006 Partner attorney of Nagashima Ohno & Tsunematsu
March 2008 Appeal Examination Counselor of the Japan Patent Office (Present)
October 2008 Ad Hoc Member, the Industrial Structure Council (Present)
October 2010 Auditor of the National Center for Industrial Property Information and Training (INPIT)
June 2011 Audit & Supervisory Board Member of the Company (Present)
April 2016 Professor of Law, Waseda Law School (with Fixed-term of office)
January 2022 Attorney at Law Managing Partner of Inuimom Law Offices (Present)
February 2022 Temporary member of Industrial Structure Council (Present)

April 1999 Joined Fuji Bank, Ltd.
March 2008 Retired from Mizuho Bank, Ltd.
September 2009 Completed legal apprenticeship, Registered as a lawyer (Daiichi Tokyo Bar Association)
October 2009 Joined O'Melveny & Myers gaikokuho kyodajigyo horitsujimusho, Associate Attorney at Law
September 2014 Received a master of laws degree from the University of Oxford
January 2016 Counsel Attorney at Law at the same law firm (present post)
March 2019 Received a master of laws degree from Waseda University, Graduate School of Law (major in advanced legal studies, Intellectual Property Law)
June 2019 Outside Audit & Supervisory Board Member of Seed Corporation (to present)
January 2020 Supervisory Director of Invesco Office J-REIT, Inc.
June 2022 Outside Director of Hokuetsu Corporation (present post)
March 2023 Audit & Supervisory Board Member of the Company (present post)

Officers

Hirokazu Nagashima

Executive Vice President and Corporate Officer, General Manager of the Industrial Equipment & Systems Business Unit, General Manager of the Electronics Assembly & Systems Company of the Company, Representative Director, President, and COO of JUKI AUTOMATION SYSTEMS CORPORATION and General Manager of the Inspection and Measurement Business Dept. and a person in charge of quality assurance, Chairman of TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD., and Chairman of JUKI SMT ASIA CO., LTD.

Katsumi Nihei

Senior Managing Officer,
Deputy in charge of the Business Operation Center (the Sewing Machinery & System Business Unit) in control of the sales territory such as Southwest Asia, Middle East, Central & South Africa, Southeast Asia, and Oceania [a representative in India] and General Manager of the Asia Global Sales Headquarters within the Sewing Machinery & System Business Unit of the Company, Chairman of JUKI INDIA PVT. LTD., and Chairman of JUKI SINGAPORE PTE. LTD.

Minoru Nitta

Managing Corporate Officer
General Manager of the Sewing Machinery & System Business Unit, General Manager of the Non-apparel Company, and a person in charge of the Business Operation Center (the Sewing Machinery & System Business Unit) of the Company in control of the sales territory such as Americas, Europe, CIS and Northern Africa, Representative Director, President, and COO of JUKI TECHNOSOLUTIONS CORPORATION, Chairman of JUKI CENTRAL EUROPE SP. ZO.O., and Chairman of JUKI ITALIA S.P.A.

Yutaka Abe

Managing Corporate Officer
"In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit), (Responsible for China)" and President (Sales) of JUKI (CHINA) CO., LTD. and Chairman of JUKI (HONG KONG) LTD.

Jirou Ishibashi

Managing Corporate Officer
General Manager of the IoT Platform Equipment & System Business Unit and deputy in charge of the Business Operation Center (the Sewing Machinery & System Business Unit) responsible for the Business Planning Dept., the Smart Solution Company, and Alliances)

Kiyoshi Matsumoto

Managing Corporate Officer
In charge of the Global Co-Operate Center (the Corporate Planning Dept., the General Affairs Dept., the Human Resources Dept., the Information System Dept., the Corporate Communications Dept.) and the Production Center (production site strategy project)

Hiroshi Anzai

Managing Corporate Officer
In charge of the Development Center and the Global Co-operate Center (the Corporate Planning Dept. [Alliance] and the Design Strategy Dept.) of the Company, Managing Officer of JUKI AUTOMATION SYSTEMS CORPORATION in charge of the Development Center, and Managing Officer and General Manager of the Development Center of JUKI TECHNOSOLUTIONS CORPORATION

Keiichi Hashimoto

Managing Officer
In charge of the Production Center and General Manager of the Production Planning Dept.

Corporate Officers

Tsuyoshi Inoue

General Manager of the Innovation and Technology Development Dept., and a person in charge of the Technical Planning and Administration Dept.

Tomohiro Takeda

CDO and General Manager of the Information System Dept.
* CDO: Chief Digital Officer

Kunio Nukui

(In charge of group companies)
General manager of JUKI (CHINA) CO., LTD.

Kenji Nakao

Deputy in charge of the Production Center, General Manager of the Automation Promotion Center, and General Manager of the Production Engineering Dept.

Keiichi Uekusa

Deputy General Manager of the IoT Platform Equipment & System Business Unit, General Manager of the Customer Business Company, and General Manager of the Business Planning Dept.

Akira Tsukano

General Manager of Human Resources Dept.

Masanori Suzuki

(In charge of group companies)
Representative Director and President of JUKI AIZU CORPORATION, General Manager of the Aizu sub-office of the Sales Dept. of the Group Business Company, and Chairman (in charge of sales) of SUZUTAMI PRECISION INDUSTRY CO., LTD.

Yasuyuki Suzuki

General Manager of Sewing Machinery Development Dept. and in charge of sewing alliance

Toshiyuki Yamanaka

(In charge of group companies)
General Manager of the Apparel Sales Dept. of the Asia Global Sales Headquarters within the Sewing Machinery & System Business Unit and General Manager in charge of the Business Planning Dept. within the IoT Platform Equipment & System Business Unit of the Company, President and Director of JUKI SINGAPORE PTE.LTD. (in control of sales territory such as Vietnam, Indonesia, and Thailand), and President and Director of JUKI (THAILAND) CO., LTD.

Daizo Minami

General Manager of Finance & Accounting Dept.

Hideya Sudo

(In charge of group companies)
President and CEO of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION

Masanori Awasaki

(In charge of group companies)
President and Director of JUKI AMERICA INC. and a representative of JUKI TECHNOSOLUTIONS CORPORATION in the Americas

Michinari Sougawa

General Manager of the Corporate Communications Dept. and the Secretarial Office

Structure of the Board of Directors Skill matrix of the Company's Directors

Name	Independent Outside Director	Knowledge, experience, and abilities possessed by Directors							
		Corporate management	Finance / Accounting	Legal / Compliance	Global	Sales / Marketing	Manufacturing / Quality control / Research and development	Environment / Society	Human resources and labor relations / Human resource development
Akira Kiyohara		○	○	○	○	○		○	○
Shinsuke Uchinashi		○	○	○			○	○	
Kazumi Nagasaki	○	○	○				○	○	○
Yutaka Hori	○	○		○	○			○	○
Junko Watanabe	○	○	○					○	○



Kazumi Nagasaki

Outside Director

Member of the Nominating and Compensation Advisory Committee

Role as an Outside Director to strengthen corporate governance

I recognize that our role is to contribute to JUKI's medium- to long-term growth by leveraging experience and expertise as production and manufacturing experts. This is what our stakeholders expect from us. JUKI is making efforts to strengthen its corporate governance. The ratio of outside directors on the Board of Directors has increased to 60% this year. The higher ratio further reinforces our system for incorporating outside opinions. I commend JUKI's efforts to incorporate more diverse opinions and to strengthen corporate governance.

New Medium-term Management Plan under the "Growth & Transformation Plan 2025" slogan

This new Medium-term Management Plan (2023-2025) sets out ambitious goals. I hope that all of JUKI's employees will work together to achieve these goals and quickly get the company back on a growth trajectory. We must carefully check the progress of the Medium-term Management Plan and quickly correct our trajectory whenever our performance deviates from the targets. The earlier we take action, the more certain we are to achieve the Medium-term Management Plan.

Strengths of the JUKI Group

JUKI's businesses are founded on 85 years of history and tradition. Our strengths lie in our ability to firmly manage JUKI's business under the strong leadership of top management. JUKI's products, services, technological capabilities, and manufacturing strengths differentiate the company from its competitors. These are our core strengths. JUKI is still the world's No. 1 manufacturer of industrial sewing machines, but the business environment is changing drastically and the competition is becoming fierce. To stay at the top in this environment, we will have to work tirelessly and innovate continuously. I am convinced that the only way for JUKI to hold its No. 1 position is to continue providing customers with the products and services *expected from JUKI*.

Commitment to sustainability

I recognize that reducing CO₂ emissions to soften our environmental load and achieving carbon neutrality by 2050 are lofty goals. We cannot achieve these goals without formulating a solid reduction plan and executing it throughout the JUKI Group as soon as possible. It is extremely important that we achieve the reductions as targeted in our plans.

The "Sustainability Promotion Committee" firmly incorporated in our new Medium-term Management Plan was established last year. I am hopeful that this organization will play a central role in driving our sustainability efforts.



