

# JUKI CORPORATION Environmental Report 2014

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## Contents

02	Corporate Philosophy of the Juki Group
03	Top Management Message
04	Outline of the JUKI Group
05	Management System
〔Environmental Reporting〕	
06	Environmental Vision
08	Chapter I JUKI <i>MONODZUKURI</i>
14	Chapter II Eco Products
15	Chapter III Management Performance
〔Relationship with Stakeholders〕	
18	Involvement in Stakeholders
19	Relationship with Customers and Suppliers
20	Relationship with Employees
21	Relationship with Shareholders and Investors
	Relationship with Local Communities

# Corporate Philosophy of the Juki Group

All employees of the JUKI Group worldwide are committed to researching, developing, and manufacturing even better products and providing even better services based on the Group's Corporate Philosophy, Basic Management Policies, and Policies Guiding Employee Activities.

## Corporate Slogan

# Mind & Technology

We create the products which contribute to the society, through "Technology with Heart" and "Customer First."

### 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

Promoting Total Quality Management.

Nurturing Strength and Flexibility in our Organization and in our People.

Running Our Company with the Best Management Practices of International Society.

### Policies Guiding Employee Activities

Always think from the customer's point of view and respond swiftly.

Set one's own targets, accomplish the necessary roles, and expand them.

Act always as a trustworthy cosmopolitan.

## Corporate Philosophy of the Juki Group

The "Juki Corporate Code of Conduct" set forth below was established as a guideline for living by the principles of our corporate philosophy. Based on this Corporate Code of Conduct, the men and women of Juki follow all laws, all international rules and regulations, and the principles underlying them in the spirit of responsible corporate citizens with sound social sense.

Juki aligns the pursuit of its own interests through fair competition with the interests of its customers, stockholders, business partners, and society. Benefits for society are benefits for Juki.

- 1 Juki creates and supplies products and services useful for society based on thorough considerations of safety, the protection of personal and customers' information, and the satisfaction and trust of its customers.
- 2 Juki conducts its businesses fairly, transparently, and in keeping with the principle of free competition while maintaining a healthy relationship with national governments.
- 3 Juki discloses its information fairly and consistently through open channels of communication with its shareholders and society as a whole.
- 4 Juki works to ensure safety and ideal working conditions for every employee with full respect for his or her personality and individuality.
- 5 Juki takes good care of the earth environment by using resources effectively, recycling, and saving energy.
- 6 Juki maintains ideal community relations as a good corporate citizen and contributes to society through local activities.
- 7 Juki takes a firm stand against antisocial individuals and organizations that adversely affect social order and sound business activities.
- 8 Juki observes the international rules and local laws as a matter of course, esteems cultures and customs, and endeavours to contribute to the development of countries.

If actions or events in contravention to the "Juki Corporate Code of Conduct" take place, top management at Juki takes immediate and thorough steps to remedy both the causes and outcomes.

# Top Management Message

Pursuing the concept of “Mind & Technology” and “Customer First”, we will aim to be a company trusted and needed in society.

The U.S. economy has been recovering steadily since the second half of last year and the financial crisis in the Eurozone has been becoming restored. In most Asian emerging countries, moderate economic growth is expected, while geopolitical risks on diplomatic relations are still remaining.

JUKI implemented the “JUKI Structural Reform Plan” on a company-wide basis in 2013. As a result, JUKI has rapidly recovered the company's performance. This year, we are working to reorganize our business basis for sustainable growth.

The driving force behind these recovery and growth is the concept of “Mind & Technology” our corporate slogan. We, as “Monodzukuri (the art of product-making) Company”, have and will provide products and services, aiming for “bringing happiness to people and contributing to society” which forms part of our corporate philosophy. We will keep to it from customer viewpoints in the conviction that we can learn from the customers and create new values with the customers.

In terms of the environment, started by JUKI Head Office and Ohtawara

Plant in 2001, all of JUKI Group manufacturing companies, both domestic and overseas, have acquired ISO 14001 certification having spent about 10 years. “JUKI ECO PRODUCTS RECOGNITION SYSTEM” since 2008 has taken root and the most of JUKI's new products are now environmentally friendly. In response to the rising demand in society, we will continue to promote business with due considerations to the environment and achieve good results in environmental performance.

JUKI has reached a major milestone in December, 2013, the 75th anniversary of its founding. We will conduct sound management on a firm basis as one of the world's most prestigious brands aiming for a robust enterprise, that remains active for the coming 25 years to celebrate its 100th anniversary and moreover, through the 21st century. At the same time, we seek to contribute to a sustainable society, with consideration for the environment.

We would appreciate your continuous support and cooperation.

Akira Kiyohara  
President  
JUKI CORPORATION

清原 晃



# We contribute to the realization of abundant societies around the world by providing high-quality products born from advanced technology.

## JUKI CORPORATION Outline

Establishment	December 15, 1938
Paid-in capital	15.95 billion yen
Shares	Aggregate number of issued shares: 129,371,000 shares Number of shareholders: 10,698 Listed on Tokyo Stock Exchange First Section Fiscal year ending December 31
Net sales	52.3 billion yen (as of December 2013)
Major business sites	Head office 2-11-1, Tsurumaki, Tama-Shi, Tokyo 206-8551 Ohtawara plant 1863, Kita-kanemaru, Ohtawara-shi, Tochigi Prefecture 324-0011
Number of employees	778

## The JUKI Group Outline of the JUKI Group (as of December 2013)

Number of consolidated subsidiaries	32
Net sales	94.4 billion yen (as of December 2013)
Number of employees	5,872
Business segments	Sewing machines, Electric assembly systems, Others

## Business introduction

### Sewing machines business

#### The industrial sewing machine supporting apparel (garments) production in the world

It is broadly utilized in the manufacturing field of apparel as well as a bag, shoes, furniture, an automobile sheet, etc. We have won a strong support from the customers around the world through sales and after-sale service network that cover about 170 nations in the world.

#### The household sewing machine with which high-grade sewing functions achieve a rich sewing life

We have also won a support from a wide range of customers who use the machines that range from a practical machine to a quilt sewing machine, an occupational machine that meets severe demand from a professional and a small lock sewing machine.

### Electronic assembly systems business

#### The pioneer of a modular mounter

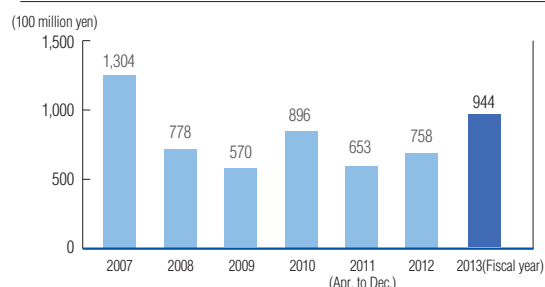
For the first time in the industry, we proposed the modular system (a system that connects two or more sets of mounters to build a line) prevailing now.

We have also won high support from customers around the world through a wide range of machines ranging from the high-speed machine "FX-3R" to a low-budget chip mounter and a general-purpose mounter, and through well-developed support of sales and after-sales service.

