



Results Briefing for the Fiscal Year Ended December 31, 2021 (FY2021)

February 14, 2022
JUKI CORPORATION

(This translation may be used for reference purposes only)

Part 1: Performance of FY2021 (ended Dec. 2021)

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Part 1: Performance of FY2021 (ended Dec. 2021)



1-1. Performance Trends and Dividends

In terms of net sales, we conducted company-wide sales activities such as increasing the operating rate of garment factories, capturing demand for capital investment, and expanding our market share in growth areas.

At the same time, there were delays in the procurement of some parts and delays in distribution. As a result, sales increased by 43.9% year on year.

Ordinary profit increased due to increased sales, improved plant operating rates, continued reductions in fixed costs that were suppressed through cost structure reforms, and the weak yen. However, there was an increase in parts and logistics costs. As a result, ordinary profit increased by 7.4 billion yen from the previous year.

	FY2019 ended Dec. 31, 2019 <A>	FY 2020 ended Dec. 31, 2020 	FY 2021 ended Dec. 31, 2021 <C>	Year-on-Year change <C-B> (%)	Year-on-Year change <C-A> (%)
(Unit: million yen)	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021		
Net Sales	99,169	70,401	101,292	30,890 (43.9%)	2,123 (2.1%)
Operating Profit (Operating profit margin)	3,838 [3.9%]	(4,469) [-]	3,868 [3.8%]	8,337 (-)	30 (0.8%)
Ordinary Profit (Ordinary profit margin)	2,941 [3.0%]	(3,957) [-]	3,439 [3.4%]	7,396 (-)	498 (16.9%)
Profit (Profit margin)	1,763 [1.8%]	(4,688) [-]	2,154 [2.1%]	6,842 (-)	391 (22.2%)
Dividend per share (Standards after share consolidation)	Ordinary ¥ 25	Ordinary ¥ 20	Ordinary ¥ 25	Ordinary + ¥5	Ordinary ± ¥0

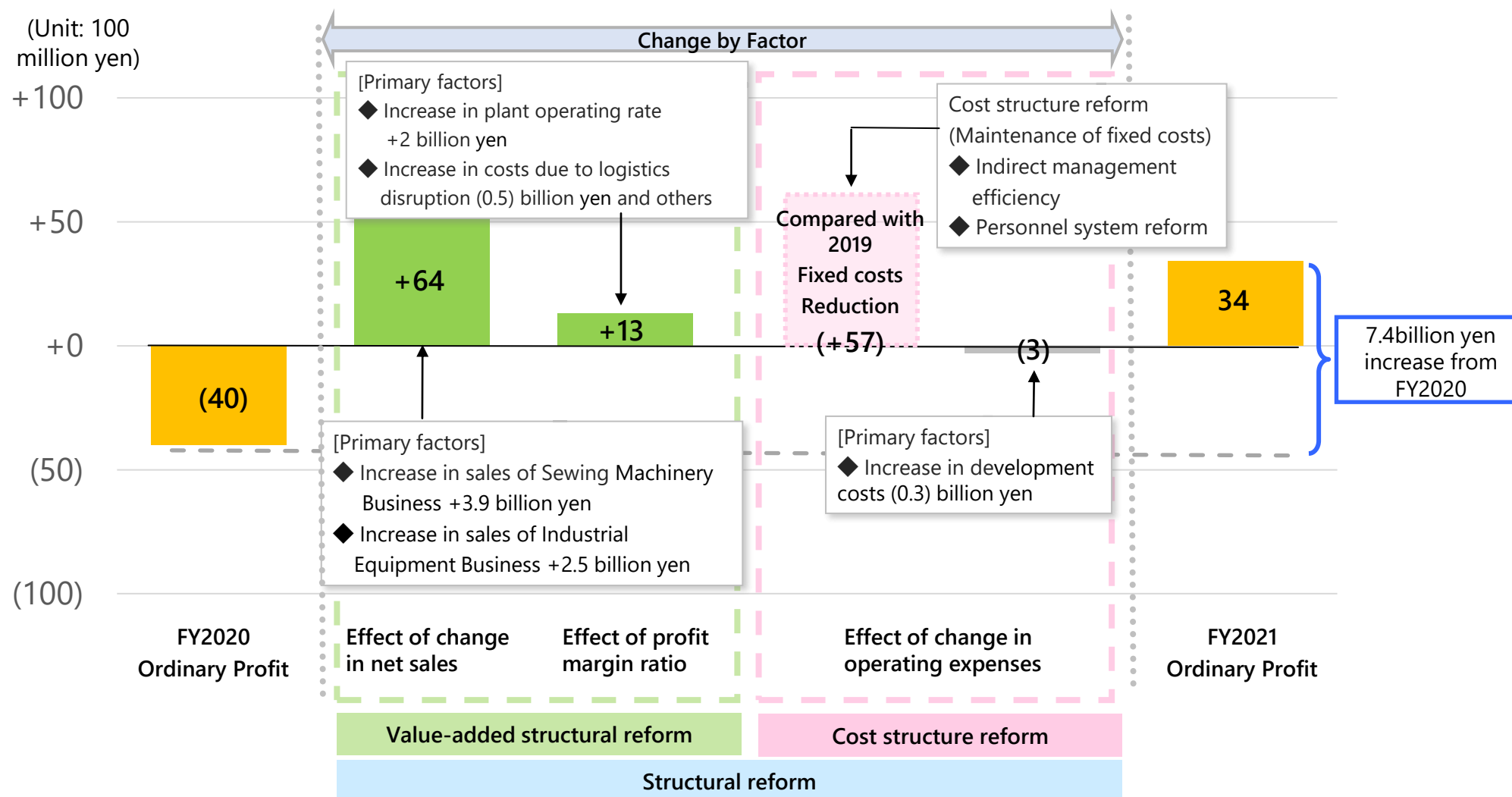
Exchan ge Rate	Dollar Euro	109 yen 123 yen	107 yen 122 yen	110 yen 130 yen	3 yen 8 yen	1 yen 7 yen
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Notes: 1. Exchange rate is an average rate during the period, and such rate influences operating profit.