Yutaka Hori

Outside Director

Chairman of the Nominating and Compensation Advisory Committee

Corporate governance and the roles our stakeholders expect us to play

In my capacity as a representative of shareholders, etc. as an outside director, I am always conscious of the need to express my opinions about management frankly—even harshly if need—while at the same time remaining non-judgmental. This is a policy I have consistently followed since assuming my position as an outside director. In March of this year I was appointed as the chairman of the Nominating and Compensation Advisory Committee. As chairman I report to management on my viewpoints and ideas as a representative of our shareholders and other stakeholders. While the current board of directors is well organized from a managerial standpoint and in its approach to handling management issues, the rapid changes in the business environment in the wake of COVID-19, etc. require timely and astute responses. We find it increasingly necessary to further invigorate our responses as a board and to respond flexibly to changes by discussing the issues at hand actively and frankly, even when controversies and disagreements emerge. We can innovate new solutions and strategies by discussing the issues without shying away from differences of opinion. I believe that JUKI will realize sustainable growth and enhanced corporate value when all of its officers and employees, including the outside directors, address the true causes of the company's problems and issues with a sense of ownership.

Challenges and future initiatives in the New Medium-term Management Plan

The new Medium-term Management Plan under the "Growth & Transformation Plan 2025" slogan, a plan we have been discussing and formulating since last year, must be executed solidly if the goals for 2025 are to be achieved. The JUKI Group must work together to implement the three structural reforms (value-added structure reform, cost structure reform, and behavioral reform) and produce results as quickly as possible. While the business environment is certainly difficult, I am confident that JUKI is fully capable of achieving the goals of this Medium-term Management Plan. I would like to ask you to work firmly toward achieving these goals with a strong sense of ownership.

ESG management initiatives

The practice of ESG management is becoming an ever more important challenge. We cannot delay in our work to soften JUKI's environmental load by reducing CO₂ emissions and going carbon-neutral, to reshape our business structure to contribute socially and adapt to the new normal society, and to strengthen corporate governance and risk management to realize these goals. As an outside director, I would like to be actively involved in the promotion of ESG management from these perspectives.



Junko Watanabe

Outside Director

Member of the Nominating and Compensation Advisory Committee

Appointed as an Outside Director

My first impression of JUKI is that it is a wonderful company that combines history, tradition, and high technology. Because of this, on the other hand, I also have the impression that many people at JUKI share the same way of thinking. A highly homogeneous company is strong in times of stability. In times of rapid change such as the present, however, a diverse mix of different elements in a management team with experience and ideas from different industries will lead to the creation of new values. We must strive for this diversity on the management team at JUKI.

Aspirations as an Outside Director to strengthen corporate governance

As an outside director, I would like to support the creation of new value at JUKI by honestly asking questions of top management and expressing my frank opinions. I feel that JUKI is an open company with an established corporate governance system in which the organization is willing to incorporate the opinions of laymen as well as those of customers.

New Medium-term Management Plan under the "Growth & Transformation Plan 2025" slogan

In my opinion, the Medium-term Management Plan requires "70% certainty" and "30% challenge." JUKI's new Medium-term Management Plan (2023-2025) is quite challenging. We must steadily implement the PDCA cycle in order to achieve it. And in an era of great change like today, I also think we need the flexibility to replan our plan courageously whenever needed, even in mid-course, along the way.

Strengths of the JUKI Group and Expectations for the JUKI Group in the Future

JUKI is proud of not only its technological capabilities, but also its constant efforts to integrate customer needs with its own technological capabilities. JUKI's strength lies in the consistent and thorough implementation of its customer-first philosophy from top management to front-line personnel. I also believe that JUKI has a strong ability to communicate its products and services, as well as its corporate culture.

I expect JUKI, as a global company, to continue taking on challenges flexibly and speedily far into the future. I would like to see JUKI pioneer the creation of world-first products and services that meet the diverse needs of a wide variety of customers around the world.

ESG initiatives Corporate governance initiatives

Corporate governance

JUKI aims to achieve highly transparent management by communicating with our business partners, investors, and shareholders, improving our corporate governance system, ensuring compliance, and strengthening risk management.

Basic concepts

JUKI has positioned the appropriate maintenance and operation of its corporate governance system as one of its most important issues and has been working to improve and enhance the system to ensure the soundness and efficiency of management and respond to the trust of its stakeholders.

JUKI also enhances the transparency of its management by making timely and accurate information disclosures.

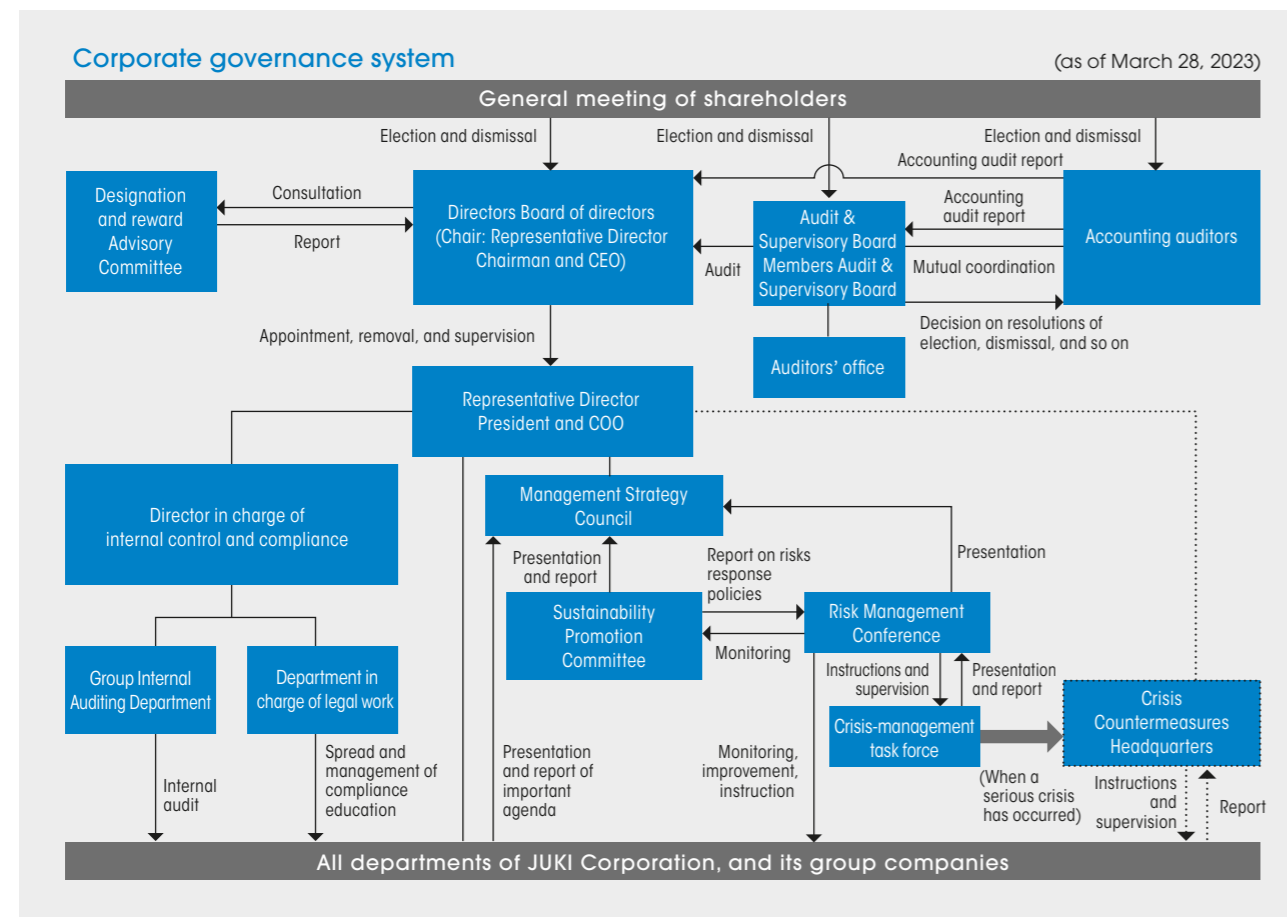
Corporate governance system

Board of Directors

The Board of Directors, a body consisting of five directors—Akira Kiyohara (a chairman, and Representative Director, Chairman, and CEO), Shinsuke Uchinashi, Kazumi Nagasaki (Outside), Hiroshi Hori (Outside), and Junko Watanabe (Outside)—makes decisions on matters required by law and important management matters, and supervises the execution of operations on a continuous basis.

Training for Directors and Audit & Supervisory Board Members

The Company has appointed persons who can fully fulfill the roles and responsibilities expected of Directors and Audit & Supervisory Board Members, including Outside Officers. In light of this, the Company promotes the understanding of the roles and responsibilities expected of Directors, including legal knowledge, of newly appointed officers, who have been promoted internally, by utilizing external training sessions and such. As for Outside Directors and Outside Audit & Supervisory Board Members, the Company conducts activities to understand the business and functions of the Company at the time of their appointment and periodically thereafter.



Audit & Supervisory Board

The Audit & Supervisory Board, a body consisting of three audit & supervisory board members—Masahiko Suzuki (a chairman, a full-time Audit & Supervisory Board Member), Masatoshi Tanaka (Outside), and Hiroko Nihei (Outside)—has established an Audit & Supervisory Board Member Section to assist the audit & supervisory board members. Each member conducts audits in accordance with the audit policy and division of duties established by the Audit & Supervisory Board, and audits the execution of duties by directors.

Internal audit

The Company has established the Group Internal Auditing Department, which consists of seven (7) members. As part of its business activities, the Company conducts business audits of each division of the Company and group companies.