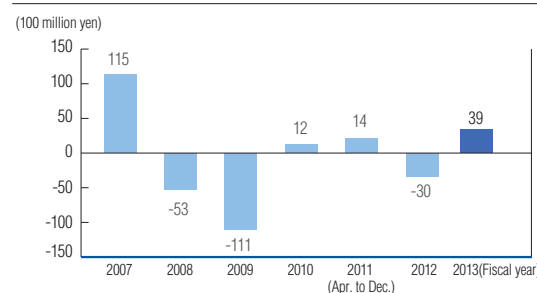
## Major companies in the Group

● JUKI (CHINA) CO., LTD. (Shanghai, China)	● JUKI MACHINERY VIETNAM CO., LTD. (Ho Chi Minh City, Vietnam)	● JUKI YOSHINO KOGYO CORPORATION (Yokote City, Akita Prefecture)
● JUKI (HONG KONG) LTD. (Hong Kong, China)	● JUKI MACHINERY BANGLADESH LTD. (Dacca, Bangladesh)	● JUKI AKITA SEIMITSU CORPORATION (Daisen City, Akita Prefecture)
● TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD. (Shanghai, China)	● JUKI SMT ASIA CO., LTD. (Chonburi, Thailand)	● JUKI AIZU CORPORATION (Kitakata City, Fukushima Prefecture)
● JUKI XINXING INDUSTRY CO., LTD. (Hebei, China)	● JUKI CENTRAL EUROPE SP.ZO.O. (Warszawa, Poland)	● SUZUTAMI PRECISION INDUSTRY CO., LTD. (Nagaoka City, Niigata Prefecture)
● JUKI (SHANGHAI) INDUSTRIAL CO., LTD. (Shanghai, China)	● JUKI ITALIA S.P.A. (Milan, Italy)	● JUKI METAL CORPORATION (Taki-gun, Mie Prefecture)
● SHANGHAI JUKI SEWING MACHINE CO., LTD. (Shanghai, China)	● JUKI AMERICA, INC. (Florida, U.S.A.)	● JUKI HIROSHIMA CORPORATION (Miyoshi City, Hiroshima Prefecture)
● JUKI (NINGBO) PRECISION CO., LTD. (Zhejiang, China)	● JUKI AUTOMATION SYSTEMS INC. (North Carolina, U.S.A.)	● JUKI MATSUE CORPORATION (Matsue City, Shimane Prefecture)
● JUKI (VIETNAM) CO., LTD. (Ho Chi Minh City, Vietnam)	● JUKI AUTOMATION SYSTEMS AG. (Solothurn, Switzerland)	● JUKI AUTOMATION SYSTEMS CORPORATION (Tama City, Tokyo)
● JUKI SINGAPORE PTE. LTD. (Singapore)	● JUKI DO BRASIL COMERCIO E SERVICOS DE MAQUINAS LTDA. (Sao Paulo, Brasil)	● JUKI SALES (JAPAN) CORPORATION (Tama City, Tokyo)
● JUKI INDIA PVT. LTD. (Bangalore, India)	● JUKI DENSHI KOGYO CORPORATION (Yokote City, Akita Prefecture)	● JUKI GENERAL SERVICE CORPORATION (Tama City, Tokyo)

## Net sales (Consolidated)

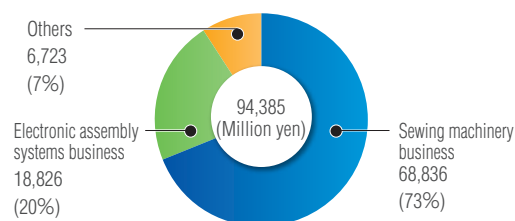


## Ordinary income (Consolidated)



Our company changed the consolidated closing date to December 31 every year beginning in the fiscal year 2011 to attain an increase in efficiency of business operation, such as a budgetary process on a consolidated basis of our group and performance management. In connection with this change, the fiscal year 2011 that is a transition period is a nine-month settlement of accounts from April 1, 2011 to December 31, 2011.

## Net sales by Business Segment (FY2013)



# We are working to enhance our governance system and strengthen compliance with the aim of realizing highly transparent management.

## Corporate governance

From the viewpoint of securing soundness and efficiency of management, JUKI regards the suitable operation and maintenance of corporate governance as one of the most important issues, and has been striving for its improvement and stability. In March 2014, JUKI increased the number of outside directors from one to two, in order to enhance the system of monitoring management of directors and the board of directors and getting outside opinions. The directors, executive operating officers and section heads attend the Management Strategy Council, and deliberate on the basic policy regarding management and other factors from various angles. As for the internal audits, the Internal Auditing Department conducts business audits of each of our sections and subsidiary companies. Moreover, audits by Corporate Auditors are performed in cooperation with the Internal Auditing Department and an Accounting Auditor in accordance with the audit policy and work assignment that have been defined at the corporate auditors' meeting, and the Corporate Auditors' Department assists Corporate Auditors.

## Risk Management

The JUKI Group, as a risk management system, sets up the Risk Management Conference, where company-wide risks and important risks are managed, and directs it to take remediation measures. Moreover, we set up the Crisis-Management Task Force in preparation for the occurrence of disasters (Exteriorization of the risk) such as natural disaster, fire, explosion, PL (Product Liability), the environmental problem due to industrial effluent to maintain the system to examine and execute the countermeasures.

Also, in the occurrence of a serious crisis, the Crisis Countermeasure Headquarters will be set up as a stable structure to assure prompt crisis response.

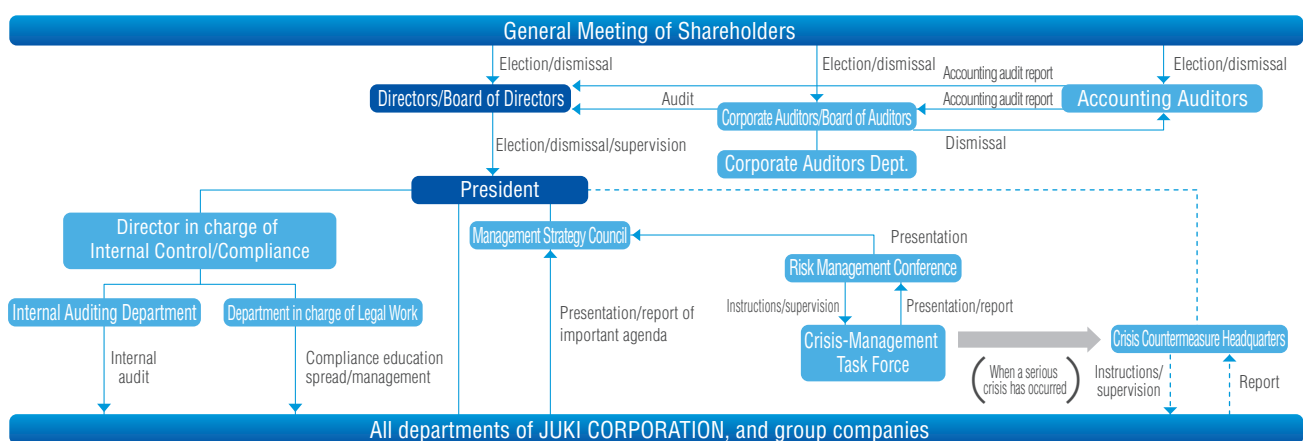
## Response to Financial Instruments and Exchange Law

An internal control reporting system, based on the Financial Instruments and Exchange Law, was introduced in April 2008 with the aim of ensuring the credibility of financial reporting. JUKI conforms to the fundamental framework for internal controls indicated by the standards of the Financial Services Agency in order to implement this system, and has established and applied internal controls related to the credibility of financial reporting. Specifically, evaluations are performed regarding the effectiveness of the design and operation of company-level internal controls at the JUKI Group at the end of each fiscal year. Based on the same system, the effectiveness of process-level internal controls (including sales, manufacturing, accounting and IT) is also evaluated for JUKI and major Group companies both in Japan and overseas. Taking over from fiscal 2013, we will conduct this system in an even more efficient manner in fiscal 2014 to ensure no omissions.

## Compliance

The JUKI Group is focusing on matters of compliance as an important management base, which aims at keeping a business group that has been widely trusted by everybody in society including the customer, and worthy of the existence value for the society. Not only the employees of JUKI CORPORATION but also the directors and employees of the companies in the Group are well educated to act in accordance with the "JUKI Corporate Code of Conduct" that explains about the conducts with the observance of the law and the good sense, and to promptly respond to consultations, doubts, etc from the employees in the counseling counters set up by JUKI CORPORATION and the companies in the Group. Moreover, important risks related to compliance are managed at the Risk Management Conference.

## Corporate Governance System



# We contribute to our customers and the natural environment through manufacturing that always considers the environment.

The JUKI Group places value on the natural environment as a manufacturing company and works hard to ensure effective use of resources, recycling and energy conservation. We seek to provide products that are safe and that have minimal environmental burden and contribute to the industrial advancement of the region. By doing so, we aim to continue as a company that is broadly trusted by society, beginning with customers, and that is of value to society on the whole.

## Environmental Vision

### The attitude towards JUKI Group Environmental Conservation Activities

In the JUKI Group, the environmental impact accompanying each enterprise was reduced and the "environmental idea" and the "ambient behavior indicator" are defined aiming at construction of a sustainable society. It has decided upon the "environmental preservation guideline" based on this. Moreover, information exchange and horizontal development are performed with improvement of the entire Group as the goal.