2. Figures in brackets [] are ratios of profit to net sales. 3. Figures in parentheses () are negative values.

1-2. Factors Leading to an Increase/Decrease in Ordinary Profit

Ordinary profit increased due to increased sales, improved plant operating rates, continued reductions in fixed costs that were suppressed through cost structure reforms, and the weak yen. However, there was an increase in parts and logistics costs. As a result, ordinary profit increased by 7.4 billion yen from the previous year.

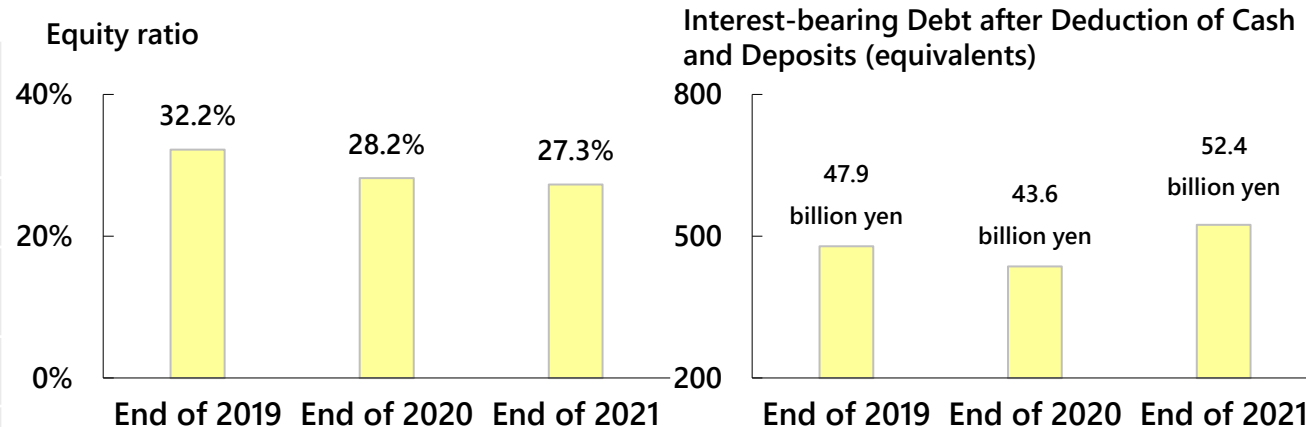


Note 1. Figures in parentheses () are negative values.

1-3. Major Financial Indices Trends

- Total assets increased by 18.9 billion yen year-on-year due to an increase in accounts receivable and inventories accompanying an increase in sales, while deposits were used to repay borrowings.
- Net assets increased by 4.3 billion yen from the end of the previous fiscal year due to an increase in retained earnings and a decrease in negative foreign currency translation adjustments.
- Interest-bearing debt (net of cash and deposit equivalents) increased by 8.8 billion yen due to an increase in accounts receivable in line with sales growth and an increase in inventories to meet growing demand.

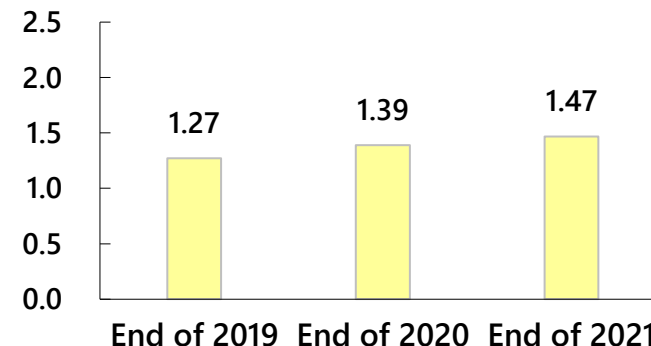
(Unit: million yen)	As of December 31, 2020 (FY2020) <A>	As of December 31, 2021 (FY2021) 	Change <B-A>
Total assets	110,230	129,114	18,884
Net assets (Foreign currency translation adjustment)	31,368 [(4,063)]	35,672 [(1,484)]	4,303 [2,579]
Net asset ratio	28.5%	27.6%	(0.8)%
Equity ratio	28.2%	27.3%	(0.9)%



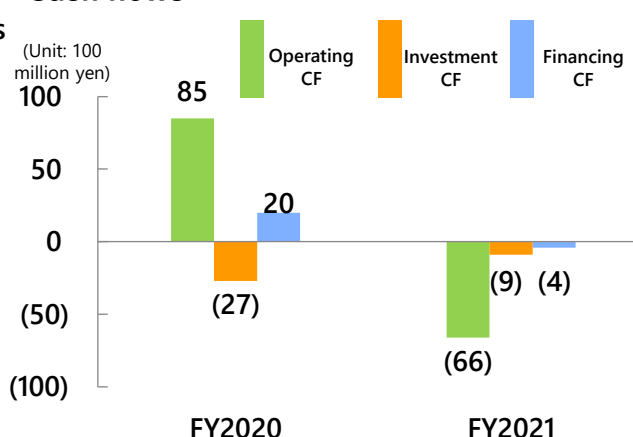
Trade receivable (Turnover period)	23,326 [4.0 months]	34,099 [4.0 months]	10,773 [0.0 months]
Inventories (Turnover period)	36,709 [6.3 months]	51,089 [6.1 months]	14,380 [(0.2 months)]
Trade payable (Turnover period)	10,128 [1.7 months]	19,831 [2.3 months]	9,702 [0.6 months]
Interest-bearing debt	57,443	58,979	1,536
Cash and deposits	13,831	6,594	(7,236)

