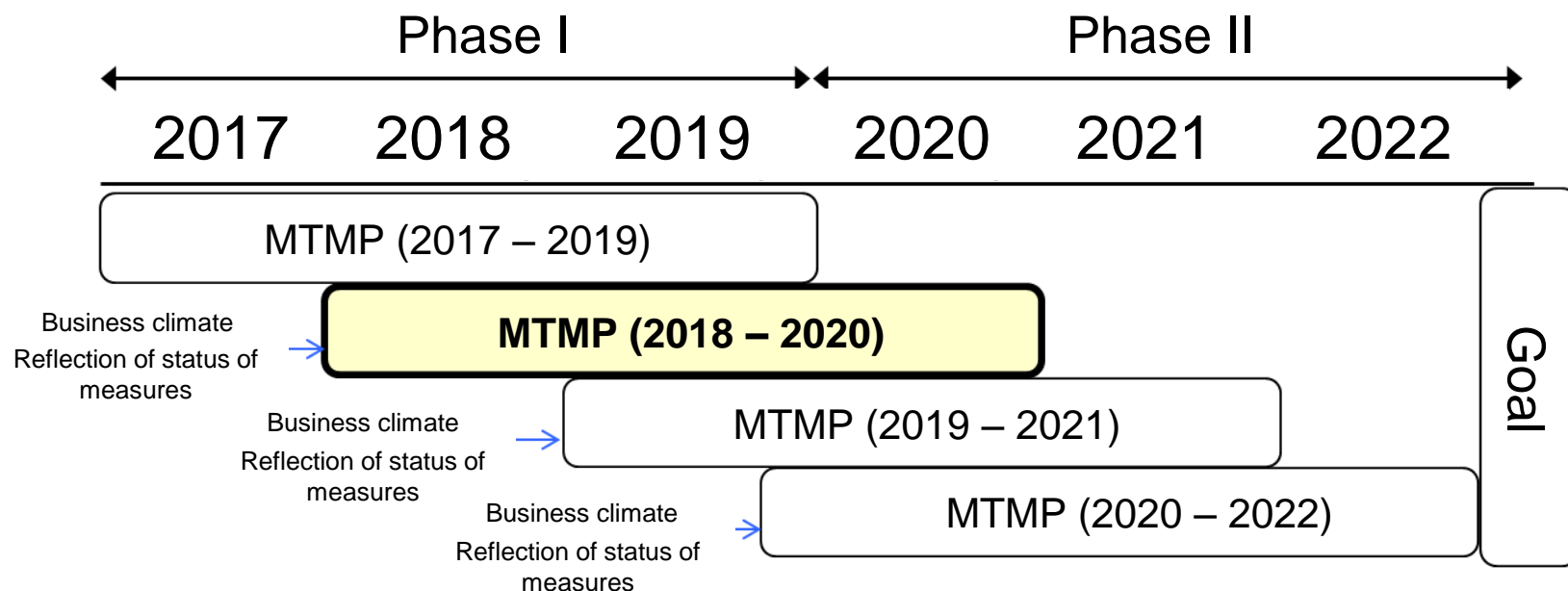


Measures for Achieving the Medium-Term Management Plan (2018 – 2020) and Priority Measures for FY 2018

Embarking on the second year of the Medium-Term Management Plan “Value Up 2022”



- (1) Regular review and update of the three-year plan on a yearly basis in order to meet the FY 2022 goals
- (2) Management that constantly monitors changes in business climate for the following three years
- (3) Review and update of the following year's business plan based on the status of execution and operation of each year's business plan

2-1-2 Measures for Achieving the Medium-Term Management Plan: Business Climate

The Economy

- Global economy expected to maintain stable growth as it did last year
 - On the other hand, careful watch is needed on geopolitical risks
- Strong demand of capital investment in electronic parts and machine tool industries
 - Technological innovation in information and communication (IoT) fields, and labour shortage

Customer Needs

- Acceleration of technological innovation trend (from products to services)
 - Mounting interest in AI, robotics, and cloud-technology applications
- Aggressive investment in smart company/smart factory concepts
 - Introduction and implementation of digitization, systematization, and factory automation solutions

In response, companies are called to:

- Streamline management structures
 - Strengthening of corporate governance systems, introduction of global-approach frameworks
- Promote profit-oriented business management
 - Annual sales and profits growth, stabilization of dividends, increases in equity

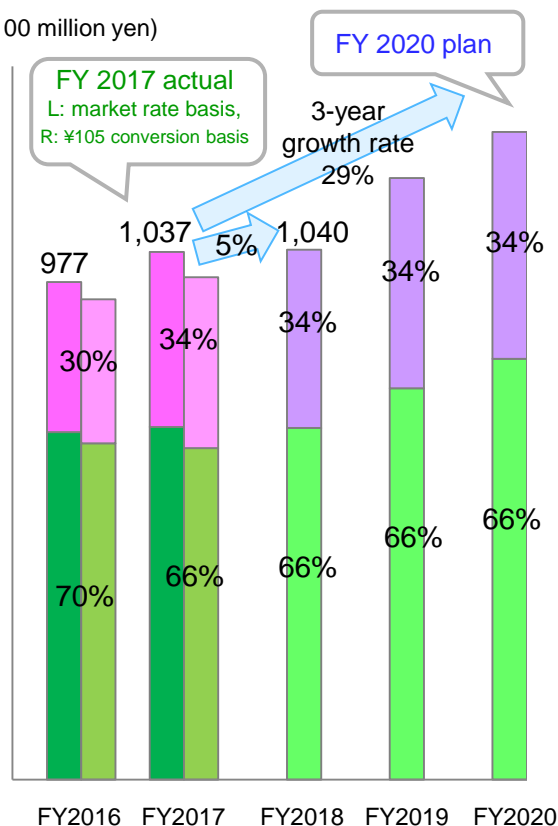
2-1-3 Measures for Achieving the Medium-Term Management Plan: Progress Status

Net Sales

(Target: annual growth rate of 9%)

FY 2017 actual: 103.7 billion yen

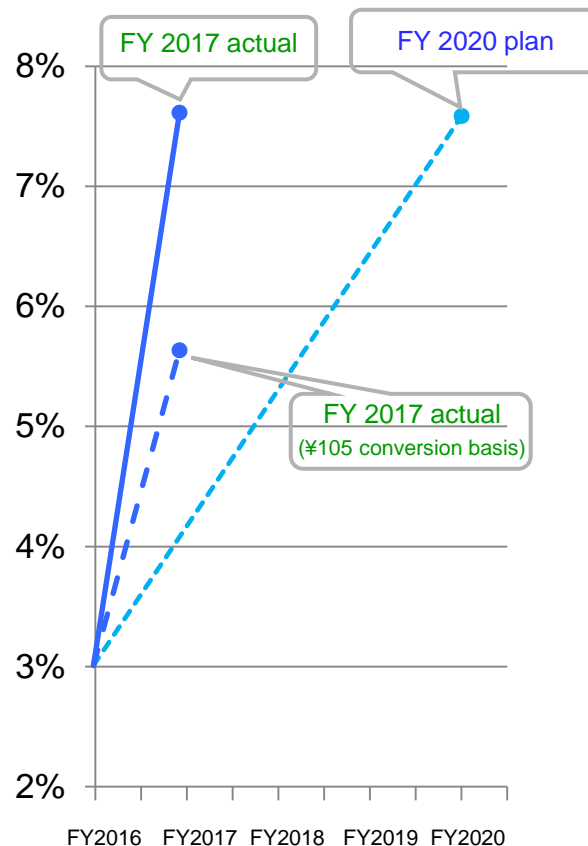
(100 million yen)



Rate of Ordinary Profit to Net Sales

(Target: 7.6% or higher by FY 2020)