Nomination and Remuneration Advisory Committee

In addition, the Company has established the Designation and Reward Advisory Committee as a voluntary advisory body under the Board of Directors for the purpose of strengthening the independence, objectivity and accountability of the functions of the Board of Directors regarding the nomination and remuneration of the senior management and Directors and Audit & Supervisory Board Members. The said committee is composed of four members: Hiroshi Hori (Chairman: Outside Director), Kazumi Nagasaki (Outside Director), Junko Watanabe (Outside Director), and Akira Kiyohara (Chairman and CEO).

An Executive Officer System and a Corporate Officer System

The Company has introduced an Executive Officer system and a Corporate Officer system (for officers equivalent to Corporate Officers except Corporate Officers with special titles) to try to facilitate business executions and clarify responsibility. All Directors, excluding Directors Kazumi Nagasaki and Yutaka Hori, concurrently serve as Executive Officers. The number of Executive Officers is eight (8), and the number of Corporate Officers is thirteen (13). The Company has positioned and nurtured Corporate Officers (officers equivalent to Corporate Officers except Corporate Officers with special titles) as successors to Executive Officers with special titles, and has promoted young employees to invigorate them.

The Company has established a Management Strategy Council under the Board of Directors. With regard to the corporate group consisting of the Company and the group companies, the Board of Directors, as well as the Executive Officers with titles in charge, the Corporate Officers in charge and the heads of departments in charge attend the council. The council deliberates from various angles on basic policies and strategies for management, thereby enabling more appropriate decision-making and business execution. The Board of Directors makes decisions on particularly important matters among those submitted to the Management Strategy Council.

Initiatives Taken to Enhance Corporate Governance

2015	A "JUKI Group Employees' Code of Conduct" is established.
2018	A "JUKI Group Corporate Philosophy System Chart" is established. A Nomination and Remuneration Advisory Committee is established.
2020	A system for Corporate Officers equivalent function of Executive Officers is introduced, excluding Corporate Officers with special titles.
2021	The positions of Representative Director, Chairman and CEO (Chief Executive Officer) and Representative Director, President and COO (Chief Operating Officer) are established.
2022	A restricted stock-based remuneration system for directors (excluding outside directors), etc. is introduced. A Sustainability Promotion Committee has been established.
2023	The Representative Director, Chairman, and CEO (Chief Executive Officer) also serves as COO (Chief Operating Officer). The Board of Directors is composed of two internal and three outside members. An outside director was appointed as chairman of the Nominating and Compensation Committee.

Organizational Structure

Organizational Structure	A company with an Audit and Supervisory Board
Total number of directors	5 (In-house: 2; Outside: 3)
Ratio of outside (independent) directors	60%
Director's term of office	1 year
Executive officer system introduced	Yes
Organization to assist the president in making decision	Nomination and Remuneration Advisory Committee

Evaluation of the Effectiveness of the Board of Directors

The operating status of the Company's Board of Directors is as follows.

- (1) In accordance with the Board of Directors Regulations, the Board of Directors selects all important matters as proposals and meets monthly in principle to discuss them in a timely and appropriate manner.
- (2) Prior to deliberation by the Board of Directors, problems, issues, risks and their countermeasures are clarified at meetings such as the Corporate Strategy Committee, and the effectiveness of discussions is enhanced.
- (3) In order for the Board of Directors to conduct smooth and active discussions and conduct sufficient deliberations, materials for the Board of Directors are distributed in advance, and in particular, the content is explained to Outside Directors and Outside Audit & Supervisory Board Members in advance.

The Company conducts self-evaluation through questionnaires once a year for Directors and Audit & Supervisory Board Members, and after totaling the self-evaluation, the Board of Directors conducts "Analysis and Evaluation of the Effectiveness of the Board of Directors."

In the evaluation for fiscal 2022, we confirmed that the effectiveness of the Board of Directors as a whole is ensured for the following reasons.

- (1) The composition of the Board of Directors is appropriate in light of the content and scale of the Company's business.
- (2) The management of the Board of Directors is appropriately conducted from the viewpoints of the frequency of meetings and the content of materials.
- (3) The deliberations of the Board of Directors are appropriate from the perspective of the content of the deliberations, such as the selection of agenda items, the deliberation time, and the statements of the attendees.
- (4) The system to support Directors is appropriate from the perspective of opportunities to exchange information with top management or to deepen understanding of the contents of proposals and business other than the Board of Directors.

Our initiatives to strengthen Corporate Governance to date

The Board of Director's meetings are mainly held in the conference room, a venue conducive to the close exchange of opinions among the directors. Because of the constraints of the COVID-19 pandemic, however, the meetings are also sometimes held over the Internet when conditions call for it. Based on the Analysis and Evaluation of the Effectiveness of the Board of Directors, we will use more focused handouts for the Board of Directors to improve the time required for deliberation. At the same time, we will make efforts to increase the exchange of opinions at the Board of Directors to ensure the effectiveness of the Board of Directors, establish a more well-developed corporate governance system, and further enhance our corporate value.

Remuneration system for Officers

Matters related to the policy for determining the details of individual remuneration for Directors

Basic policy

The remuneration, etc., for Directors of the Company, is provided under a remuneration system whereby incentives function to enhance the company's sustainable growth and corporate value.

The total amount of remuneration for directors is determined at the Ordinary General Meeting of Shareholders. The amount consists of a "Monthly Remuneration (fixed remuneration)," a "Performance-based Remuneration (bonus)" that varies according to the achievement of the consolidated performance targets, and a "Restricted Stock-based Remuneration."

Directors' monthly remuneration is determined based on the evaluation of the Director's responsibilities every fiscal year. Performance-linked remuneration (bonus) is determined based on the evaluation of individual performance and achievement and paid at a determined point in time every fiscal year by taking into account comprehensive factors, including the status of achieving company business performance and dividends and calculating the total payment amount using consolidated ordinary profit as a key indicator, which reflects the level of earning power of the Company Group. To promote further value-sharing with shareholders, we will also determine the Restricted Stock-based Compensation by allocating shares in a quantity commensurate with job responsibilities, based on an evaluation of job responsibilities performed in each fiscal year. Consolidated ordinary profit for the said fiscal year was 1,163 million yen.

Remuneration, etc., for Outside Directors consists of only monthly remuneration from the viewpoint of their role of overseeing and supervising management and their independence.

The overview of restricted stock-based remuneration is as follows:

- Maximum amount of restricted stock-based remuneration: 50 million yen in total (per year)
- Maximum number of restricted stocks granted: 100,000 (per year)
- Transfer restriction period: Until the day of resignation

Determination process

As for the process of determining Directors' remuneration, etc., to reinforce the independence and objectivity of the function related to the determination of remuneration for Directors, the Designation and Reward Advisory Committee, which is comprised of four Directors, including three Independent Outside Directors, deliberates a remuneration plan proposed by the Representative Director, Chairman and CEO, and reports to the Board of Directors. The Board of Directors deliberates the appropriateness of the details of the report submitted by the committee.

With respect to the individual remuneration of directors for the fiscal year, the Board of Directors shall review the report from the said committee and confirm that the method of determining the details of the remuneration and the details of the determined remuneration are consistent and in line with the decision policy approved by the Board of Directors.

Matters related to the resolution of the Board of Directors concerning remuneration, etc.

The 92nd Ordinary General Meeting of Shareholders held on June 28, 2007, resolved that the maximum amount of the remuneration, etc. for the Directors (excluding employee salary for employees concurrently assuming a position as a Director) and Audit & Supervisory Board Members of the Company would be 480 million yen and 80 million yen per year, respectively. The number of directors at the conclusion of the said Ordinary General Meeting was nine.

In addition, pursuant to a resolution adopted at the 107th Ordinary General Meeting of Shareholders held on March 28, 2022, the annual amount of the Restricted Stock-based Compensation within the Scope of the above compensation, etc. for Directors other than Outside Directors shall not exceed 50 million yen, and the maximum number of shares shall not exceed 100,000. The number of directors other than outside directors at the conclusion of the said Ordinary General Meeting of Shareholders was three.

Internal control system

The Board of Directors has adopted the "Basic Policy for the Establishment of an Internal Control System." The contents of the policy are as follows.

System to ensure that Directors execute their duties in compliance with relevant laws and regulations and the Articles of Incorporation of the Company

- (1) The Company shall establish the "JUKI Code of Conduct," which shall provide the principles of the JUKI corporate philosophy as a legal entity, in order to make clear its positive attitude towards legal compliance.
- (2) The Company shall establish the "JUKI Group Employees' Code of Conduct," a set of specific guidelines for the execution of duties, in order to make officers and employees proactively acknowledge the importance of compliance with laws and regulations.
- (3) The system for compliance and compliance management of the whole business group consisting of the Company and its subsidiaries (hereinafter "group companies") shall be provided in the "Compliance Rules."
- (4) The Company shall take a resolute attitude toward any antisocial individuals and organizations that adversely influence social order and sound corporate activities.

System to store and control information related to Directors' execution of duties

- (1) The Company shall establish the "Rules for Retaining Important Documents" and shall retain and control information related to the execution of duties by Directors in accordance with the said Rules.

Rules and other systems for managing risk of loss of the Company and group companies

- (1) The Company shall establish the "Risk Management Rules" to manage risks of the Company and all group companies.
- (2) The Company shall establish the "Risk Management Committee" to examine significant risks the Company faces and prepare preventive measures against such risks, and shall manage each division's and each department's preventive measures activities against risks.
- (3) The "Crisis Control Headquarters" or the "Crisis-Management Task Force" shall take prompt actions against any materialized risks depending on the scale of the risks.