Exchange rate (period-rate)	1USD	104 yen	115 yen	+11 yen
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Net Debt-to-equity Ratio(Interest-bearing debt after deduction of cash and deposits) /total assets



Cash flows



1-4. Performance by Business Segment: Net Sales

In the Sewing Machinery & Systems segment, sales increased in major markets due to improved operating rates of sewing factories in Europe, the United States, China, and other regions as a result of the activation of markets for industrial sewing machines. On the other hand, the lockdown in Vietnam had an impact on customers, as well as delays in the procurement of some parts and transport logistics delays.

As a result, sales increased by 48.0% year on year.

Sales of Industrial Equipment and Systems segment exceeded those in 2018, when sales were strong, thanks to strategic expansion of sales of high-speed machines in response to demand for capital investment mainly in China. As a result of the year-on-year increase in sales in the Group business, overall sales increased by 37.8% year on year.

(Unit: million yen)	FY 2019 ended Dec. 31, 2019 <A>	FY 2020 ended Dec. 31, 2020 	FY 2021 ended Dec. 31, 2021 <C>	Year-on-Year change <C-B> (%)	Year-on-Year change <C-A> (%)
	Jan- Dec 2019	Jan-Dec 2020	Jan- Dec 2021		
Sewing Machinery & Systems	64,260	42,732	63,213	20,481 (47.9%)	(1,047) (- 1.6%)
Industrial Equipment & Systems	34,671	27,447	37,834	10,386 (37.8%)	3,163 (9.1%)
Others	237	221	244	23 (10.4%)	7 (3.0%)
Total	99,169	70,401	101,292	30,890 (43.9%)	2,123 (2.1%)
Group Business	10,804	9,100	10,239	1,139 (12.5%)	(565) (- 5.2%)

Note 1. Figures in parentheses() are negative values.

1-5. Performance by Business Segment: Ordinary Profit

In the Sewing Machinery & Systems segment, although margins improved due to increased sales, improved plant operating rates, and continued cost reductions, there was an increase in parts and distribution costs. As a result, profit increased by 3.7 billion yen from the previous year.

Industrial Equipment & Systems segment recorded a year-on-year increase of 2.9 billion yen due to increased sales, improved plant operating rates and continued cost reductions.

	FY 2019 ended Dec. 31, 2019 <A>	FY 2020 ended Dec. 31, 2020 	FY 2021 ended Dec. 31, 2021 <C>	Year-on-Year change <C-B> (%)	Year-on-Year change <C-A> (%)
(Unit: million yen)	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021		
Sewing Machinery & Systems Ordinary profit margin	2,680 [4.2%]	(2,201) [-]	1,517 [2.4%]	3,718 (-)	(1,163) (43.4)
Industrial Equipment & Systems Ordinary profit margin	1,853 [5.3%]	(42) [-]	2,865 [7.6%]	2,907 (-)	1,012 (54.6%)
Others Ordinary profit margin	86 [36.3%]	90 [40.7%]	75 [30.7%]	(14) (-15.6%)	(11) (- 12.8%)
Adjustment	(1,678)	(1,803)	(1,018)	785	660
Total	2,941 [3.0%]	(3,957) [-]	3,439 [3.4%]	7,396 (-)	498 (16.9%)

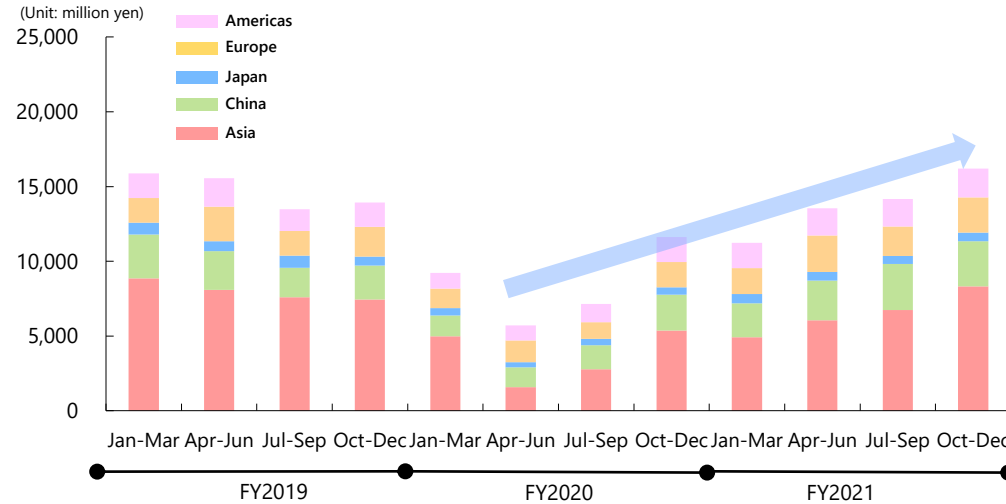
Note 1. Figures in parentheses() are negative values.