## 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.



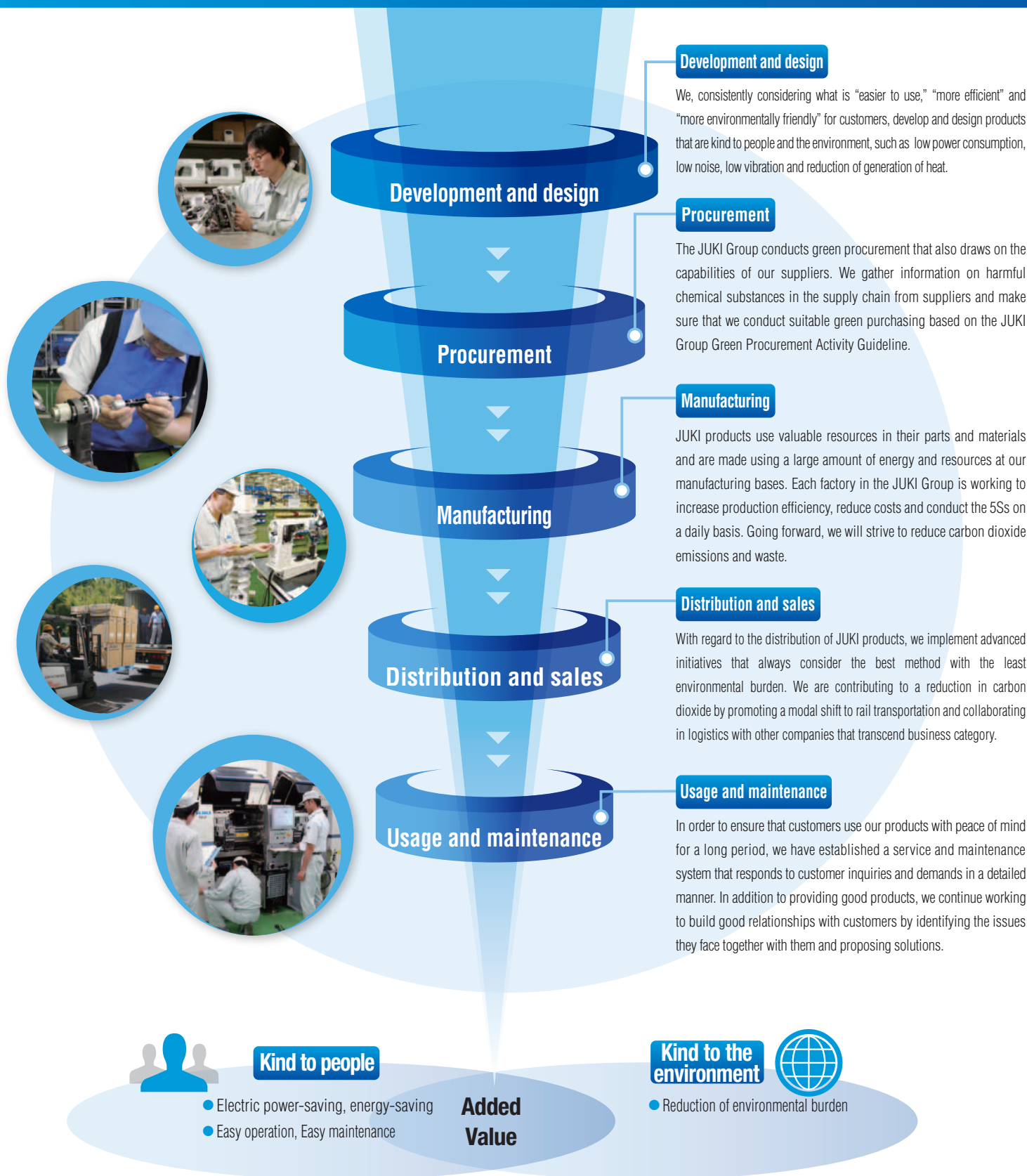
### Environmental Action Policy

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.



# We are working to provide valuable products and services that are kind to people and the environment through our value chain.

We, as a **MONODZUKURI** company, not only provide products and services with less environmental burden but also are continuously striving to be eco-conscious in our daily business activities throughout the value chain, understanding that the society demands the implementation of corporate environmental activities.



We are working to provide valuable products and services that are kind to people and the environment throughout our value chain.

## Development and design

### Environmentally friendly design (LBH-1790A)

JUKI will design its products from the initial design in consideration of environmentally friendly product.

With LBH-1790A, we improved load capacity by approximately 1.7 times based on 20'-container calculation, by using new compact control boxes as a means to minimize burden in transportation (reducing cardboard packaging volume from 0.104m<sup>3</sup> to 0.062m<sup>3</sup>). In addition, we reduced standby power by 60% and realized a 25% lowering of average power consumption. We also pushed ahead with the development of environmentally friendly products such as by reducing the number of components.



The packages of new compact control box (left) and conventional box (right)

### Development by making use of customer's demand (AMS P/S custom order)

The market has been increasingly calling for AMS P/S (perfect/stitch) specifications, which are used in various top stitches with a focus on design sense. On top of that, the level of demands brought by customers is extremely high and varied, marked by numerous requirements that go beyond previous experience. Although there are still no sewing machines that meet all customer needs, we will listen carefully to each one of our customer's opinions in seeking to develop models that people require.



Discussion with a customer to confirm specifications

### Development by making use of customer's demand (JM-20)

In response to feedback from customers, such as "rising wages," "lack of workers" and "unstable quality" that occur in the manual mounting process, JUKI developed the JM-20 as equipment that automates this process. Compared with its predecessor JM-10, the latest model enables automatization of mounting larger, taller and heavier components on larger circuit boards. We also developed a function to detect errors in component insertion and made this a standard feature.

We continue to improve the quality and our ability to respond customers' requirements, and accelerate the automation in mounting process.



JM-20 realizes automation of the manual component insertion process



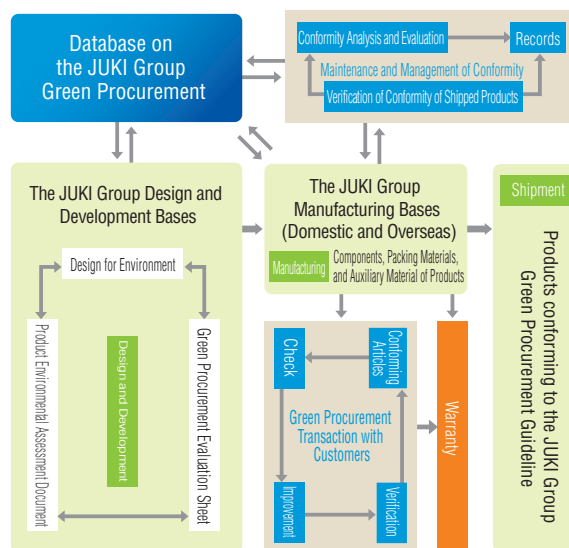
## Procurement

### Green procurement

Based on the ECO MIND Declaration, JUKI Group is implementing environmental preservation activities that are kind to the earth together with material suppliers, and working to reduce hazardous chemical substances by prioritizing the procurement and purchase of materials, components and products that have less environmental burden. Since 2011, we have adopted an industry standard JAMP AIS survey tool as a way of material management and have been utilizing such tool at overseas and domestic sites as well. For example, we prevent any interfusion of hazardous substances through a method of analysing such substances when goods are delivered in our manufacturing plants.

Going forward, JUKI has positioned green procurement as a key challenge amid rising expectations toward the corporate world's social responsibility regarding environmental issues such as more stringent laws and regulations. With this in mind, JUKI is taking steps to ensure that shipped products comply with provisions for additional controlled substances pursuant to REACH Regulation and CLP Regulation by EU and to meet expanding regulations in each country.

#### Green Procurement Flow



## Manufacturing

### Management of chemical substances

The JUKI Group uses chemical substances such as organic solvents, solvents and powdered paint at the manufacturing sites of its domestic and overseas Group companies. We are working to reduce the consumption of chemical substances and the emission of waste containing chemical substances as part of initiatives in consideration of environmental impact. At SUZUTAMI Precision Industry Co., Ltd., in December 2013, skilled staff from Ohtawara Plant, implemented education and training about restricted substances for 16 relevant individuals.