System to ensure that Directors, etc. of the Company and group companies execute their duties efficiently

- (1) The Company is striving to facilitate the prompt execution of duties by Directors by adopting a Managing Officer and Corporate Officer system (Corporate officers are Managing Officers who are not Directors) under which the Managing Officers and Corporate Officers may be given some of the authority required for executing Directors' duties.
- (2) Employees may be given some of the authority required for executing Directors' duties in accordance with the "Board of Directors Rules" and "Authorization Rules," for the purpose of efficient decision making.
- (3) Important decision-making matters shall be deliberated at the "Management Strategy Council" and decisions shall be made by the Representative Director, Chairman and COO.
- (4) The "Sustainability Promotion Committee" shall deliberate and decide the formulation of the company policies and goals relating to sustainability, and shall build and establish the system to implement its policies and goals and monitor various measures.
- (5) Rules for executing Directors' duties shall be provided in the "Organization Rules," and Directors shall make efforts to efficiently execute their duties in accordance with the said Rules.

System to ensure that the execution of the duties of our employees and the execution of the duties of the directors and employees of our group companies comply with the regulations and the articles of incorporation

- (1) We shall establish a "JUKI Corporate Code of Conduct" prescribing the basic ways we are to act as a company and clarifying the concepts of legal compliance.
- (2) We shall establish a "JUKI Employee's Code of Conduct" as a detailed standard of behavior for employees in the execution of their duties and shall strive to carry out thorough legal compliance.
- (3) In order to carry out thorough legal compliance, our department in charge of legal affairs shall conduct and disseminate education on compliance and managerial activities.
- (4) We shall appoint an officer in charge of internal control and compliance and endeavor to control the related organizations and activities.
- (5) Our "Regulations on Compliance" shall establish a system and procedures for the compliance of our company and the group companies.
- (6) We shall provide a "consultation service for employees" to directly respond to employees' questions on compliance.

System for reporting to our company on matters regarding the execution of the duties of the directors of our group company, etc.

- (1) A group company shall report management policies and management plans to our company in "the Group Management Meeting" to enable our company to check and adjust the same.
- (2) A group company shall report to our company in accordance with the "Regulation on the Management of Group Companies," regularly according to need.
- (3) The directors of a group company, etc. shall report promptly to our executive officer in charge of internal control and compliance in the event that there are facts indicating remarkable damage incurred by a company, fraudulence in a director's execution of duties, or violations in regulations or the articles of incorporation.

Other systems to ensure adequate business in the business group consisting of our company and the group companies.

- (1) We shall establish a management control system according to our functional organization in our "Regulations on Organization" and "the Regulations on the Management of Our Group Companies."
- (2) We shall establish a rule on decision-making on the distribution of management resources in our group companies in the "Regulations of Authority."
- (3) Our Group Internal Auditing Department shall conduct internal audits of our group companies when needed.

Matters regarding an employee appointed by the Audit & Supervisory Board Members to assist them in the execution of their duties

- (1) We shall establish "Auditor's office" that reports to the Audit & Supervisory Board Members as an organization to assist them.

Matters regarding the independence of the employee stipulated in the preceding clause from the directors and measures taken to secure the effectiveness of instructions from the directors to the said employee

- (1) An Audit & Supervisory Board Member may remark on a personnel transfer and personnel evaluation of an employee who belongs to the Auditor's office.

- (2) An employee who belongs to the Auditor's office collects information necessary for the Audit & Supervisory Board Member's audit promptly in accordance with their instructions.

System for enabling our directors, directors of our group companies and employees to report to the Audit & Supervisory Board Member

- (1) A full-time Audit & Supervisory Board Member shall attend meetings of important bodies such as the Board of Directors Meeting, Management Strategy Council, Group Management Meeting, Risk Management Conference, etc. to collect necessary information in person.
- (2) Our directors, directors of our group companies, and employees shall report to an Audit & Supervisory Board Member promptly upon becoming aware of any facts suggestive of the risk that the company will incur significant damage, that a director has committed fraud in the execution of duties, or that the regulations or articles of incorporation of the company are violated.
- (3) An Audit & Supervisory Board Member shall receive information directly from a department in charge, directors of our group companies, and employees in case that he or she judges to be necessary.

System to ensure that a person who has made a report stipulated in the preceding clause is not unfavorably treated on the grounds of making the said report.

- (1) The "compliance regulations" clearly state that a person who reports to an Audit & Supervisory Board Member are not to be unfavorably treated for doing so, and our directors, directors of our group company, and employees shall be kept informed about this regulation.

Policies regarding procedures for advance payment of expenses or reimbursement of expenses that accrue during the execution of an Audit & Supervisory Board Member's work or regarding the processing of expenses or debts that accrue during the execution of other work.

- (1) We shall pay expenses that accrue during the execution of an Audit & Supervisory Board Member's work and appropriate the budget he or she plans every year.
- (2) When an Audit & Supervisory Board Member judges that the occurrence of expenses is necessary to ensure the effectiveness of an audit, we shall handle the expenses appropriately even if they are outside the budget stipulated in the preceding item.

Other systems to ensure that an Audit & Supervisory Board Member's audit is conducted effectively

- (1) In addition to attending the board of directors' meetings to express his or her opinions, he or she may exchange views with a representative director at any time to raise the effectiveness of the Audit & Supervisory Board Member's audit.
- (2) An Audit & Supervisory Board Member shall cooperate with the Group Internal Auditing Department and conduct audits as the need arises.
- (3) An Audit & Supervisory Board Member shall cooperate with a corporate lawyer and an accounting auditor, and conduct audits as the need arises.

System to ensure the reliability of financial reporting

- (1) We shall prepare and operate a system that enables the effective functioning of the internal control of reliable financial reporting.

Overview of operation status

The following is an overview of the operation of the system to ensure the appropriateness of business operations in fiscal 2022.

Risk management system

- In accordance with the "Risk Management Rules," the Company held the Risk Management Committee meetings once every quarter in principle to identify, evaluate and take measures to risks including those at group companies.
- The Company improved the system by establishing the "Crisis Control Headquarters" and the "Crisis-Management Task Force" to address risks depending on the regions, scale, and content of the emerged risks, and carry out deliberation and reports to the Board of Directors.

System for Directors to execute their duties

- Under the "Board of Directors Rules," "Director and Managing Officer Rules," "Corporate Officer Rules," "Authorization Rules," and "Organization Rules," the Company strives to ensure that duties are executed promptly and efficiently by Directors.
- The Management Strategy Committee is held twice a month in principle, and decisions on important matters are made promptly.

System for management of group companies

- The Company has determined the reporting system, and the management control system by functional organization in its "Organization Rules" and "Group Companies Management Rules." The Group Management Conference was held once every half year to report on management policies and management plans of group companies, and to check and adjust their implementation.

Internal audits

- Internal audits of the Company and its group companies were conducted in accordance with an internal audit plan.
- Self-assessments centered on key matters and individual topics were carried out, targeting group companies and sites, and guidance for improvement was given based on the outcomes of these self-assessments.

System relating to activities of the Audit & Supervisory Board Members

- The "Audit & Supervisory Board Members Section" has been established as an organization to assist the Audit & Supervisory Board Members, and has been collecting necessary information.
- The Audit & Supervisory Board Members have been exchanging opinions with Representative Director once every three months.
- The Audit & Supervisory Board Members have been regularly exchanging information with certified public accountants regarding accounting audits, to ensure the effectiveness of the audits.

Basic concepts

To fulfill our accountability as a company, secure the trust of our stakeholders, and maintain and further enhance our corporate value, we strive to efficiently ensure thorough compliance, including ethics and soft law, as well as legal compliance in the JUKI Group as a matter of course.

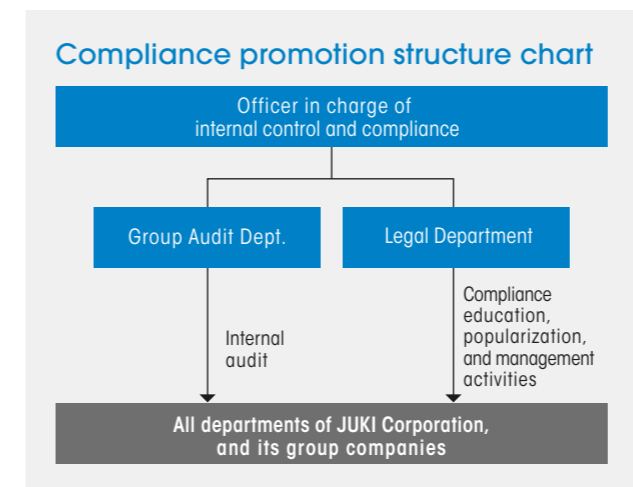
We have established the "JUKI Corporate Code of Conduct" and the "JUKI Group Employee' Code of Conduct," as well as other compliance-related rules and regulations that serve as norms for the JUKI Group and its officers and employees, in order to choose appropriate actions, maintain a compliance system based on these rules and regulations, and educate JUKI Group officers and employees.

Within our internal control system, compliance is positioned and managed as one of the most important management issues to be promoted and addressed by the JUKI Group as a whole.