(Reference Info#1) Performance by Business Segment: Sewing Machinery & Systems Business

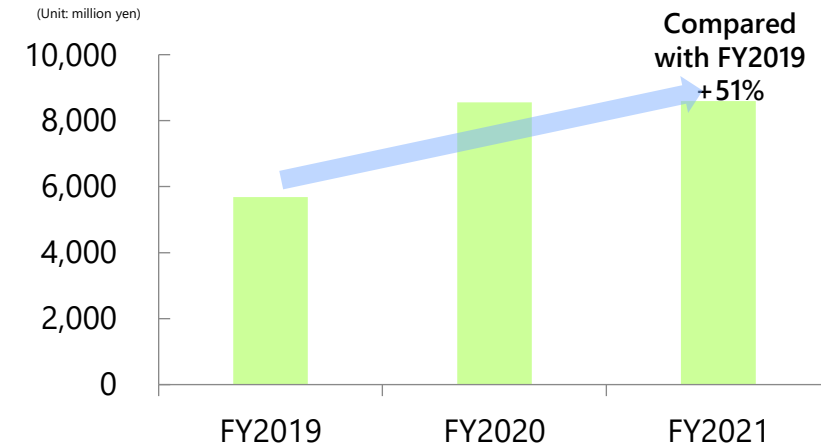
Sales of industrial sewing machines increased By 64% year-on-year and recovered to a level higher than in 2019 from the third quarter.

Sales of household sewing machines increased by 51% over 2019, maintaining the level of increase in sales in 2021 due to stay-at-home demand in 2020.

1. Changes in Net Sales of Industrial Sewing Machines by Region



2. Changes in Net Sales of Household Sewing Machines



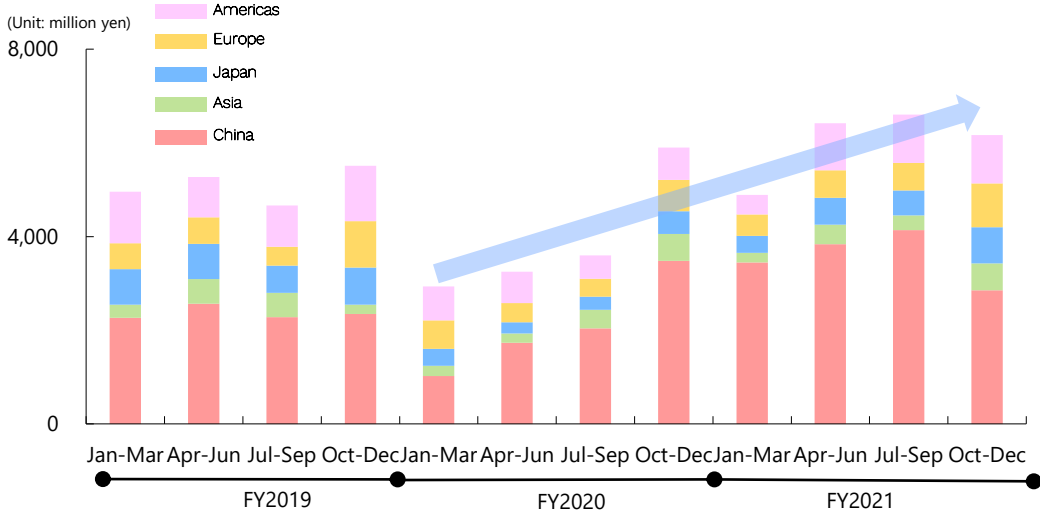
Net sales: Year-on-year comparison (Unit: 100 million yen)

	FY2020 (Jan- Dec)	FY2021 (Jan- Dec)	Amount of change	% change
Asia	147	260	+113	+77%
China	67	110	+43	+65%
Asia + China	214	370	+156	+73%
Japan	18	23	+5	+30%
Europe	56	85	+29	+53%
Americas	50	73	+23	+47%
Total	337	551	+215	+64%

(Reference Info#2) Performance by Business Segment: Industrial Equipment & Systems Business

Sales of Electronic Assembly Systems increased by 54% from the previous year, surpassing the strong performance of 2018.

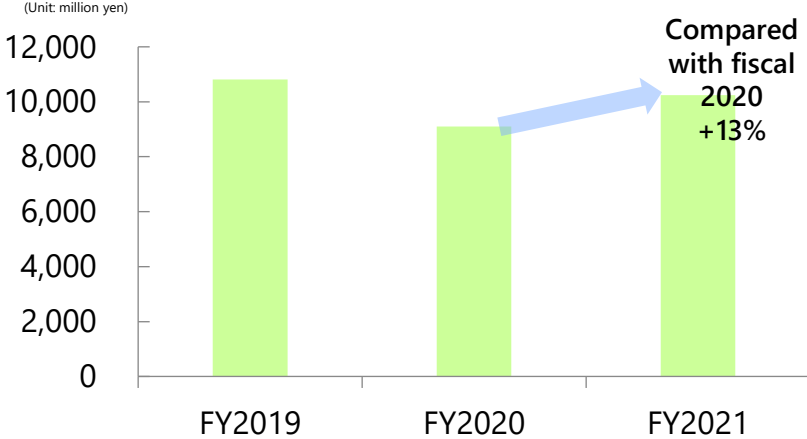
1. Changes in Net Sales of Electronic Assembly Systems by Region
(including parts/services)