#### Chemical Substance Consumption (Fiscal 2013)

	All chemical substances		
Whole company total	The amount of supply track records (kg)	The amount of use track records (kg)	The amount of possession (kg)
	2,923.2	2,416.0	2,169.9
	Chemical substance applicable to *PRTR law		
Whole company total	The amount of supply track records (kg)	The amount of use track records (kg)	The amount of possession (kg)
	184.6	148.3	46.1
Regulation judging	Inapplicable		
	Properly managed chemical substance		
Whole company total	The amount of supply track records (kg)	The amount of use track records (kg)	The amount of possession (kg)
	51.2	33.9	52.1
Regulation judging	Inapplicable		

#### TOPICS

#### JUKI AIZU CORPORATION, JUKI YOSHINO KOGYO CORPORATION and JUKI HIROSHIMA CORPORATION: Implementation of simulation training supposing emergency

JUKI AIZU CORPORATION implements simulation training supposing emergency every year at each workplace, assuming an accident in the factory such as leakage of heavy oil or chemical substance. As well as Employee safety, we make efforts in order for such accident not to spread to neighborhoods.

JUKI YOSHINO KOGYO CORPORATION implements a similar kind of training assuming leakage of contaminants from a kerosene facility in order to prevent environmental pollution by such leakage once a year. It has enhanced effectiveness by taking steps to prevent contamination spreading by sandbags and absorbents, and by confirmation of rule in emergency such as its emergency call tree, etc.

At JUKI HIROSHIMA CORPORATION, its workers convey by hand trucks various

types of oil such as pressed oil and cutting oil from its hazardous substances storage to workplace. So it implemented simulation training supposing that certain hand truck overturned and oil leaked into a rainwater ditch in the process of conveyance of some kind of oil. The aim of this training is not to make even one drop of oil spill outside the company's premises and we are making utmost efforts.



Implementation of simulation training supposing emergency at JUKI HIROSHIMA

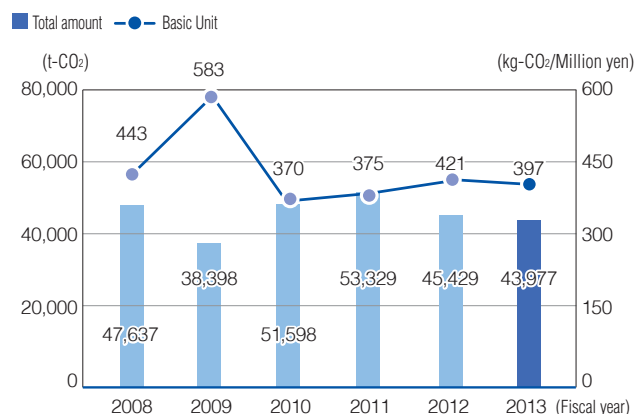
We are working to provide valuable products and services that are kind to people and the environment throughout our value chain.

## Reduction in CO<sub>2</sub> emissions

The JUKI Group has made various efforts to reconsider the production method and the equipment operating time to reduce the used amount of electric power that accounts for 70 percent or more of the cause of CO<sub>2</sub> emissions. The reduction of carbon dioxide emissions in the production stage reduces costs and leads to enhanced production efficiency.

The Ohtawara Plant's main activities for saving energy is to review the operation and operating status of existing equipment, and expose and improve any wastefulness found by the review. In a recent example, repairing the intermittent operation function in the effluent treatment equipment had been operated manually due to out of order for a long time resulted in a reduction in electricity consumption of about 40 MWh per year.

CO<sub>2</sub> emissions and basic unit



### TOPICS

**Implementation of reduction of man-hours by the way of introducing a new production method, eliminating wastefulness and visualizing the performance by the manufacturing department.**

At JUKI AKITA SEIMITSU CORPORATION, The mechanization of the deburring and multiple-item bending in the bending process makes it enable to manufacture efficiently.

Before such mechanization and bending, after pressing on the turret punch, components were separated into each part, bent and removed the burr. After such mechanization and bending, after pressing on the turret punch, 200 items together are processed in the deburring machine and then bent 10 items together at once. That makes it enable to reduce drastically the machining man-hours. JUKI AKITA SEIMITSU will continue making efforts to reduce man-hours by improving production method.



Deburring process by the deburring machine



Parts bent 10 at once

### TOPICS

**Reporting activities of F cost and improvement of productivity (improvement of operational efficiency)**

In March 2014, JUKI (NINGBO) PRECISION CO., LTD. introduced an online ODQ (Order-Delivery-Query) System for the purpose of improving uniform management of delivery progress on orders placed with parts manufacturers.

The system enables parts manufacturers to confirm order and delivery date status in a timely manner and to reply quickly about the delivery date by telephone or fax. This System enable parts manufacturers to have longer lead time from procuring materials to processing the items and to have longer time for procurement of materials. This system also enable JUKI (NINGBO) PRECISION to know the result of the inspection of its deliverables quickly and its management of delivery date and the operational efficiency was further enhanced.

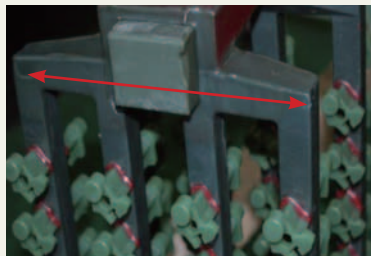
NO	厂家納入日期	生产厂编号	品番	納入指示日	订单数量	指示数量	合格数量	主
1	06/08/1600	B209	073180007000	2014-06-05	RR545303	1500	0	151
2	06/08/1650	B209	073185009000	2014-06-05	RR545384	850	0	851
3	04/25/1600	B016	10012417	2014-04-25	Q0832282	300	0	301
4	04/25/1600	B002	10017168	2014-04-25	T2523167	500	0	501

Screen image of ODQ System

## TOPICS

**Reduction of main materials by reductions of F cost, optimization of casting weight, and improvement in mixture ratios**

JUKI AIZU CORPORATION reduced casting weight by reducing the volume of wax used in the manufacturing process, thereby it was able to reduce the cost of metallic materials which are the main materials. Every day it has checked which types could be reduced in width by even 10 mm when wax patterns are assembled into "trees" in lost-wax casting (refer to the photo). This effort resulted in a reduction of approximately 160 meters' length worth of wax per year, moreover, it accomplished a reduction of nearly 400,000 yen relation to the cost of main materials as well.



Reduction of width between wax-model leads to reduction of main materials' costs.

**Activities of Resource conservation**

We continue to practice 3R-based resource conservation in our daily operations such as reduction of waste emitted from our group company's plants and offices.

JUKI DENSHI KOGYO CORPORATION revised its criteria for separate treatment of electronic circuit boards, electronic components (e.g. IC, etc.), wires, and connectors that made from the prototype and testing processes and disposed as industrial waste. It is making efforts to recover and recycle useful resources such as gold, silver, copper, and rare metals. This initiative facilitates the 3Rs, reduces waste, and also reduces disposal costs.



Before improvement:  
Bucket for mixed waste



After improvement: Wires, connectors, electronic circuit boards, semiconductors, and other resources are separated and then recycled as valuables.

**MONODZUKURI Technology Department launched**

One of JUKI's corporate philosophies is that "JUKI technologies are constantly evolving and creating new value". And we always launch products throughout the world from the point of view of customers.

In October 2013, we organized a *MONODZUKURI* Technology Department in order to realize that philosophy.

The department's mission is to eliminate organizational barriers among development, production technology, manufacturing and procurement, etc. departments and to launch quickly the products added higher value worldwide.

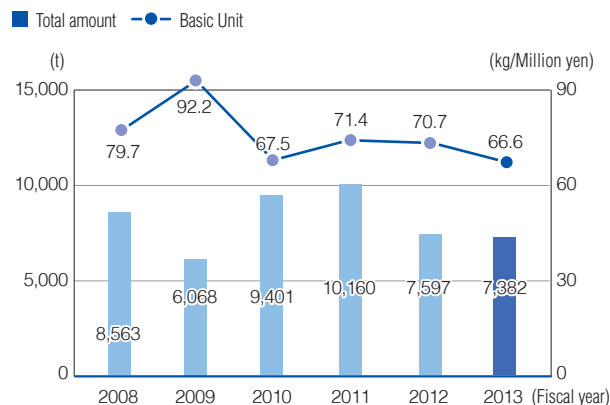


We are working to provide valuable products and services that are kind to people and the environment throughout our value chain.