Framework for promoting compliance

We make decisions on the maintenance and improvement of the compliance system and important compliance-related matters in the Board of Directors. Under this framework, the President and Director, as the chief officer in charge of "Internal Control and Compliance," oversees the Group Audit Dept. and the Legal Department. The Risk Management Meeting, which is operated by the Legal Department as the secretariat, appropriately maintains the compliance system established by the JUKI Group, provides overall management and guidance on new compliance risks due to changes in the environment, and strengthens the management of the entire JUKI Group.

In accordance with the Compliance Regulations, we also ensure thorough compliance by establishing, maintaining, and operating a compliance system that is applied to all Group companies. We have also established the "JUKI Group Employee' Code of Conduct" to keep our group officers and employees informed about compliance, and we present a "Declaration on Antisocial Forces" to our stakeholders and supply chain to maintain good relationships with them.



Whistle-blower system

In addition to absorbing and preventing risks related to compliance violations, the JUKI Group has established employee consultation offices or compliance consultation offices at all of its group companies in order to quickly identify and respond to any violations that may have occurred. The JUKI Group allows employees to report on and notify the company of problems that may interfere, or actually have interfered, with compliance, management, and business execution in the JUKI Group. In addition, employees of group companies may consult not only with the employee consultation offices of their respective companies, but also with the department in charge of compliance (our Legal Department). "Suggestion boxes" have also been set up at our manufacturing group companies, and the documents placed inside the boxes are sent directly to the department in charge of compliance for action.

We have also confirmed that no employee shall be treated unfavorably as a consequence of having reported a compliance violation through this whistle-blower system.

Main Initiatives

To ensure thorough compliance, our Legal Department, group companies, and overseas controlling companies have their own roles to play in addressing compliance. Our Legal Department is responsible for compliance activities as the JUKI Group's cross-functional compliance control department.

Group-wide compliance risks that could have a significant impact on management and business through the Group's supply chains are managed by the members of the Risk Management Meeting. Specifically, we convene a Risk Management Meeting to discuss and evaluate the compliance risk trends, the implementation and monitoring of remedial measures, the determination of additional countermeasures, and the appropriateness of those countermeasures.

The department in charge of compliance also provides training on the following topics to officers and employees who are seconded to the group companies as presidents or directors: the "JUKI Group Employees' Code of Conduct," compliance risks that may be faced in corporate management, risk management, and compliance with the regulations and laws in different countries.

We also work with the group companies to gather information on the enactment and amendment of domestic and foreign laws and regulations that may relate to business activities, and take necessary measures by examining how such enactments and amendments affect our business activities.

ESG initiatives Corporate governance initiatives

Risk management

JUKI assumes risks that could have a significant impact on its financial position, operating results, and cash flow position in the future, and JUKI manages these risks to minimize damage if they occur.

Risk management initiatives

JUKI has established and operates a risk management system to appropriately address all Group risks. The risk management functions under the system are largely controlled by the Management Strategy Council, a body that handles strategic risks, the Crisis Response Headquarters, a body responsible for business continuity, and the Risk Management Committee, a body made up of executive officers and the heads of departments and Group companies.

JUKI also conducts annual policy reviews and quarterly risk assessments and monitoring surveys to respond to changes in the risk environment, including changes in political and economic conditions, quality assurance, environmental regulations, information security, security trade, compliance, and occupational health and safety. If a major risk emerges, the details of the risk response are reported and discussed at the Board of Directors to ensure continuous improvement.

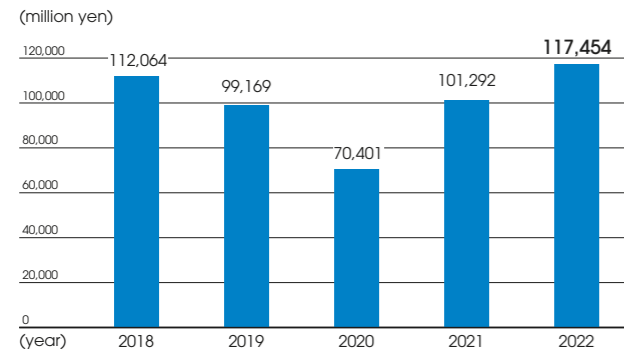
Significant risks and ways to respond to them

Item	Risks	An approach useful for responding
Political and economic situation	Adverse effects due to unpredictable demand fluctuations caused by political systems, economic conditions, conflicts, and economic fluctuations in countries and regions where we do business around the world	<ul style="list-style-type: none"> ● Gather reports and information from each group company at the Group Management Meeting held twice a year, and take appropriate action.
Business activities	Fluctuations and trends in production and sales activities, the competitive environment, customer needs, laws and regulations, and operational bases such as logistics	<ul style="list-style-type: none"> ● Analyze and reflect on appropriate measures at the Risk Management Meeting held four times a year. ● Establish an internal system to promptly respond to those regulations as appropriate. ● Strengthen supply chains by establishing a flexible and streamlined logistics system linked to sales and production strategies.
Financial market	Conversion and transaction risks caused by fluctuations in exchange and interest rates Impact on the prices of products sold or materials procured in foreign currencies	<ul style="list-style-type: none"> ● Identify and gather information on the occurrence of foreign exchange risks at the monthly foreign exchange meetings. ● Take countermeasures by appropriating foreign currency revenues from exports to settle imports, using forward exchange contracts, raising funds based on interest rate levels, and reducing interest-bearing debt.
Research & Development activities	Fluctuations in market needs due to changes in the social environment	<ul style="list-style-type: none"> ● Find new market needs by building close relationships with customers, and leverage cases of products being used in the new markets. ● Reinforce the function of the R&D centers close to markets. ● Utilize open innovation for R&D resilient to changes in the market environment.
Intellectual property protection	Dealing with specific areas where protection of that property is difficult Unintentionally infringing the intellectual property rights of other companies	<ul style="list-style-type: none"> ● Use an appropriate management system established by the Intellectual Property Dept.
Product Liability (PL)	Product liability risks not covered by insurance	<ul style="list-style-type: none"> ● Strengthen quality measures at the group quality assurance meetings held six times a year and deploy daily quality improvement activities.
Environment	Even tighter legal regulations on diverse environmental issues in different countries	<ul style="list-style-type: none"> ● Identify and address the environmental regulations in different countries at the Risk Management Meeting held four times a year. ● Formulate green procurement guidelines that go beyond compliance with laws and regulations, and engage in activities to reduce environmental load based on different policies decided by the company.

Item	Risks	An approach useful for responding
Security-related management	Tightening the regulations according to changing international conditions	<ul style="list-style-type: none"> ● Identify and address the security-related regulations in different countries at the Risk Management Meeting held four times a year. ● Establish an internal system to promptly respond to those regulations as appropriate.
Securement of human resources	Low birthrate and longevity in Japan Rapid changes in labor markets overseas	<ul style="list-style-type: none"> ● Secure and develop human resources on a global scale at more than 30 subsidiaries and affiliates in Japan and overseas.
Various hazards	Natural disasters such as earthquakes and floods, and global infectious disease pandemics Material and human damage caused by war and terrorism	<ul style="list-style-type: none"> ● Build a security system by developing a business continuity plan (BCP), etc. ● Establishing internal response systems and promptly responding to situations involving risk, as appropriate
Important lawsuits, etc.	Lawsuits on consumer protection, the protection of private information, and various other legal regulations	<ul style="list-style-type: none"> ● Get the latest information to keep abreast of legal and regulatory trends in different countries. ● Promptly responding to situations involving litigation risks, together with the legal departments
Risk of information leaks	Accidents related to leaks of customer information, confidential business and technical information, and the like	<ul style="list-style-type: none"> ● Maintain the confidentiality of information, establish a management system to protect information from unauthorized access, and take appropriate security measures against the falsification, destruction, leakage, and loss of information.
Credibility of the purchasers	Obstacles to debt collection due to unforeseen circumstances or business partner bankruptcies.	<ul style="list-style-type: none"> ● Confirming the creditworthiness of business partners by reviewing financial information
Impairment accounting	Application of fixed asset impairment accounting due to a significant decline in the market value of fixed assets and a significant deterioration in the profitability of the business	<ul style="list-style-type: none"> ● Monitoring the performance of each subsidiary and identifying and responding to any signs of insolvency
Hostile buyout	Damage to our corporate value due to a tender offer (TOB) for shares or the purchase of a large number of shares in a market transaction	<ul style="list-style-type: none"> ● Improve our profitability and financial structure in order to reduce the risk of hostile acquisitions. ● Enhancing corporate value ● Disseminating and disclosing information to gain the trust of shareholders, as appropriate
Spreading false rumors	Spreading of bad publicity, malicious rumors, or slanderous or libelous attacks over the Internet, etc. Damage to the credit and corporate image of the company	<ul style="list-style-type: none"> ● Implement proper business operations on a daily basis. ● Resolve unfavorable situations appropriately through fact-finding and legal proceedings.
Labor risks	Occurrence of work-related accidents due to deficient labor management, and declines in the health of employees caused by working long hours Loss of the company's social credibility	<ul style="list-style-type: none"> ● Implement labor management of employee safety and health in compliance with laws and regulations. ● Take countermeasures based on the monitoring of labor management status and countermeasures at the Risk Management Meeting held four times a year.
Compliance	Exposure to criminal, civil, or administrative liability and losses of social credibility due to violations of laws and regulations, etc.	<ul style="list-style-type: none"> ● Establish and run a compliance system in accordance with the Compliance Regulations. ● Ensure that every employee is familiar with the Code of Conduct.