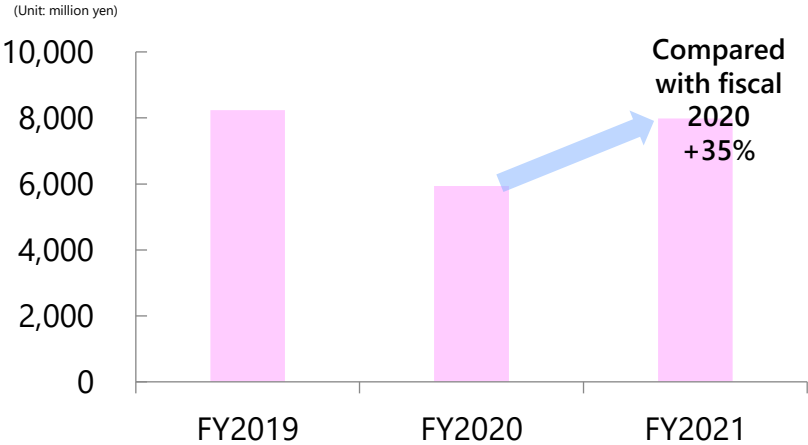
Net sales : Year-on-year comparison (Unit: 100 million yen)

	FY2020 (Jan- Dec)	FY2021 (Jan- Dec)	Amount of change	% change
China	83	143	+60	+72%
Asia	14	15	+1	+10%
China + Asia	97	158	+61	+64%
Japan	14	22	+8	+62%
Europe	21	26	+5	+25%
Americas	26	35	+9	+35%
Total	157	241	+84	+54%

2. Group Business: Changes in Net Sales



3. Parts Business: Changes in Net Sales



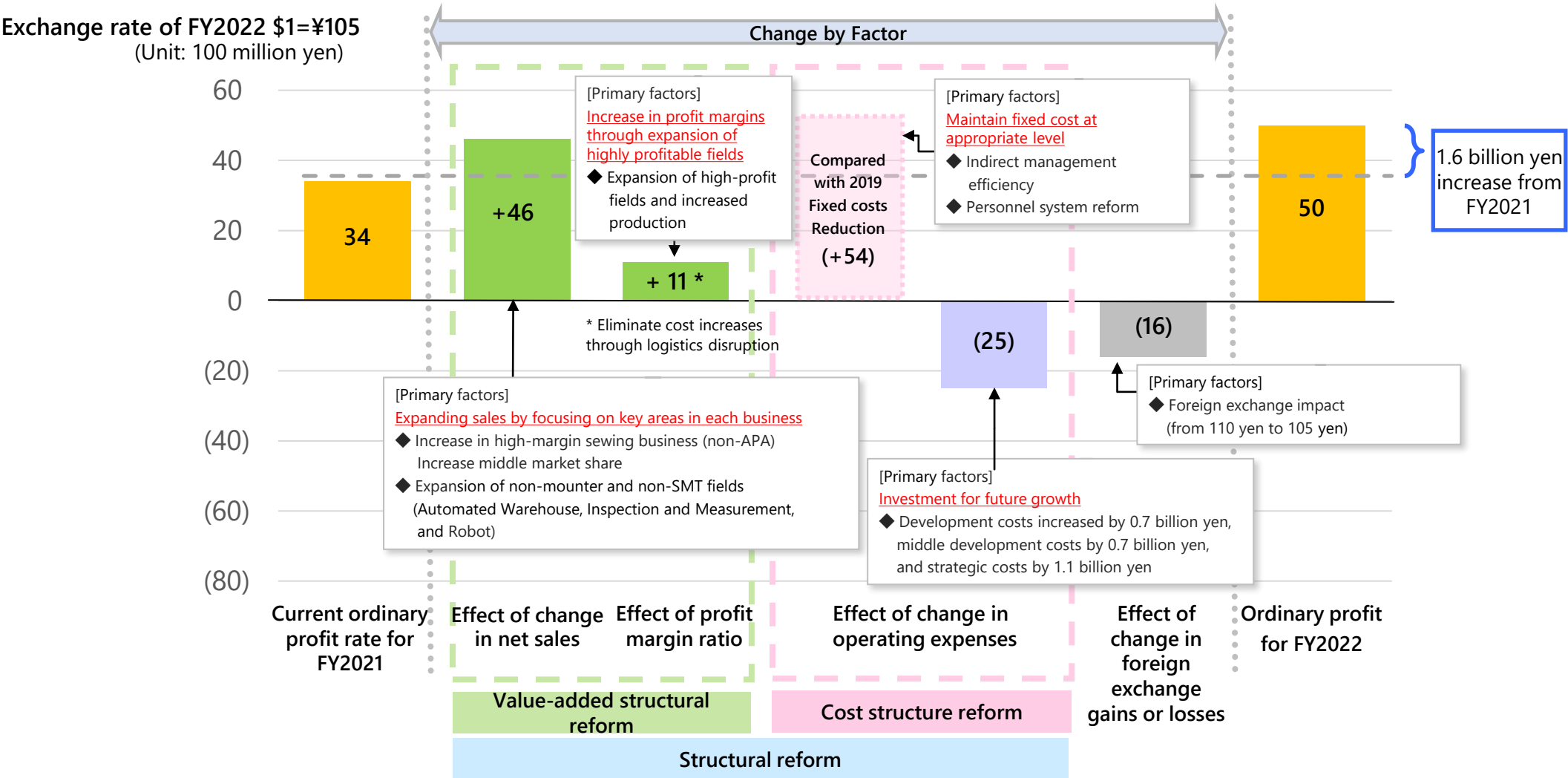
1-6. Performance Forecast for the fiscal year ending December 31, 2022 (FY2022)

(Unit: 100 million yen)	Full year FY2022 (Jan-Dec)	Full year FY2021 (Jan-Dec)	Change from the previous year [Percentage change]
	Forecast	Actual	
Net Sales	1,160	1,013	+147 [+14.5%]
(Sewing Machinery & Systems)	(732)	(632)	(+100) [+15.8%]
(Industrial Equipment & Machinery Systems)	(424)	(378)	(+46) [+12.2%]
Operating Profit	53	39	+14
Ordinary Profit	50	34	+16
Profit	31	21	+10
Dividend per share	Full year: ¥30	Full year: ¥25	+ ¥5
Exchange rate 1US\$	¥105	¥110	¥(5)

1-7. Factors for Changes in Ordinary Profit for the Fiscal Year ending December 31, 2022 (FY2022)

We will continue to improve profitability by expanding sales in high-profit areas through value-added structural reforms and reducing fixed costs through cost structural reforms.