## Reduction of wastes

At our manufacturing sites, we operate a multitude of production equipment and use a lot of raw materials as well as consume heat-sourced energy in our daily production activities. In order to reduce the amount of waste emitted in this process, JUKI Group manufacturing sites are implementing various measures that include reducing waste itself and promoting valuable transactions from the reuse and recycling of the waste. In October 2013, JUKI METAL CORPORATION introduced electronic manifest system according to the recommendation by the prefectural authorities. This system has contributed to the transparency in data management, the dissemination of compliance, and the efficiency in administrative proceeding.

### Reduction of the amount of wastes



### TOPICS

**JUKI XINXING INDUSTRY CO., LTD.: Expansion of local procurement of parts which used to be procured from outside the country**  
**JUKI (SHANGHAI) INDUSTRIAL CO., LTD.: Measures for reduction of the amount of waste oil**

JUKI XINXING INDUSTRY extended the users of returnable containers, which had been only JUKI Group companies in China, to parts suppliers with the aim of making effective use of resources and reduction of waste. The number of returnable containers is now 30, in addition of more than 10. It will continue to make efforts to improve the distribution process by standardizing the sizes of containers, etc.

JUKI (SHANGHAI) INDUSTRIAL removes impurities with a special filter from waste oil arising from manufacturing processes in its factory, and reuses it, as coating oil for the edges of blade of machines after adjusting the viscosity. In fiscal 2013, it collected 578 kg of waste oil, and reduced the amount of emission of waste oil.



Promotion of the use of returnable containers



Reuse of waste oil

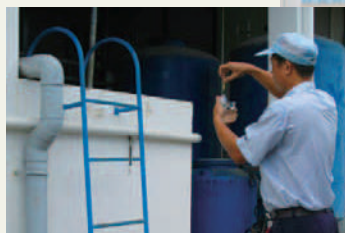
### TOPICS

**SHANGHAI JUKI SEWING MACHINE CO., LTD.: Prevention of water pollution**  
**JUKI (SHANGHAI) INDUSTRIAL CO., LTD.: Retention of sewage treatment capability by periodic maintenance**  
**JUKI (VIETNAM) CO., LTD.: Periodic wastewater analysis and regular cleaning of treatment tanks**

SHANGHAI JUKI SEWING MACHINE implements sample inspection of the water quality by the Sewage Monitoring Song Shen Water and Environment Workers Technology Association four times a year in order to prevent water pollution.

JUKI (SHANGHAI) INDUSTRIAL performs maintenance work everyday, in order to maintain its sewage treatment capability. This fiscal year old industrial wastewater PVC recirculation pipe were exchanged and an industrial oil trap and the outer wall of a coagulation basin were subjected to rust prevention treatment.

JUKI (VIETNAM) complies with wastewater standards in accordance with both provisions established by the export processing zone and the Vietnam Environment Administration. Those standards are becoming more rigorous year by year, and JUKI (VIETNAM) complies with them through voluntary periodic wastewater analysis and regular cleaning of waste water treatment tanks.



Wastewater analysis and measurement by JUKI (VIETNAM)



## Distribution and sales

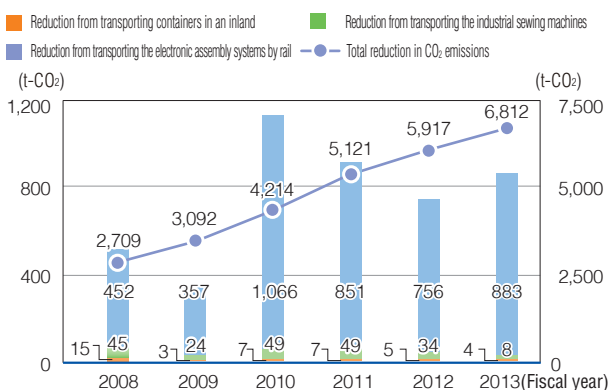
### Reduction of carbon dioxide CO<sub>2</sub> and packaging materials (Reduction of the volume of packaging materials by using new packaging)



We changed the foamed material used as cushioning in packaging of industrial sewing machines from expanded polystyrene to expanded polyethylene. This enabled to increase the cushioning effect in case of a drop and to minimize packaging size, and resulted in a reduction of volume of cardboard. This enabled carrying capacity of marine containers to increase by more than 30% and enabled to lead to reduce CO<sub>2</sub>.

We will review the way of product packaging at each production base overseas and implement the similar treatment.

### Reduction in CO<sub>2</sub> emissions at the time of transportation



### TOPICS

#### JUKI (NINGBO) PRECISION CO., LTD.: Use of returnable containers and switching to domestic procurement of overseas parts SHANGHAI JUKI SEWING MACHINE CO., LTD.: Optimizing freight routes (shortest distance and car sharing)

JUKI (NINGBO) PRECISION changed cardboard, which has been used for items regularly delivered by suppliers, to foldable plastic returnable containers from time to time in order to reduce the amount of waste and to eliminate the waste of resources. It makes efforts to reduce the amount of disposal of shipping packaging and to reduce CO<sub>2</sub> by customers in not only China and Japan but also any other countries so that it



Cardboard



Foldable plastic returnable containers

contributes to the creating an earth- friendly environment.

SHANGHAI JUKI SEWING MACHINE contributes to CO<sub>2</sub> reduction by using transportation methods with less environmental burden, including shared distribution of parts as well as products with other companies and, in case of commuting and outing by employees, operation of shuttle buses, in accordance with the most effective routes with less environmental burden, in consideration with the place where personnel visit to on that day.



Reduction of CO<sub>2</sub> by commuting by shuttle buses

## Usage and maintenance

### Sewing machines business

In the sewing machines business, we do not only sell industrial sewing machines to customers but also established the JUKI Sewing Research Institute to provide services aimed at getting customers to use JUKI products more effectively. The Institute has been in operation for approximately 50 years. The Institute ,before customer's introducing certain machines, proposes the selection of environmentally friendly sewing machines and efficient layouts of sewing machines within the plant. Also we, by using our know-how accumulated over many years, provide customers with training at the customer's work place to eliminate waste at the sight.



Workshop in Tunis, Republic of Tunisia



### Electronic assembly systems business

In fiscal 2013, JUKI AUTOMATION SYSTEMS CORPORATION started selling new models, including the RX-6 and RX-7 mounters, the RP-1 printer, and the RV-1 inspection machine. As in these products new technologies are used, the development department and training center provides training for overseas sales companies and Japanese service personnel in order to facilitate launch of production at the plants of customers who purchased the products. Regarding existing equipment excepting for the product mentioned above, we make efforts to ensure safety operation and continuous usage of JUKI products for a long time by executing contract for maintenance with customers and accepting orders for regular maintenance from customers in Japan and Taiwan.



Level-Up training for servicemen



JUKI Mind & Technology

**We are striving to make products that are kind to people and the earth and that aim to incorporate high added value.**

## JUKI ECO PRODUCTS in fiscal 2013

JUKI strives to make environmentally friendly products over all the product lifecycle. We seek to enhance operability and ease of maintenance and ensure advanced performance while at the same time reducing power consumption and energy. We evaluate 38 items related to the environment in the development stage and use the results to designate products that realize environmental friendliness to a specified high level as "JUKI ECO PRODUCTS." Here, we will introduce the "JUKI ECO PRODUCTS" we designated in fiscal 2013.

### Major assessment items

	Material and a procurement-of-supplies-and-equipment stage	Manufacture and distribution stage	Use stage	Recycling/disposal stage
Environmental safety and preservation nature	Exclusion and reduction of hazardous substances		Reduction of noise and vibration	Separation ease of an environmentally harmful substance
Resource saving	Streamlining of raw material Practical use of recycling material		Long-term usability	
Energy saving		Improvement in transport efficiency	Reduction of power consumption Reduction of consumable item's consumption	
Recycling efficiency				Recycling Separation/segregation ease

### LZ-2280A

This high-speed, 1-needle, lock-stitching, zigzag-stitching machine creates softly finished seams. The needle-rocking mechanism is equipped with a triangular cam, which prevents sidewise needle movement and helps produce beautiful seams with consistently.



### MO-1000 series

This overlock machine has two needles and 2, 3, or 4 threads (with running adjustment). A new feature called "easy threader" easily threads the machine from the threading hole to the looper with the power of a strong "whoosh" of air sent from the electric motor.