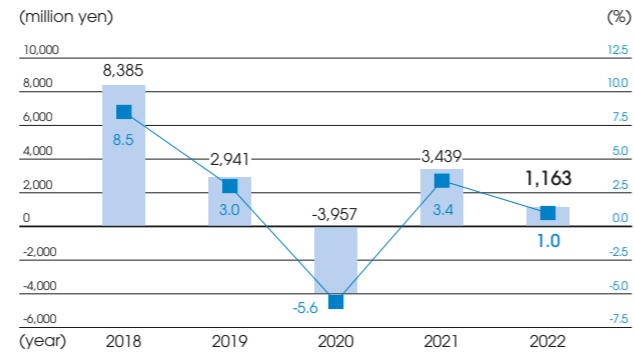
Financial highlights

Net sales



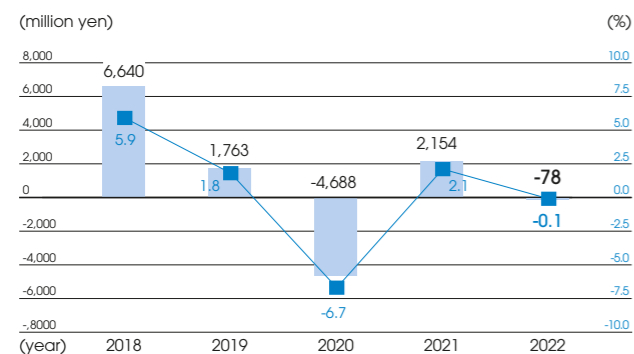
Net sales for FY2022 grew by only 16.0% from the previous year to 117,454 million yen. The two main factors curbing sales were sluggish capital investment demand caused by the zero-Covid-19 policy in China and the postponement of purchases in the fourth quarter caused by deteriorating foreign currency conditions in emerging countries in Asia, etc.

Ordinary profit / Ordinary profit ratio



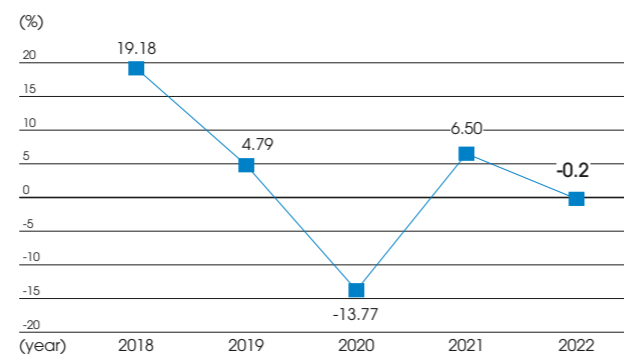
Ordinary profit for FY2022 decreased by 66.2% from the previous year to 1,163 million yen due to JUKI's delays in raising product prices to meet the higher cost burdens overall and the incompleteness of improvements in JUKI's product portfolio toward value-added businesses.

Net income attributable to owners of the parent / Net income ratio



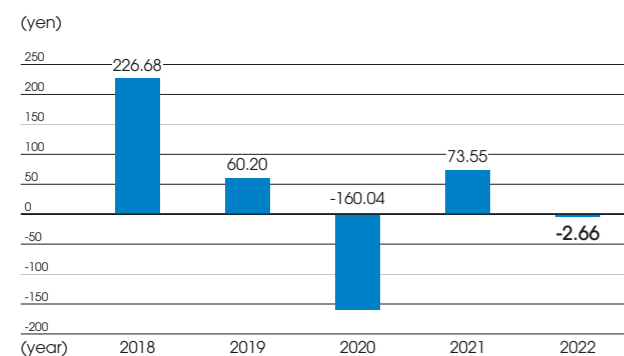
Net income for FY2022 fell by 2,232 million yen to minus 78 million yen.

Return on equity (ROE)



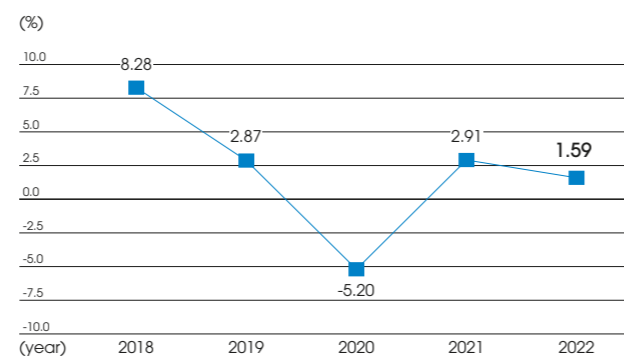
The ROE for FY2022 was minus 0.2%.

Net income per share



Net income per share for FY2022 was minus 2.66 yen.

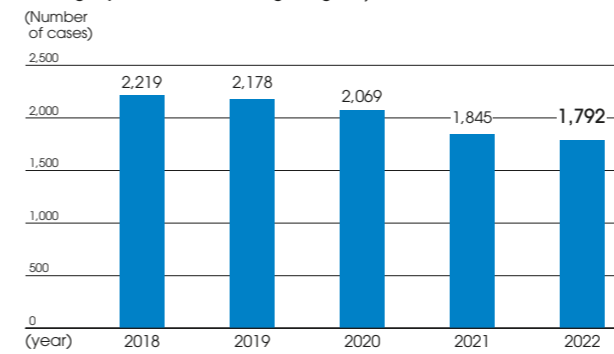
Return on Invested Capital (ROIC)



The ROIC for FY2022 was 1.59%.
(Note) Including investments in facilities/development/IT/human capital, and staffing

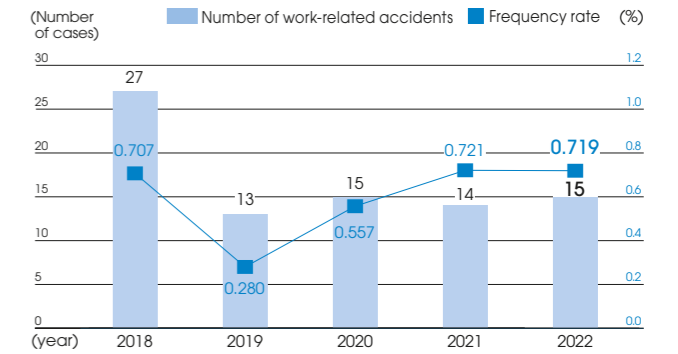
Non-financial highlights

Total number of industrial property rights (domestic and foreign patent and design rights) obtained



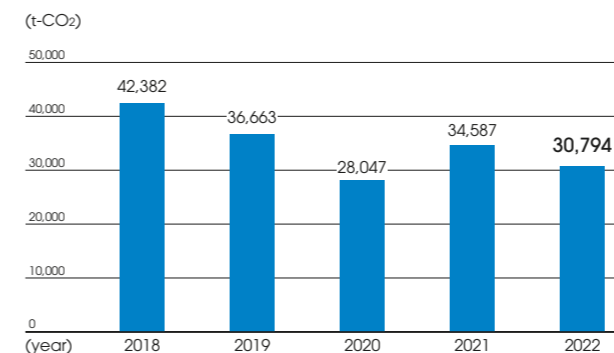
The total number of industrial property rights (domestic and foreign patent and design rights) obtained as a result of R&D activities was 1,792.

Changes in the number of work-related accidents



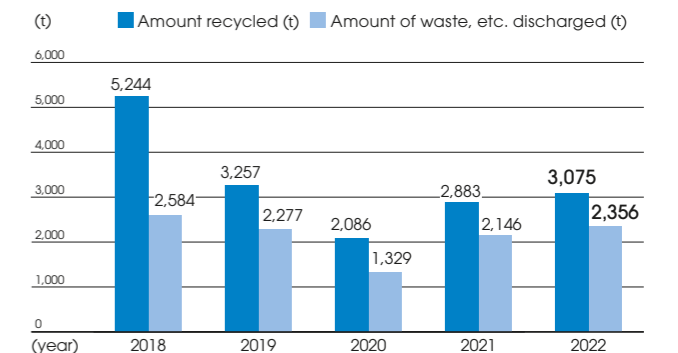
(Note) Starting from this fiscal year, the number of work-related accidents occurring at the Tama head office, Ohtawara Plant, and 10 domestic and overseas manufacturing sites are included in the number of work-related accidents overall (including accidents not resulting in lost worktime).

CO2 emissions (Scope1.2)



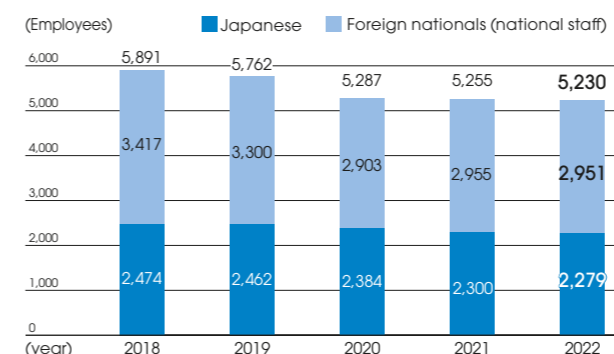
We are promoting the replacement of our existing energy sources with renewable energies by switching to equipment with less environmental load, adopting smarter production methods, installing solar panels, etc.
(Note) Offices covered: the head office in Tama City, the OHTAWARA PLANT of JUKI CORPORATION, and 10 manufacturing companies of the JUKI Group.