At the same time, we are steadily implementing strategic investments aimed at future growth, with the goal of achieving ordinary profit of 5 billion yen up 1.6 billion yen from the previous year.





Part 2: Measures for Achieving Medium-Term Management Plan (Final Year of Value Up 2022)



2-1. Business Environment/ Recognition of Challenge

In order to continue to be a company that meets the needs of various customers and is needed by society in the midst of a rapidly changing business environment shifting to a new business model for new normal is a challenge.

Business Environment	
General	<ul style="list-style-type: none"> • Diversifying needs due to market/customer changes • Related markets (apparel / knitwear / semiconductors / automobiles / medical devices, etc.) expanded due to market recovery from COVID-19 • Increased market penetration by providing products and services utilizing cutting-edge technologies such as AI, IoT, and 5G • Global soaring raw material prices/parts shortages continue
Competitive Environment	<ul style="list-style-type: none"> • Expansion of business domains through competitor's growth, Mergers and Acquisitions
Social Needs	<ul style="list-style-type: none"> • Promotion of work-style reform (digitization, remote work) • Compliance/Strengthening corporate governance • Responding to SDGs and carbon neutrality

Recognition of Challenge:

Shift to a new business model fit for the new normal

2-2. Positioning in 2022 (Final Year of Value Up 2022)

2022=The year to build a foundation to bridge the gap between the goals of the next medium-term plan.

- Set target values with a view to 2025, three years from now
- Setting internal targets that clearly define "investment and return" (introduction of ROIC)

Vision for the next medium-term plan

Backcasting

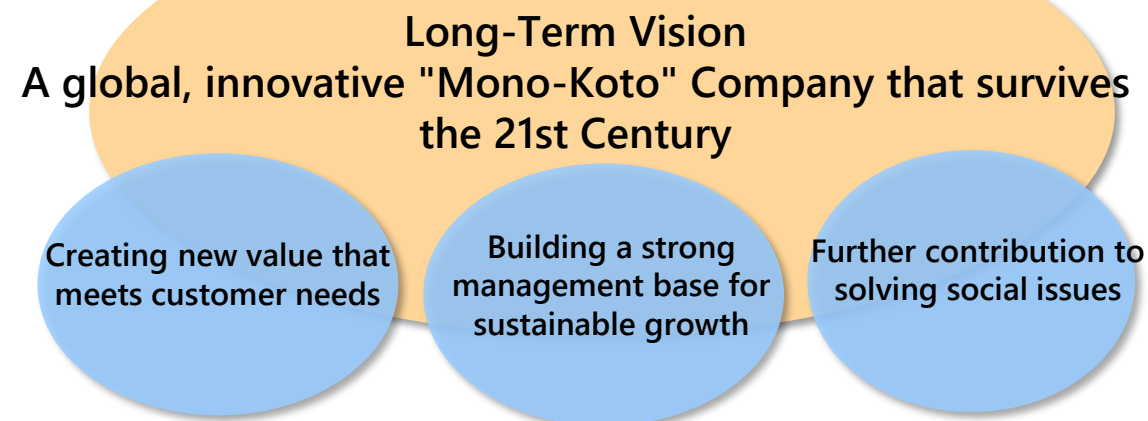
2022 = "Final Year of Medium-Term Plan Value Up 2022"

Vision

A "Mono-Koto" Company where Customers and JUKI is capable of increasing corporate value through products and services
~ Becoming a WinWin Partner for a Smart Factory ~

Management focus

- 1) Transforming the business portfolio
Further expand business domains and build a customer base for the future
- 2) Strengthening the business foundation supporting growth
Investment in equipment, development, and information systems
- 3) Challenge to realize a sustainable society
Initiatives for achieving carbon neutrality/
Initiatives to make the most of the diversity of individual employees