### LK-1900B series

These computer-controlled, high-speed, bar-tacking machines have a maximum sewing speed of 3,200sti/min. The machines' starting, stopping, thread-trimming and automatic presser lifting speeds have been increased to significantly shorten total cycle time.



### RX-6

This brand new high-speed, compact, modular moulder combines high productivity, high versatility, and high quality. Its space-saving design, with a width of 1.25 meters, and placement monitor inspection as a standard feature enable even higher-quality production.



### AMS-221ENTS3020

This computer-controlled cycle machine has an input function and uses a needle bar switching system to enable two-color stitching (stitching with two kinds of thread). It suits to decorative stitching of sports shoes, bags, and car seats and to the sewing attachment of parts.



### JX-300LED

This LED moulder is perfect for production of LED lighting equipment and mid-size to large LCD display backlights, and supports production of ultra-long boards up to 1,500 mm. Using JUKI's original laser recognition technology, it provides high-precision, high-quality productivity.



## Environmental Management

We promote and continuously improve environmental activities in accordance with the environmental promotion system of each Group company.

## Promoting Environmental Management

The environmental target of the JUKI Group including the head office is discussed and determined at the "Management Strategy Council," which is the decision-making body of the company. A department in charge of the environment at each Group company takes action with the responsibility of increasing the ability to put target deployment, policy enforcement, and environmental conservation activities into practice.

In addition, the JUKI Ohtawara Plant will switch to integrated certification for ISO 14001 and ISO 9001 in fiscal 2013 to improve the level of management for the environment and quality.

## ISO14001 Acquisition Situation

After receiving an award for long-term registration of a management system from the Japanese Standards Association last year, commemorative speeches were given at a review registration gathering this year. The speeches were about the 10-year history of JUKI's EMS and the EMS activities in JUKI's primary business that we have been working on for the past few years. There were proposals on a direction for EMS activities that lead to performance, and participants evaluated EMS activities as substantial efforts.

### TOPICS

#### JUKI (SHANGHAI) INDUSTRIAL CO., LTD. Environmental activities including "Tree planting day" and a "Campaign not to use cars on the 22nd of every month"

Under the leadership of in-house environmental committee, JUKI (SHANGHAI) INDUSTRIAL CO., LTD. has planted trees on "Tree planting day" for the four years since 2010. In February this year it started a campaign on "environmentally friendly commuting by encouraging employees to not to use their cars on the 22nd of every month." As nearly all employees who commute by car cooperated with the campaign, it has been in continuous implementation since a trial run in March. The company aims to reduce CO<sub>2</sub> and raise all employees' awareness of environmental protection through these two activities.



Employees who participated in tree planting

## Conducting Internal and External Audits

The JUKI Group companies that have acquired ISO14001 certification is evaluated by the both way of an internal audit and an external audit whether the environmental management system function effectively. JUKI introduces the method of self-audits, which is the method that department checks its own performance by itself, and in fiscal 2013 we revised an audit check sheet format and improved efficiency of self-audits and internal audit operations by audit officers.

## Regulatory compliance

As a Group-wide initiative, staff from the head office visited manufacturing companies in Vietnam in this fiscal year sequentially in China last year, and evaluated its compliance with environmental laws and regulations.

JUKI (VIETNAM) CO., LTD. are evaluated its compliance with 19 check items in accordance with the environmental laws and regulations of Vietnam. Some of them define more rigorous standards than Japanese ones. JUKI (VIETNAM) prepares, posts and operates standard operation manual in consideration of safe work, process quality, and environmental protection, from upstream to downstream processes. It displays waste labels at waste collection points and ensures thorough waste separation with color-coded plastic bags. It also determines the disposal method and location in according with the result of analysis whether waste is hazardous or not.

Display of Waste label



Waste separation with color-coded plastic bags

# We set environmental targets that are common Group-wide and that benefit each business.

## Environmental Targets and Results

Environmental Target	Coverage	Numerical Target	Results	Review in FY2013 and Future Activities
Reduction in CO <sub>2</sub> emissions	Domestic manufacturing group companies	709kg/¥1mn (per unit of sales)	679kg/¥1mn Achievement rate:104%	<b>【CO<sub>2</sub>】</b> Targets were achieved by Group manufacturing companies in Japan and overseas and the head office.  <b>【Waste】</b> Targets were achieved by Group manufacturing companies in Japan and overseas and the head office.
	Overseas manufacturing group companies	824kg/¥1mn (per unit of sales)	739kg/¥1mn Achievement rate:110%	
	Head office	2,585t (total amount)	2,539t Achievement rate:102%	
Reduction in total waste emissions	Domestic manufacturing group companies	116t/¥1mn (per unit of sales)	111t/¥1mn Achievement rate:104%	Manufacturing companies Group-wide aim to reduce unreasonableness and waste in fiscal 2014 as in the previous year by establishing targets in terms of basic units and promoting optimization of the entire Group led by the Production Center.
	Overseas manufacturing group companies	154t/¥1mn (per unit of sales)	140t/¥1mn Achievement rate:109%	
	Head office	54t (total amount)	51t Achievement rate:106%	
Promotion of green procurement	Common to the JUKI Group	Number of violations of restrictions on shipments of Green Procuring Conforming Articles and Hazardous Chemical Substances: 0	Number of violations: 0	There were no cases of non-conformity with green procurement in fiscal 2013, as in fiscal 2012. We will continue to implement similar measures in fiscal 2014.
Observance of environmental laws		Number of violations: 0	Number of violations: 0	

## Environmental Targets of the JUKI Head office

Environmental Target	Coverage	Numerical Target	Results	Review in FY2013 and Future Activities
Approaches to eco-friendly products	"JUKI ECO PRODUCTS" recognition of new product	Development dept. New machine types introduced to market Product planning target achievement 100%	Achieved: 15/15 models Achievement rate: 100%	All models were recognized in fiscal 2013. We will continue to implement similar measures in fiscal 2014.
	Reduction in power consumption of new product	Development dept. New machine types introduced to market Reduction target achievement 100% compared with the existing machine types	Achieved: 18/18 models Achievement rate: 100%	

\*This data shows environmental targets and results for fiscal 2013 for JUKI CORPORATION and domestic and overseas manufacturing companies in the Group.

\*Data for the JUKI Ohtawara Plant has been included in that for domestic Group manufacturing companies.

# We will proceed with improvements in environmental performance by clarifying environmental burden related to operations.