Amount of waste, etc. discharged / Amount recycled



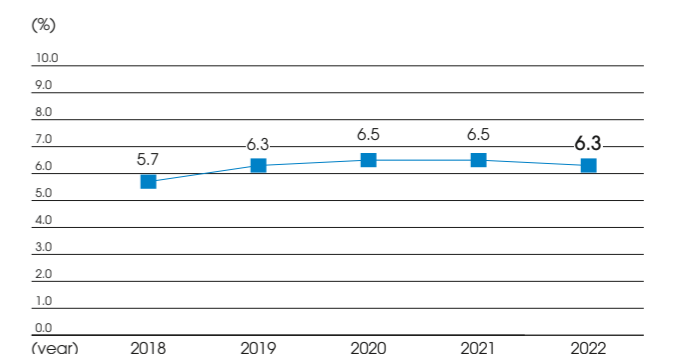
Due to the recovery of business activities in FY2022 following the peak constraints from the COVID-19 pandemic, the amount of waste and other emissions for the year totaled 3,075 tons, of which 2,356 tons were recycled. This marked a decrease in the amount of waste from the FY2021 level
(Note) Offices covered: the head office in Tama City, the OHTAWARA PLANT of JUKI CORPORATION, and 10 manufacturing companies of the JUKI Group.

Number of employees (Japanese / Foreign nationals)



As the human resources secured in FY2022 were mainly from overseas sites, the ratio of national staff accounted for 56% of the total staff for the year. We are proactively recruiting foreign nationals in Japan and are promoting national staff to management positions overseas.

Ratio of female management positions

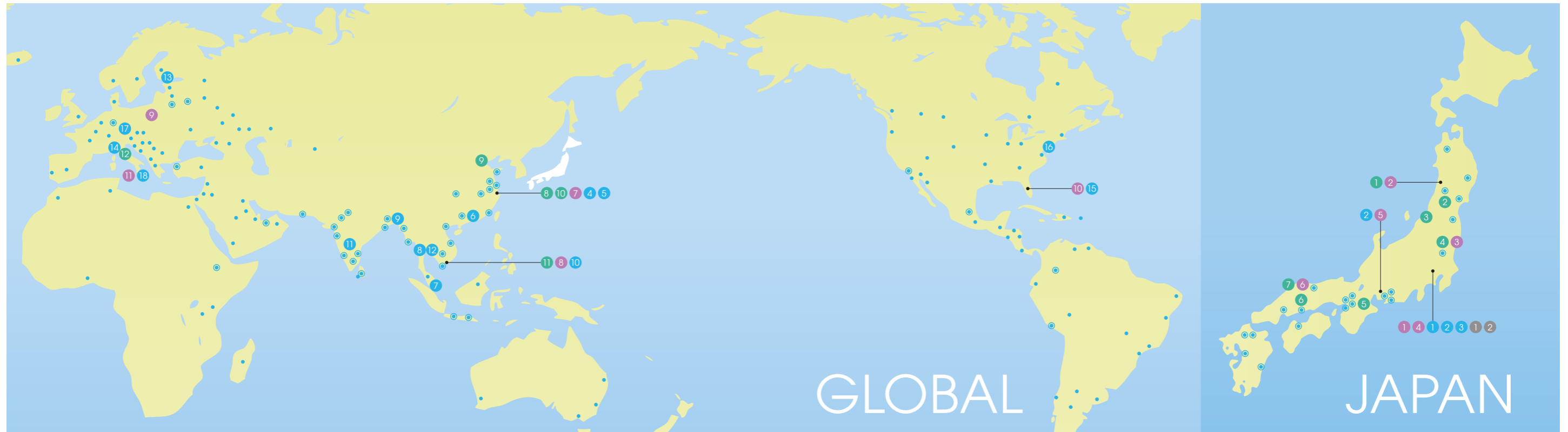


The ratio of female management positions in FY2022 decreased due to an increase in male management positions associated with the addition of JUKI TECHNOSOLUTIONS CORPORATION to the offices covered.
(Note) Offices covered: the head office in Tama City, the OHTAWARA PLANT of JUKI CORPORATION, and JUKI AUTOMATION SYSTEMS CORPORATION, JUKI TECHNOSOLUTIONS CORPORATION.

(Unit: million yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating results											
Sales revenue (Net sales)	75,831	94,385	107,581	112,865	97,724	103,659	112,064	99,169	70,401	101,292	117,454
Cost of sales	56,868	68,094	74,078	78,293	68,134	71,748	77,921	70,300	55,090	73,281	85,182
Gross profit	18,963	26,291	33,503	34,571	29,590	31,911	34,143	28,869	15,310	28,011	32,271
Selling, general and administrative expenses	20,414	21,139	25,285	27,461	24,938	23,755	24,995	25,030	19,780	24,143	29,413
Operating profit	△1,451	5,151	8,217	7,110	4,651	8,156	9,148	3,838	△4,469	3,868	2,858
Operating income ratio (%)	-	5.5%	7.6%	6.3%	4.8%	7.9%	8.2%	3.9%	-	3.8%	2.4%
Ordinary profit	△2,996	3,878	7,710	5,728	3,022	7,839	8,385	2,941	△3,957	3,439	1,163
Income before income taxes	△2,611	2,434	7,587	5,642	3,090	7,727	8,353	2,930	△4,466	3,345	1,049
Net income	△8,333	3,026	5,958	3,653	1,637	5,696	6,779	1,788	△4,779	2,246	16
Net income attributable to owners of the parent	△8,342	3,006	6,058	3,853	1,883	5,642	6,640	1,763	△4,688	2,154	△78
Depreciation and amortization	3,124	2,940	3,115	2,990	2,583	2,343	2,525	3,063	3,162	2,945	3,252
Capital/IT investment	1,149	1,062	1,964	1,252	1,642	2,312	2,721	2,907	2,176	1,286	3,232
R&D Expenses	5,346	3,859	4,826	4,871	4,408	4,781	5,675	5,398	4,608	4,571	4,844
Net D/E ratio (times)	14.60	5.87	2.61	2.09	1.89	1.32	1.21	1.27	1.39	1.47	1.99
Financial position											
Total assets	110,341	113,189	130,751	119,281	111,365	110,554	119,121	114,715	110,230	129,114	145,169
Net assets	4,934	11,806	25,010	28,477	27,582	33,343	37,241	37,752	31,368	35,672	37,482
Equity attributable to owners of the parent (net assets)	4,641	11,432	23,995	27,678	27,006	32,726	36,529	37,037	31,032	35,245	36,739
Equity attributable to owners of the parent (equity ratio) (%)	4.21%	10.10%	18.35%	23.20%	24.25%	29.60%	30.67%	32.29%	28.15%	27.30%	25.3%
Interest-bearing debt	80,171	75,507	74,747	67,377	60,158	50,553	52,378	53,878	57,443	58,978	79,402
Cash flows											
Cash flows from operating activities	△1,841	6,405	3,459	8,924	9,819	10,489	2,682	3,054	8,509	△6,589	△14,641
Cash flows from investing activities	283	293	△1,868	△1,219	△1,047	△1,757	△2,390	△3,430	△2,698	△857	△4,930
Cash flows from financing activities	3,233	△9,446	837	△9,044	△8,100	△10,373	968	△811	2,034	△370	17,485
Cash and cash equivalents at end of year	7,960	6,240	9,286	7,672	7,893	6,336	7,302	5,977	13,821	6,566	4,910
Per share information											
Net assets per share (yen)	179.55	442.40	804.10	927.63	921.78	1,117.07	1,246.93	1,264.28	1,059.32	1,203.14	1,250.84
Net income (loss) per share (yen)	△322.81	116.35	219.17	129.14	63.94	192.61	226.68	60.20	△160.04	73.55	△2.66
Price earnings ratio (times)	-	9.84	9.88	8.42	16.53	9.67	4.91	14.65	-	11.53	-
Dividend per share (yen)	0	0	20	35	20	35	30	25	20	25	20
Consolidated dividend payout ratio (%)	-	-	9.1%	27.1%	31.3%	18.2%	13.2%	41.5%	-	34.0%	-
Profitability											
ROE (%)	△99.7%	37.4%	34.2%	14.9%	6.9%	18.9%	19.2%	4.8%	△13.8%	6.5%	△0.2%
ROA (%)	△7.6%	2.7%	4.6%	3.2%	1.7%	5.1%	5.6%	1.5%	△4.3%	1.7%	△0.1%
Key non-financial indicators											
Number of consolidated employees (persons)	6,498	5,872	6,153	6,245	6,021	5,899	5,891	5,762	5,287	5,255	5,230

Data sections
JUKI's global bases (As of January 1, 2023)



1 4 1 2 3 1 2 JUKI CORPORATION, JUKI AUTOMATION SYSTEMS CORPORATION, JUKI TECHNOSOLUTIONS CORPORATION, JUKI SALES (JAPAN) CORPORATION, JUKI PROSERVE CORPORATION, JUKI Household Product Customer Center Corporation
 4 3 JUKI CORPORATION OHTAWARA PLANT
 1 2 JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION
 7 5 JUKI MATSUE CORPORATION
 8 7 JUKI (SHANGHAI) INDUSTRIAL CO., LTD.
 9 JUKI (LANGFANG) INDUSTRIAL CO., LTD.
 10 SHANGHAI JUKI SEWING MACHINE CO., LTD.
 11 8 JUKI (VIETNAM) CO., LTD.
 4 5 JUKI (CHINA) CO., LTD., TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.
 7 JUKI SINGAPORE PTE. LTD.
 9 13 JUKI CENTRAL EUROPE SP.ZO.O.
 10 15 JUKI AMERICA, INC.
 16 JUKI AUTOMATION SYSTEMS INC.