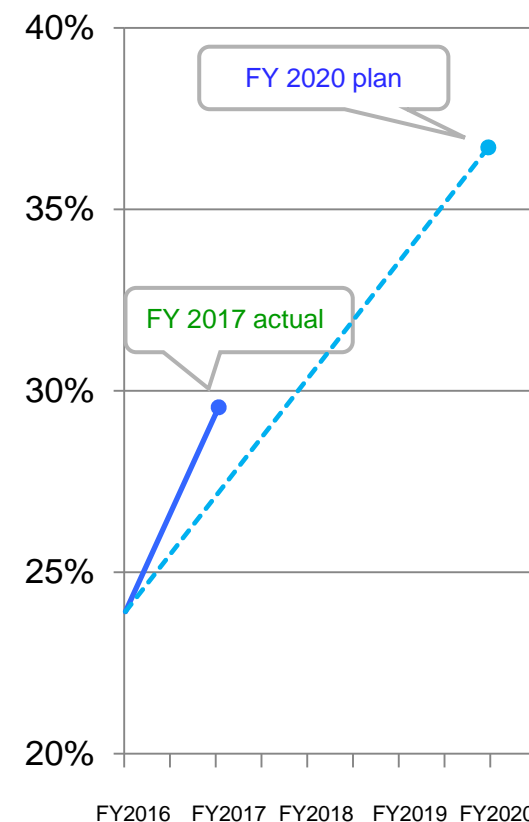
FY 2017 actual: 7.6%



Equity Ratio

(Target: 37% or higher by FY 2020 year-end)

FY 2017 actual: 29.6%



- Industrial Equipment & Systems Business
- Sewing Machinery & Systems Business

Exchange rate for MTMP: 1US\$ = ¥105

2-1-4 Measures for Achieving the Medium-Term Management Plan: Vision and Six Basic Policies

Vision

To be an enterprise that consistently provides customer-preferred, high-quality systems, products and services

- Let's impress customers by, and have customers relied on JUKI Group's activities, systems, products and services!



Basic Policies

Business Strategies

- (1) Strengthening our value-creation capabilities through solution sales
 - Bolstering our ability to propose automation and systematization, incorporating, applying, and utilizing AI and other cutting-edge technologies in our hardware, software, services, etc.
- (2) Building future customer base through developing the market
← added
- (3) Creating new business categories and reinforcing them effective in or looking toward the future

Organizational Strategies

- (4) Developing globally competent and innovative personnel and deploying them to fulfil our visions
- (5) Constructing a smart business foundation
(Introduce Smart & Connected processes) ← added
 - Reforming supply chain management and promoting work style reforms
- (6) Building capital through strengthening our financial structure

2-1-5 Measures for Achieving the Medium-Term Management Plan: Investment Plan

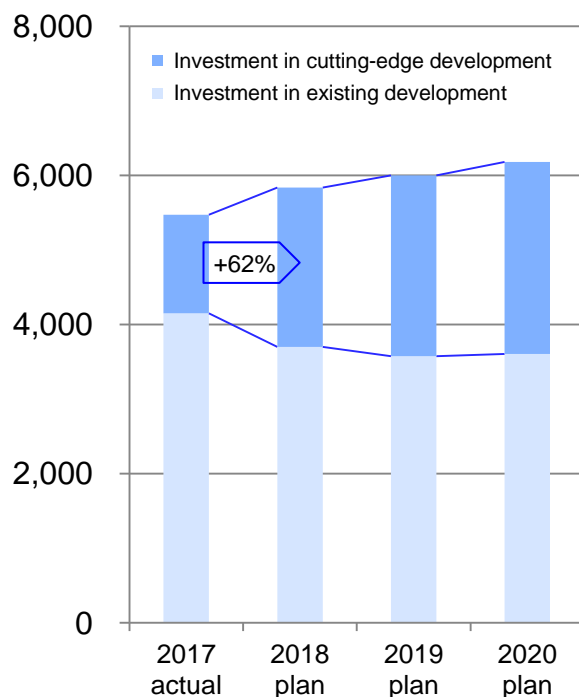
Investment plan for next three years (FY 2018 – 2020)

- Investment in “cutting-edge development” including development of new products, etc. that enable differentiation with other companies’ products, etc.
- “Strategic IT investment” to speed up company-wide work and communication
- “Investment in boosting production capability” to achieve increased plant productivity