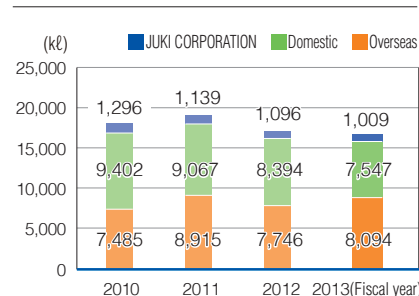
## Environmental Performance

	Item	FY2010	FY2011	FY2012	FY2013
JUKI	CO <sub>2</sub>	3,309 t-CO <sub>2</sub>	2,849 t-CO <sub>2</sub>	2,769 t-CO <sub>2</sub>	2,539 t-CO <sub>2</sub>
	Electricity	5,039 MWh	4,427 MWh	4,260 MWh	4,023 MWh
	Kerosene	0.3 kℓ	0.3 kℓ	0.6 kℓ	0.3 kℓ
	Fuel oil A	0 kℓ	0 kℓ	0 kℓ	0 kℓ
	Gas	192 thousand m <sup>3</sup>	134 thousand m <sup>3</sup>	133 thousand m <sup>3</sup>	100 thousand m <sup>3</sup>
	Gasoline	48 kℓ	44 kℓ	45 kℓ	35 kℓ
	Water	13 thousand m <sup>3</sup>	11 thousand m <sup>3</sup>	12 thousand m <sup>3</sup>	11 thousand m <sup>3</sup>
	Drainage	22 thousand m <sup>3</sup>	21 thousand m <sup>3</sup>	22 thousand m <sup>3</sup>	20 thousand m <sup>3</sup>
	Final waste disposal	0 t	0 t	0 t	0 t
	Total waste emissions	105 t	57 t	50 t	51 t
Domestic manufacturing companies in the Group	CO <sub>2</sub>	28,402 t-CO <sub>2</sub>	26,737 t-CO <sub>2</sub>	22,781 t-CO <sub>2</sub>	20,647 t-CO <sub>2</sub>
	Electricity	36,550 MWh	35,153 MWh	32,632 MWh	29,637 MWh
	Kerosene	202 kℓ	193 kℓ	182 kℓ	154.00 kℓ
	Fuel oil A	2,276 kℓ	1,996 kℓ	1,118 kℓ	1,056 kℓ
	Liquid petroleum gas (LPG)	386 t	368 t	319 t	239.00 t
	Gasoline	64 kℓ	59 kℓ	55 kℓ	52 kℓ
	Light oil	49 kℓ	42 kℓ	40 kℓ	43 kℓ
	Acetylene	65 kg	86 kg	122 kg	50 kg
	Coke	0 kg	0 kg	0 kg	0 kg
	Methanol	0 kg	0 kg	0 kg	0 kg
	Water	333 thousand m <sup>3</sup>	260 thousand m <sup>3</sup>	256 thousand m <sup>3</sup>	246 thousand m <sup>3</sup>
	Drainage	276 thousand m <sup>3</sup>	234 thousand m <sup>3</sup>	108 thousand m <sup>3</sup>	67 thousand m <sup>3</sup>
	Final waste disposal	604 t	485 t	356 t	245 t
	Total waste emissions	5,103 t	5,521 t	4,005 t	3,387 t
Overseas manufacturing companies in the Group	CO <sub>2</sub>	19,887 t-CO <sub>2</sub>	23,743 t-CO <sub>2</sub>	19,879 t-CO <sub>2</sub>	20,791 t-CO <sub>2</sub>
	Electricity	29,098 MWh	34,660 MWh	30,114 MWh	31,481 MWh
	Kerosene	0 kℓ	2 kℓ	2 kℓ	0.9 kℓ
	Gas	0 thousand m <sup>3</sup>	0 thousand m <sup>3</sup>	0 thousand m <sup>3</sup>	0 thousand m <sup>3</sup>
	Liquid petroleum gas (LPG)	839 t	1,054 t	752 t	815 t
	Gasoline	111 kℓ	120 kℓ	93 kℓ	86 kℓ
	Light oil	325 kℓ	361 kℓ	231 kℓ	220 kℓ
	Acetylene	24 kg	24 kg	24 kg	24 kg
	Natural gas (NG)	49,598 Nm <sup>3</sup>	69,505 Nm <sup>3</sup>	50,717 Nm <sup>3</sup>	46,929 Nm <sup>3</sup>
	Water	347 thousand m <sup>3</sup>	320 thousand m <sup>3</sup>	235 thousand m <sup>3</sup>	252,566 thousand m <sup>3</sup>
	Drainage	312 thousand m <sup>3</sup>	281 thousand m <sup>3</sup>	227 thousand m <sup>3</sup>	224 thousand m <sup>3</sup>
	Final waste disposal	1,557 t	1,486 t	1,564 t	1,686 t
	Total waste emissions	4,192 t	4,582 t	3,542 t	3,944 t

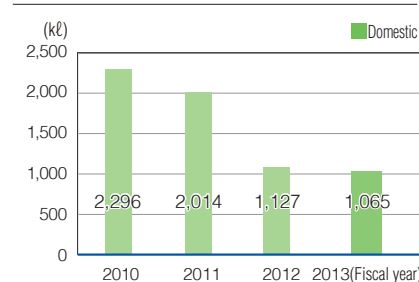
\* This table shows environmental performance data for JUKI CORPORATION and other domestic and overseas manufacturing companies in the JUKI Group shown on page 4.

\* A data for JUKI Ohtawara plant is included in other domestic manufacturing companies in the Group.

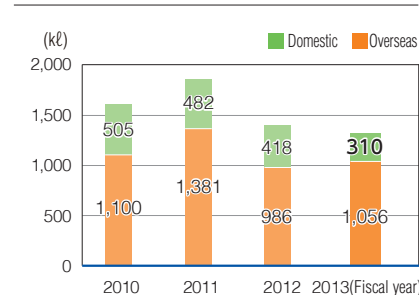
### Electricity (in crude oil equivalent)



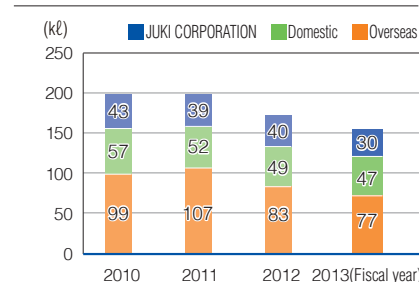
### Fuel oil A (in crude oil equivalent)



### Liquid petroleum gas (LPG) (in crude oil equivalent)



### Gasoline (in crude oil equivalent)



## Environmental Load by the JUKI Group's Business Activities

INPUT for FY2013	
<b>Energy</b>	<b>19,811</b> (In crude oil equivalent)
<b>Electricity</b>	<b>65,141</b> MWh
<b>Fuel oil A</b>	<b>1,056</b> kℓ
<b>Light oil</b>	<b>263</b> kℓ
<b>Gasoline</b>	<b>173</b> kℓ
<b>Kerosene</b>	<b>156</b> kℓ
<b>Gas</b>	<b>100</b> thousand m <sup>3</sup>
<b>Liquid petroleum gas (LPG)</b>	<b>1,055</b> t
<b>Acetylene</b>	<b>0.074</b> t
<b>Natural gas (NG)</b>	<b>47</b> Nm <sup>3</sup>
<b>Water</b>	<b>510</b> thousand m <sup>3</sup>
<b>Raw materials</b>	<b>25,703</b> t
<b>Metallic materials</b>	<b>22,484</b> t
<b>Plastic materials</b>	<b>148</b> t
<b>Rubbers</b>	<b>59</b> t
<b>Papers (excluding OA papers for office)</b>	<b>137</b> t
<b>Others (parts, raw materials, etc.)</b>	<b>2,876</b> t

OUTPUT for FY2013	
<b>Production Volume of Major Products</b>	<b>13,953</b> t
<b>CO<sub>2</sub></b>	<b>43,977</b> t-CO <sub>2</sub>
<b>Drainage</b>	<b>311</b> thousand m <sup>3</sup>
<b>Total waste emissions</b>	<b>7,382</b> t
<b>General waste</b>	<b>756</b> t
<b>Industrial waste</b>	<b>6,330</b> t
<b>Specially controlled industrial waste</b>	<b>296</b> t
<b>Final disposal volume</b>	<b>5,041</b> t
<b>Volume recycled</b>	<b>1,931</b> t

\* This table shows environmental performance data for JUKI CORPORATION and other domestic and overseas manufacturing companies in the Group shown on page 4.

\* A data for JUKI Ohtawara plant is included in other domestic manufacturing companies in the Group.

# We will build strong relationships of trust with stakeholders and promote responsible behavior.

The JUKI Group believes that commitment to corporate operations that pay full consideration to stakeholders and the creation of mutual benefits will enhance corporate value. We aim to be a company that is needed by all stakeholders.

## Involvement in Stakeholders



### Shareholders

We are improving our financial position and shareholder value and are committed to distributing dividends in a stable manner. Also, in order to promote communication with shareholders and investors, we are actively disclosing our corporate information in a fair manner.

### Customers

The JUKI Group makes the efforts to help customers maximize their lifetime values by their using our products and services for a long time. We aim to build and deepen the continuous bonds of trust with our customers.

### Business Partners

To ensure coexistence and co-prosperity with suppliers, we provide them with explanations and education regarding (1) fair and unbiased competition, (2) compliance with contracts, (3) regular briefings on the market situation, and (4) the "JUKI Group Green Procurement Activity Guideline." Through these measures, we hope to become friendly rivals with our suppliers.

### Employees

The JUKI Group aims to become a global corporate entity that provides people with excellent employment and growth opportunities regardless of their nationality, race or gender. In each of the countries where we do business, we will establish an organization and corporate culture where employees can work with higher motivation and higher job satisfaction.

### Society

As a good corporate citizen, we are making deeper exchanges with local communities. Also, in our international business operations, we comply with internal and local laws, respect the local culture and customs, and endeavor to contribute to the development of the local area. At the same time, we aim to become a valuable and attractive entity in the society by addressing the environmental issue seriously.



## We are working to enhance customer satisfaction by appropriately reflecting customer opinion in our business activities and product development.