Reference : Internal target values

Net Sales

160 billion yen

Ordinary profit

10 billion yen

Equity ratio

50% or more

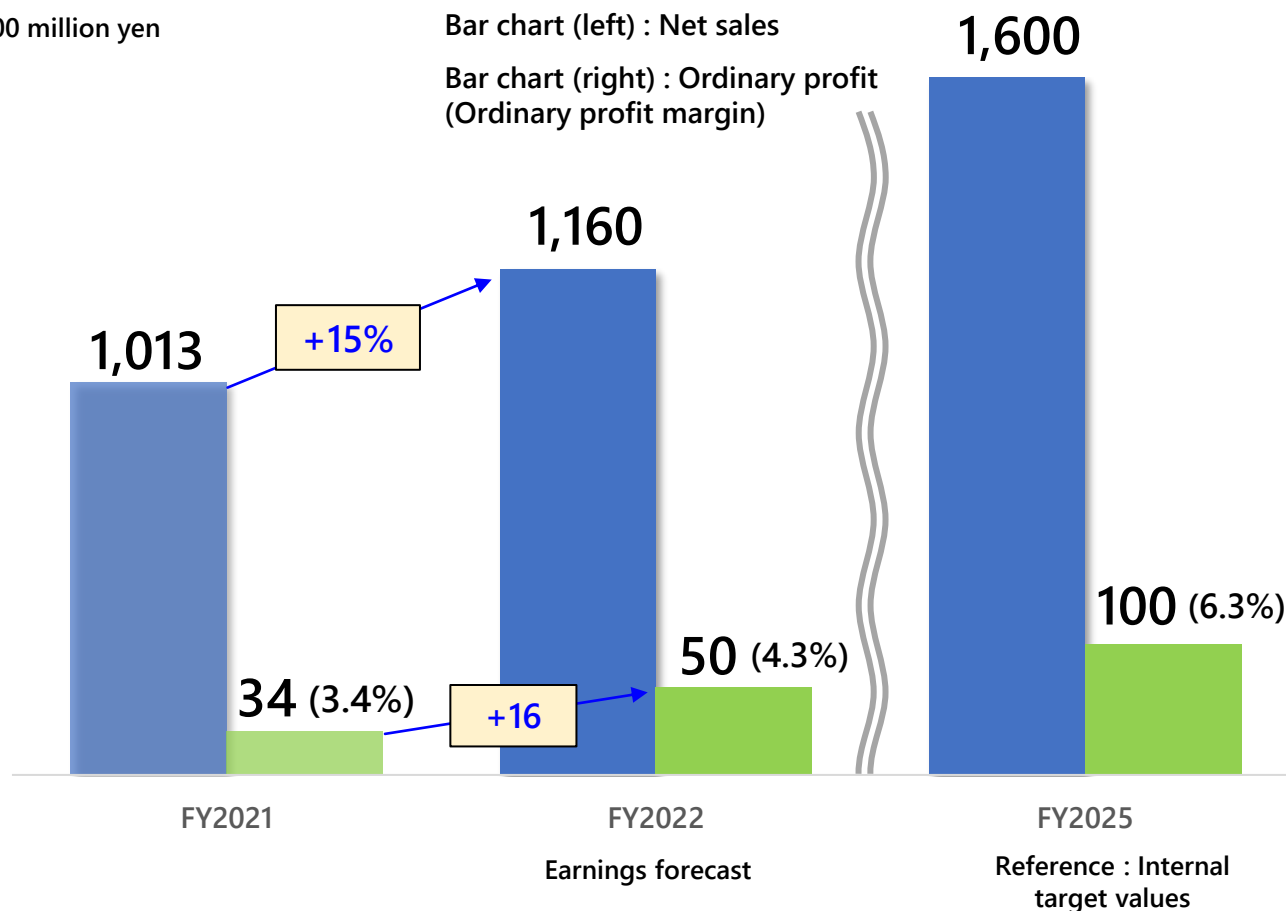
2-3. 2022 (Final Year of Value Up 2022): Target Value

Setting targets to be achieved by 2022, with an eye on the ideal situation three years ahead.

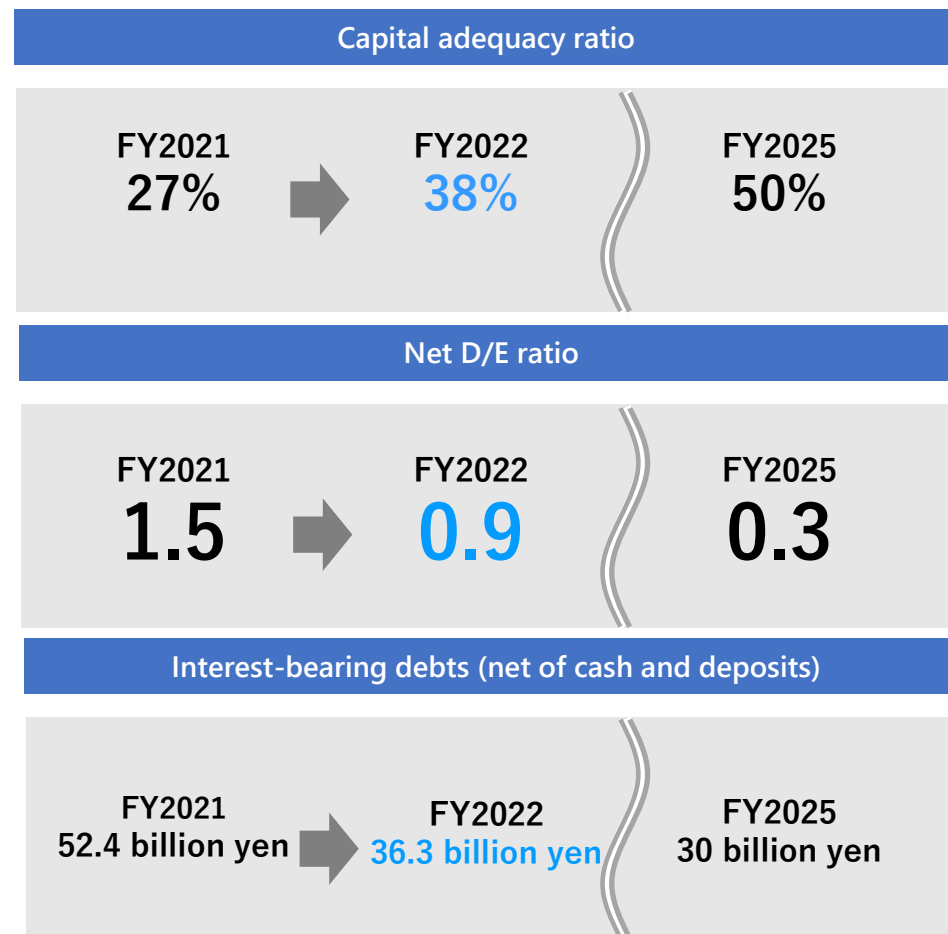
[Sales/Ordinary profit]

* The exchange rate is calculated based on the actual rate in 2021 and 1 dollar = 105 yen after 2022.