Implement
actively

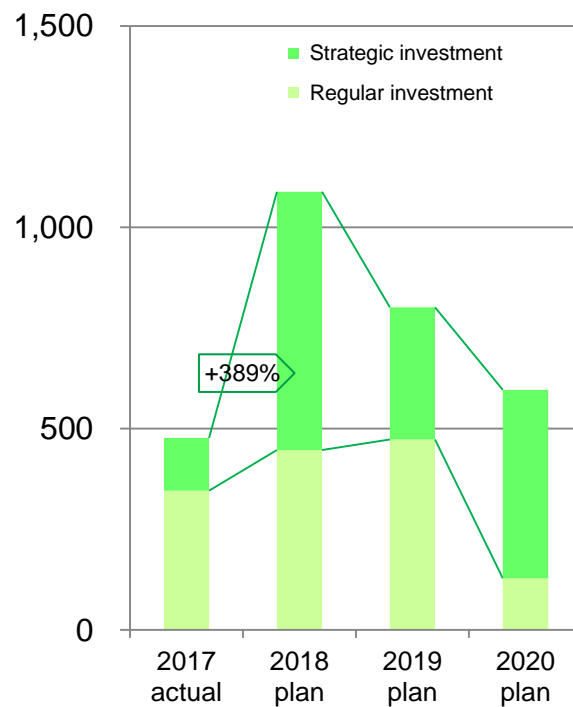
Investment in Development

(Million Yen)



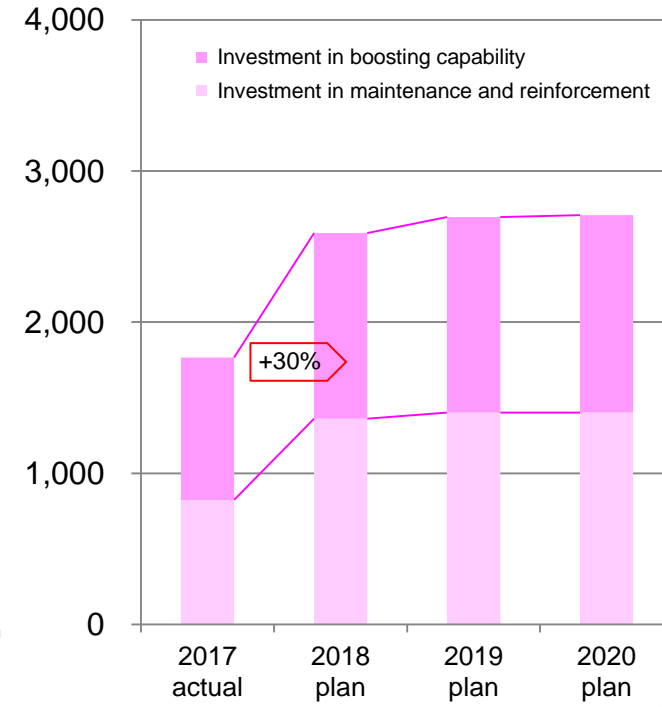
Investment in IT

(Million Yen)



Investment in Production Facilities

(Million Yen)



Vision

Contribute to customer innovation by system proposals based on JUKI Smart Solutions with innovative technology

Basic Policy

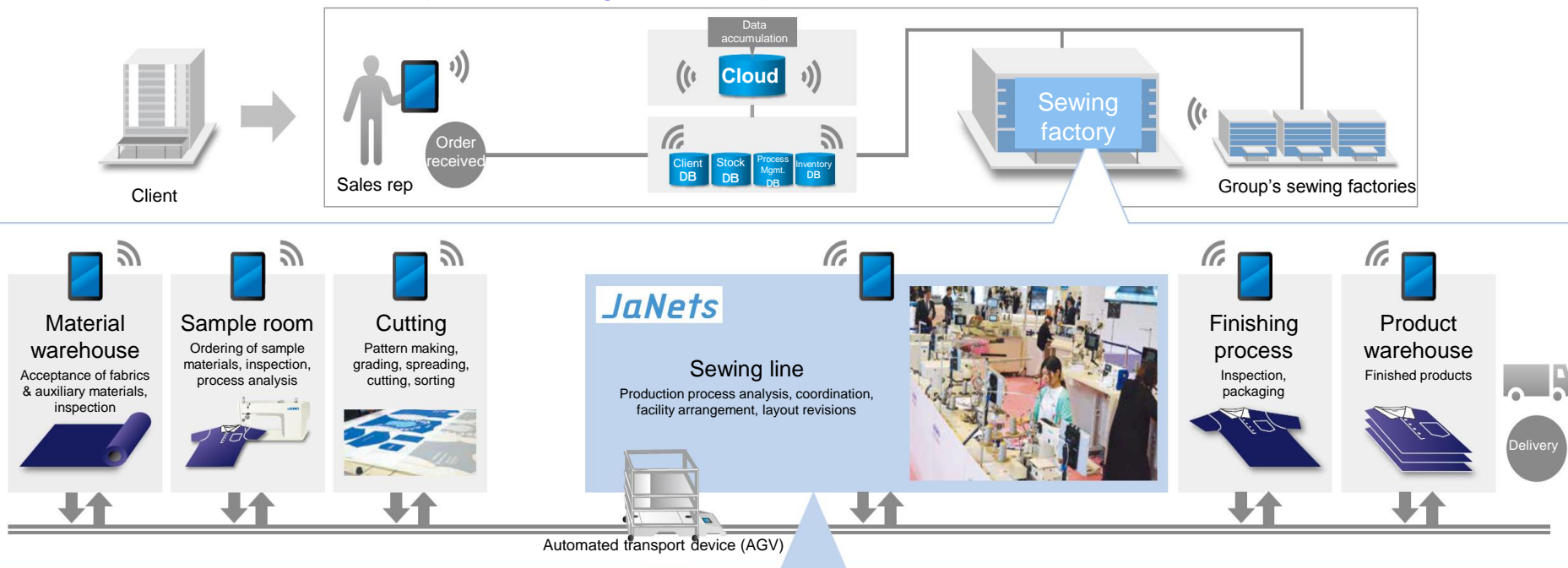
Establish standards for smart factory (sewing factory) and **strengthen proposals** tailored for each market (including the **middle market**)