### In pursuit of customer satisfaction

#### Sewing machines business

The CS Promotion Department of the Sewing Machinery Business Unit conducts seminars on "sewing machines and sewing" for persons involved in sewing. These seminars were created out of the need of our business associates to provide products and services with better quality to consumers, in the process of globalization of production and distribution. Many people who are not engaged in repairment of sewing machine, e.g. production and quality control personnel, product designers, and trading company employees, also attend the seminars. We will continue to manufacture the safe, reliable, and attractive products that consumers demand.

With respect to product quality, we give maximum priority to keeping customers' production lines in operation. Accordingly, we have formed response team that visit various locations outside Japan to handle issues in cooperation with local engineers. We will make various activities so that customers who put their trust in JUKI can use their sewing machines at ease for a long time.



Explanation of "sewing" by our product



Seminar for managers of sewing plants

#### Electronic assembly systems business

The Electronic assembly systems business started its operations as "JUKI AUTOMATION SYSTEMS CORPORATION" on August 1, 2013. On March 1, 2014, it started its operations under a new structure integrated with SMT business of Sony Group. The new company will combine mutual structures, systems and technical capabilities cultivated through each CS activities until now, and strive to enhance service quality more than ever.



Training for servicemen

### Quality Assurance・Product safety

We desire to have a strong relationship with customers by continuing to provide products and services that delight and satisfy our customers. In order to realize our desire, we will shorten the lead-time of collecting quality information from customers and field technicians and responding to the customers. We continue such activities as quality training, qualifications acquisition, and skills training at overseas development and manufacturing sites with the aim of raising quality awareness and skill.

In addition, we will collect safety information of each country and provide products taken into account the latest technology trends so that our customers can use our products at ease.

### Measures at the time of an occurrence of a quality problem

If any quality problem is discovered, we will handle it through a communication system for claims only via JUKI's sales companies. We will continue to use various networks and means to respond to demands of our customers.

### Exchange with partner companies

JUKI holds a training workshop for partners in conjunction with Quality Month every November. Speeches are given at the workshop on the environment surrounding JUKI and its future direction, letters of appreciation are given to suppliers that had remarkable results, and guaranteed delivery certificates are issued in an effort to maintain and strengthen cooperative relationships with suppliers.

In fiscal 2013, 107 people from 101 suppliers in Japan attended the event, at which letters of appreciation were given to 8 companies and guaranteed delivery certificates were issued to 48 companies.



Fiscal 2013 JUKI training workshop for partners

## Relationship with Employees

We continue to create safe workplaces in which diverse personnel can operate effectively together.

## Human resource development

JUKI aims to cultivate employees who can fulfill social responsibility from a global perspective and embody JUKI's management philosophy and values. That is why we create opportunities for young employees to participate in training sessions at plants and gain overseas experience early on, and for mid-career employees to gain management experience on the front lines, such as in sales and manufacturing. We are also strengthening HR development through a goals management system and training programs in foreign cultures and languages prior to employees leaving for overseas posts. With respect to personnel at Group companies in Japan and overseas, we attempt to expand the number of core personnel throughout the entire Group by sharing the head office's training programs and through personnel exchanges, such as temporary transfers between Group companies.

## Diverse human resources playing active roles

JUKI makes efforts to expand business and increase employee satisfaction through HR systems that enable diverse working styles and careers. We do not limit core personnel to careers in geographically open positions, in which employees experience job relocation. We offer opportunities for employees in geographically confined careers to expand their abilities and be promoted to management positions. We also offer occupation-defined professional contracts to advanced and specialized personnel. In these and other ways, we have gone beyond work-life balance and differences such as gender and nationality to increase opportunities for capable and motivated human resources to play active roles. We regard senior employees as valuable human resources the same as young and mid-career employees. Accordingly, we strive to place the right people in the right jobs and provide compensation commensurate to roles and contribution to results in an effort to create a rewarding workplace environment.

### TOPICS

#### Distinguished service award in the Minister of Health, Labour and Welfare Commendations Related to Occupational Skills Development

Hideki Tsuchida, a director and general manager of the Manufacturing Control Department of SUZUTAMI PRECISION INDUSTRY CO., LTD., was given a distinguished service award at the fiscal 2013 award ceremony for the Minister of Health, Labour and Welfare Commendations Related to Occupational Skills Development held at the Meiji Kinenkan in Tokyo. This award was given in recognition of deeds that contributed over many years to technical skills testing efforts and expansion, including the development of certified skilled workers.

More than half of the employees of SUZUTAMI PRECISION INDUSTRY are nationally certified skilled workers, making it a company with an extremely high number of skilled workers, even within nearby areas.



## Industrial health and safety

The JUKI head office defines emergency situations in the environmental management system as "the human toll and the effects on soil, air, and water caused by earthquakes and fires." It conducts disaster preparedness drills in a more comprehensive fashion than done conventionally.

In fiscal 2013, it held mock drills under the direction and cooperation of the Tama Fire Station, including swiftly taking a defensive posture under desks, initial firefighting and experience in a smoke house and earthquake simulation vehicle based on the scenario of a fire breaking out in a machining room as a result of a large earthquake.

JUKI AIZU CORPORATION conducted automated external defibrillator (AED) workshops at its Shiokawa and Nishiaizu plants under the direction of members of the Kitakata Fire Station. Personnel practiced rescue breathing and AED operation on a training manikin and learned rescue methods for throat obstruction and first-aid procedures.



First-aid drill using an AED

### TOPICS

#### Efforts to prevent occupational accidents at JUKI (VIETNAM)

JUKI (VIETNAM) CO., LTD. performs a large range of manufacturing processes, including precision casting, parts processing, heat treatment, coating, and assembly. Each of those processes has hidden dangerous tasks and hazards. The company actively carries out prevention activities to protect employees from those dangers and avoid occupational accidents.

Specifically, it conducts safety and health patrols twice a month and risk assessment activities (identifying hazard risks and eliminating or decreasing the level of danger) and also cross-deploys countermeasures through monthly report meetings. The company is aiming to set a new continuous zero-accident record through these efforts to prevent occupational accidents.



Effort to reduce risks through danger prevention training



## We will heighten management transparency by disclosing corporate information in consideration of timeliness, appropriateness and fairness.

### Promoting an understanding of the JUKI business operations to institutional investors

While helping investors to deepen an understanding to JUKI, we have been holding the results briefing twice a year and responding to the individual interview from a financial analyst fund manager in order to increase the strong stockholder who will be able to hold stocks for a long period of time. Moreover, we have been putting various information in our website positively so that investors may deepen a understanding of management policy and a business activity in addition to an settlement-of-accounts related data such as a statement of accounts, a financial report, a business report (to shareholders).

### Promoting an understanding of the JUKI business operations to individual shareholders

In order for shareholders to further deepen their understanding of the business operations of JUKI, we make it a rule to send a business report "To shareholders" that summarizes the overall condition of business operations and the contents of settlement of accounts to all shareholders twice a year. We also provide information in a timely manner in the "To individual investors" section of our website.

In addition, we carry out a tour of inspection of core products after the end of a general meeting of shareholders.

We will exercise our ingenuity so that shareholders can continue to more deeply understand the business operations of JUKI.

## Relationship with Local Communities

## We create good relationships with local communities around the world and deploy activities that are unique to JUKI.

### Communication with local communities

As an example of Education for Sustainable Development (ESD), the JUKI head office gave a presentation at a community and industry-academia-government exchange meeting about the "environment and social studies field trip for elementary school students" that it conducts every year. This is a program, promoted by the local Board of Education under the slogan of "Otona Dzukuri for the year 2050" to develop future adults who can turn their attention to various aspects of society, think about them as their own issues, and take action accordingly.

We will continue to carry out initiatives that help with the education of children and contribute to the creation of a sustainable society.



Social studies field trip for fifth-year elementary school students

### Contribution to local society

In October 2013, the Japanese Red Cross Society gave JUKI AIZU CORPORATION the Golden Order of Merit, which is the highest award presented to organizations that have contributed to the Society's activities. As part of its social contribution activities, the company arranges for a mobile blood donation center with the cooperation of the City of Kitakata. The company received the award for the first time as a result of conducting employee blood drives twice a year for more than 20 years.

The company will continue raising the awareness of blood donations within the company, for the benefit of those needing transfusions.





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