PRODUCTION BASES

Japan		
1	JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	Yokote-shi, Akita Manufacturing of chip mounter etc. Manufacturing of units and parts related to the group business
2	JUKI AIZU CORPORATION	Kitakata-shi, Fukushima Manufacturing of parts with lost-wax and MM process Manufacturing of parts related to the group business
3	SUZUTAMI PRECISION INDUSTRY CO., LTD.	Nagaoka-shi, Niigata Manufacturing of parts for industrial sewing machines, etc. Manufacturing of parts related to the group business
4	JUKI CORPORATION OHTAWARA PLANT	Ohtawara-shi, Tochigi Manufacturing of industrial sewing machines Manufacturing of parts related to the group business
5	JUKI METAL CORPORATION	Odaicho, Mie Manufacturing of pig-iron mold casting etc. Manufacturing of parts related to the group business
6	JUKI HIROSHIMA CORPORATION	Miyoshi-shi, Hiroshima Manufacturing of die, press processing parts, etc. Manufacturing of parts related to the group business
7	JUKI MATSUE CORPORATION	Matsue-shi, Shimane Manufacturing of industrial sewing machines etc. Manufacturing of products and parts related to the group business

Global		
8	JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Shanghai, China Manufacturing of industrial sewing machines etc. Manufacturing of feeders for chip mounters
9	JUKI (LANGFANG) INDUSTRIAL CO., LTD.	Hebei, China Manufacturing of industrial sewing machines etc.
10	SHANGHAI JUKI SEWING MACHINE CO., LTD.	Shanghai, China Manufacturing of household sewing machines etc.
11	JUKI (VIETNAM) CO., LTD.	Ho Chi Minh, Vietnam Manufacturing of industrial sewing machines etc. Manufacturing of parts with lost-wax production Manufacturing of parts related to the group business
12	ESSEGI AUTOMATION S.r.l.	Vicenza, Italy Manufacture of automated warehouses

DEVELOPMENT BASES

Japan		
1	JUKI CORPORATION	Tama-shi, Tokyo Product development and system development of industrial sewing machines, household sewing machines, chip mounters, etc.
2	JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	Yokote-shi, Akita Development of Chip mounters, Electronic equipment, etc., and development of products related to the Group Business.
3	JUKI CORPORATION OHTAWARA PLANT	Ohtawara-shi, Tochigi Development of industrial sewing machines.
4	JUKI AUTOMATION SYSTEMS CORPORATION	Tama-shi, Tokyo Development of Chip mounters, etc.
5	JUKI TECHNOSOLUTIONS CORPORATION	Owariasahi-shi, Aichi Development of industrial sewing machines.
6	JUKI MATSUE CORPORATION	Matsue-shi, Shimane Development of industrial sewing machines.

Global		
7	JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Shanghai, China Development of industrial sewing machines.
8	JUKI (VIETNAM) CO., LTD.	Ho Chi Minh, Vietnam Development of industrial sewing machines.
9	JUKI CENTRAL EUROPE SP.ZO.O.	Warsaw, Poland Development of industrial sewing machines.
10	JUKI AMERICA, INC.	FL, U.S.A. Development of industrial sewing machines.
11	ESSEGI AUTOMATION S.r.l.	Vicenza, Italy Development of automated warehouses

MAIN SALES BASES

Japan		
1	JUKI AUTOMATION SYSTEMS CORPORATION	Tama-shi, Tokyo Sales of Chip mounters, etc.
2	JUKI TECHNOSOLUTIONS CORPORATION	Tama-shi, Tokyo/ Owariasahi-shi, Aichi Sales of industrial sewing machines
3	JUKI SALES (JAPAN) CORPORATION	Tama-shi, Tokyo Sales of industrial sewing machines, household sewing machines, etc.
● JBranch Sales Offices, Service Centers, and others		

Global		
4	JUKI (CHINA) CO., LTD.	Shanghai, China Sales of industrial sewing machines, household sewing machines, etc. Holding company, Comprehensive administration of holding company and Chinese bases.
5	TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Shanghai, China Sales of chip mounters, etc.
6	JUKI (HONG KONG) LTD.	Hong Kong, China Sales of industrial sewing machines, etc.
7	JUKI SINGAPORE PTE. LTD.	Macpherson, Singapore Sales of industrial sewing machines, household sewing machines, etc.
8	JUKI (THAILAND) CO., LTD.	THAI, Bangkok Sales of industrial sewing machines, etc.
9	JUKI MACHINERY BANGLADESH LTD.	Dhaka, Bangladesh Sales of industrial sewing machines, etc.
10	JUKI MACHINERY VIETNAM CO., LTD.	Ho Chi Minh, Vietnam Sales of industrial sewing machines, household sewing machines, etc.
11	JUKI INDIA PVT. LTD.	Bangalore, India Sales of industrial sewing machines, chip mounters, etc.
12	JUKI SMT ASIA CO., LTD.	Chan Buri, Thailand Sales of chip mounters, etc.

13	JUKI CENTRAL EUROPE SP.ZO.O.	Warsaw, Poland (Other bases: Turkey, Russia, and Belarus)	Sales of industrial sewing machines, household sewing machines, etc.
14	JUKI ITALIA S.P.A.	Milan, Italy	Sales of industrial sewing machines, household sewing machines, etc.
15	JUKI AMERICA, INC.	FL, U.S.A. (Other bases: Mexico, Peru and Colombia)	Sales of industrial sewing machines, household sewing machines, etc.
16	JUKI AUTOMATION SYSTEMS INC.	NC, U.S.A.	Sales of chip mounters, etc.
17	JUKI AUTOMATION SYSTEMS GmbH	Nuremberg, Germany	Sales of chip mounters, etc.
18	ESSEGI AUTOMATION S.r.l.	Vicenza, Italy	Sale of automated warehouses
● JUKI's own Branch Offices, Sales Offices, Service Centers, and others			
● Major distributors			

OTHER BASES

Japan		
1	JUKI PROSERVE CORPORATION	Tama-shi, Tokyo Service of facility management and document business, etc.
2	JUKI Household Product Customer Center Corporation	Tama-shi, Tokyo Maintenance services for Household

Number of Major bases

	Japan	Global	Total
● PRODUCTION	7	5	12
● DEVELOPMENT	6	5	11
● SALES	3	15	18
● OTHER	2	0	2

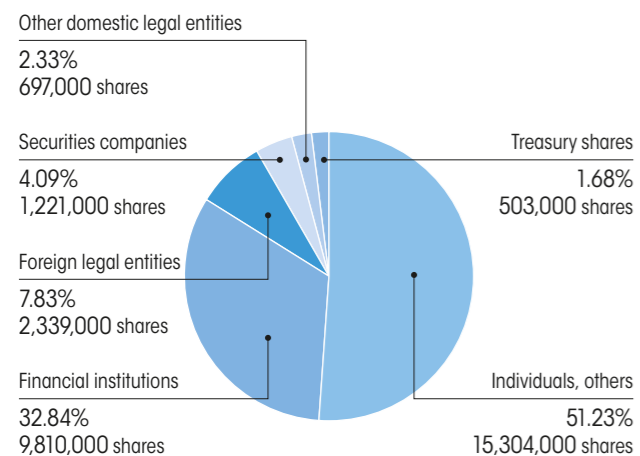
CORPORATE SUMMARY

Trade name	JUKI CORPORATION	Ordinary general meeting of shareholders	March
Established	December 15, 1938	Number of employees	5,230 (on a consolidated basis), 834 (on a non-consolidated basis)
Representative	Director Chairman CEO & COO Akira Kiyohara	Number of affiliated companies	27
Paid-in capital	¥18,044 million		
Fiscal year ending	December 31		
Major business office	Head office : 2-11-1 Tsurumaki, Tama-shi, Tokyo 206-8551 Japan Tel : 81-42-357-2211	OHTAWARA PLANT : 1863 Kitakanemaru, Ohtawara-shi, Tochigi 324-0011 Japan Tel: 81-287-23-5111	

STOCK INFORMATION

Total number of authorized shares	80,000,000 shares	Listed on	Prime Market of the Tokyo Stock Exchange (From April 4, 2022)
Total number of issued shares	29,874,179 shares	Securities code	6440
Total number of shareholders	16,717	Shareholder registry administrator	Mizuho Trust & Banking Co., Ltd.

STOCK DISTRIBUTION STATUS BY OWNER TYPE



Major shareholders (Top 10)

Name of shareholders	Number of shares held (unit: 1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,786	12.89
Custody Bank of Japan, Ltd. (Trust account)	968	3.30
Mizuho Bank, Ltd.	938	3.19
Nippon Life Insurance Company	732	2.49
Asahi Mutual Life Insurance Company	569	1.94
The Dai-ichi Life Insurance Company, Limited	511	1.74
DFA INTL SMALL CAP VALUE PORTFOLIO	491	1.67
Morgan Stanley MUFG Securities Co., Ltd.	472	1.61
Meiji Yasuda Life Insurance Company	460	1.57
Mizuho Trust & Banking Co., Ltd.	401	1.37

(Note) A shareholding ratio is calculated excluding treasury stock (503,016 shares).

Mind & Technology

Trends in share prices and trading volume