Priority Measures

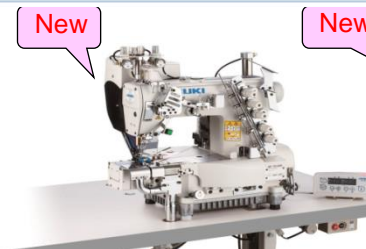
- Establish smart factory business model and enhance product portfolios
- Develop package-deals for sewing machinery network systems
- Restructure Asian business model and foster executive candidates in the hubs

2-2-1-2 Priority Measures for FY 2018: Sewing Machinery & Systems Business (Industrial Sewing Machines)

JUKI Smart Factory (Sewing Factory) Proposal



New
Digital locksmith
sewing machine
DDL-9000C



New
Digitized sewing machine
for knitwear
MF-7900



New
Automatic machine with
polo shirt placket device
AMS-221ENSS3020



New
Automatic shoelace
loop attaching
machine
AB-1360



New
Sewing machine for non-
apparel products (machine-
head turning type)
AMS-251

2-2-2-1 Priority Measures for FY 2018: Sewing Machinery & Systems Business (Household Sewing Machines)

Vision

Create new ways to enjoy handicraft-making, in collaboration with customers (home sewers) who have excellent handicraft capabilities

Basic Policy

Develop solid business based on strengths in high-end household sewing machines, small overlock machines, sewing machines for professionals, and quilting machines

Priority Measures

- Target hobby and craft markets with product development that makes the most of JUKI's strengths
- Increase sales and improve profits with a focus on three key large-scale markets (Japan, the U.S., and Europe) that contain high-end markets
- Secure and win users by identifying needs of users and strengthening our capability to disseminate information

2-2-2 Priority Measures for FY 2018: Sewing Machinery & Systems Business (Household Sewing Machines)

HZL-EX7



JUKI's flagship model with further improved ease of use and sewing quality

High-end household sewing machines

MO-1000ML



An overlock machine that features automatic looper threading using air pressure

Overlock machines

Product group developed based on various and high technologies accumulated in the process of research and development of industrial sewing machines

Sewing machines for professionals

SL-700EX



New

A top-end professional sewing machine that features advanced sewability with a wider range of thick fabric sewing

Quilting machines

J-150QVP



New

A high-end quilting machine with a quilting function added to an industrial sewing machine

TL-2200QVP



The only full-scale long arm quilting machine by a Japanese manufacturer

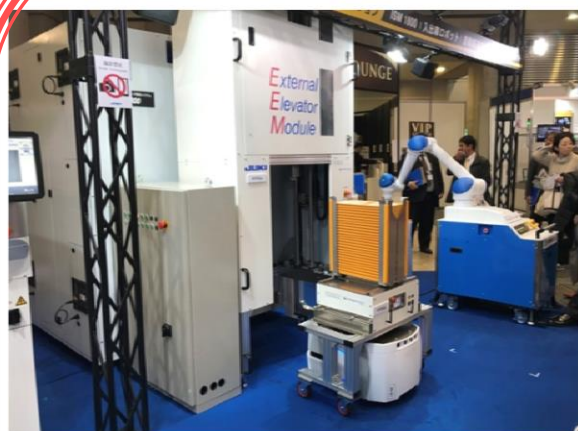
Vision	<p>Become an essential business partner for customers by devoting resources to our areas of strength and by using automation and labor-saving solutions</p> <p>- Achieve <u>top market share in general-purpose mounters</u> in 2020</p>
Basic Policy	<p><u>Establish a strong business base</u> with expansion of multi-function mounter and non-mounter fields</p>
Priority Measures	<ul style="list-style-type: none">• Promote customer segment-specific sales strategy and product strategy• Expand sales and improve gross margin by launching new products• Expand sales of MI, ISM, and alliance products through solution sales activities

JUKI Smart Solutions

実装統合システムソフトウェア

JaNets

Juki Advanced Network system



Production support

Remote support

Equipment cooperation

AI predictive and preventive maintenance

Core system cooperation

Mounter/Inspection machine/Mounter for post processing



Intelligent storage management system

Robotic insertion system

Materials and parts supply field

SMT field

Manual insertion field

Assembly field

Packaging field

Expanding business areas

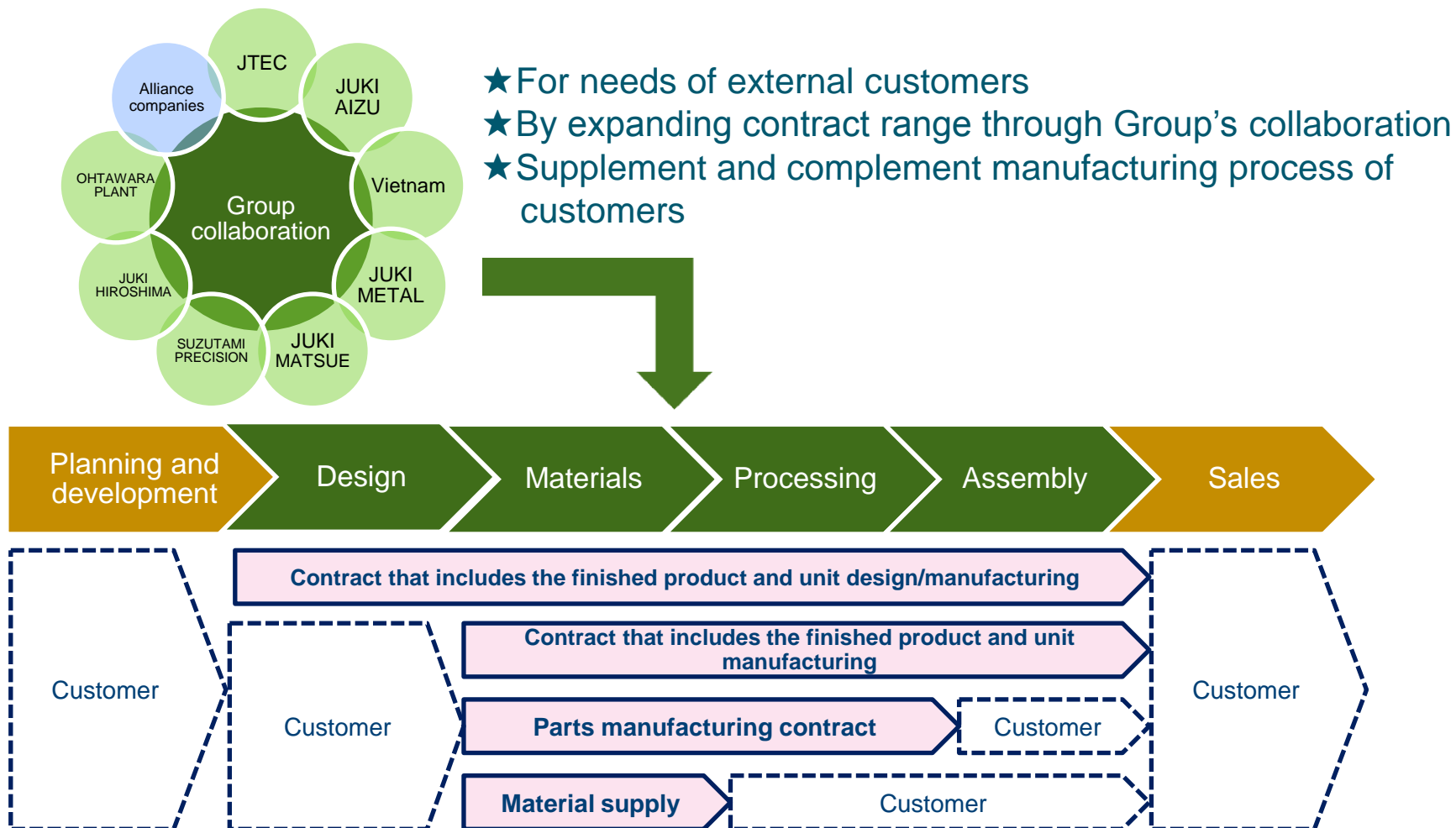
Existing business areas

Expanding business areas

Vision	Grow into JUKI's third pillar business leveraging JUKI Group management resources (including manufacturing technologies)
Basic Policy	<p>Increase sales to create the third pillar business by acquiring new customers and expanding scope of business with important business customers</p> <ul style="list-style-type: none">- Achieve sales target of 15.0 billion yen in 2020
Priority Measures	<ul style="list-style-type: none">• Increase sales by expanding scope of business with important business customers• Increase sales by commercializing proprietary manufacturing technologies and proprietary products

JUKI Contract Business Model

Use of accumulated leverage of JUKI's manufacturing capabilities and global network, utilizing the Group's manufacturing companies (7 companies in Japan, 1 company overseas) and alliance companies.



Vision

JUKI's parts can be received on the day next to day of ordering.

Basic Policy

Expand Customer Business beyond the confines of sewing machinery and electronic assembly systems

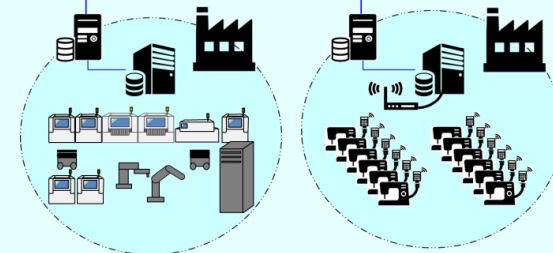
Priority Measures

(Sewing machinery) Secure customers through online sales, utilizing a website dedicated to parts sales
(Electronic assembly systems) Stimulate demand for parts through paid maintenance service
(Common) Expand after sales service business in introducing smart lines and create synergistic value-added parts/services

EXPAND AFTER SALES SERVICE BUSINESS IN INTRODUCING SMART LINES



JaNets
Juki advanced Network system



Support for Smart Solution

CONNECTED

[illegible]

Network system to share and disseminate information

PROVIDE LOGISTICAL SUPPORT FOR ACTIVITIES

80 years of partnership with you

Thanks to you, JUKI will celebrate its 80th anniversary on December 15, 2018.

We offer our deep gratitude for the support provided by all stakeholders, including customers, business partners, shareholders, and the local community.

- Be your solution partner -

80th
Global & Innovative

《Strengthening of relationships》

Showing gratitude to our customers,
business partners and shareholders

Post on anniversary website, etc.

80th anniversary
activities

As 80 years corporation,
we will continue to be proud of
operating in our main business
and satisfy customers

《Strengthening of capability to implement MTMP》

Achieving the plan by providing products
and services that contribute to boosting
the competitiveness of our customers

Establishing of JUKI History Museum, etc.

《Reforming of employee awareness and corporate culture》

Promoting global and innovative human
resources development and organization
building to lay the foundation for
becoming a 100-year-old company

Publishing of 80-year history, and introducing of
new groupware, etc.

This material contains forward-looking statements concerning future plans, strategies and assumptions in light of the economic, financial and other data currently available. Furthermore, they are subject to a number of risks and uncertainties. JUKI therefore wishes to caution readers that actual results may differ materially from those projected in such forward-looking statements.

JUKI CORPORATION