Unit : 100 million yen



[Major Financial Indices] * Internal targets for fiscal 2025



2-4. 2022 (Final Year of Value Up 2022): Priority Policies by Business/Sales Targets

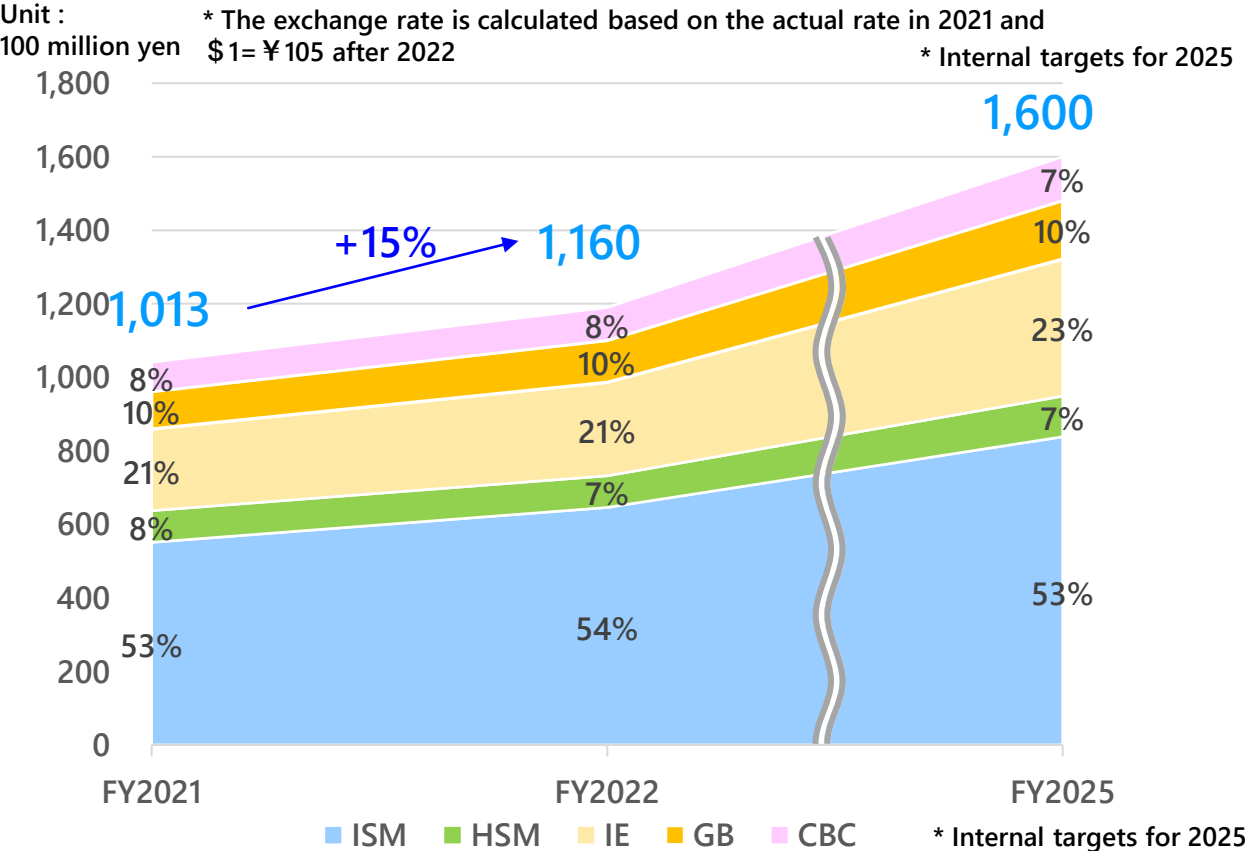
Business (Abbreviation)	Priority policy	Sales target * Internal targets for FY2025	
Industrial sewing machines (ISM)	<ul style="list-style-type: none"> • Increase market share in the middle market to build a customer base for the future • Build profitable business models by strengthening high-value-added products and proposal-based marketing 	FY2021 55.1 billion yen  FY2022 64.6 billion yen	FY2025 83.9 billion yen
Home sewing machines (HSM)	<ul style="list-style-type: none"> • Strengthen marketing to increase market share after demand for housing • Implementation of integrated management by thorough support for the head office that complements the functions of sales companies 	FY2021 8.6 billion yen  FY2022 8.6 billion yen	FY2025 11.1 billion yen
Industrial equipment (IE)	<ul style="list-style-type: none"> • Further expansion of new areas in non-mounter + non-SMT areas • Increase market share of high-speed machines by the implementation of new models 	FY2021 22.2 billion yen  FY2022 25.4 billion yen	FY2025 37.2 billion yen
Groups Business (GB)	<ul style="list-style-type: none"> • Strengthen acquisition of core customer projects through expansion of capital investment • Expand engineering business by leveraging the strengths of each plant 	FY2021 10.2 billion yen  FY2022 11.4 billion yen	FY2025 16 billion yen
Customer Business (CBC)	<ul style="list-style-type: none"> • Expanding the sewing service business based on the inspection support application • Restructure the industrial Equipment service system by expanding remote services 	FY2021 8 billion yen  FY2022 9 billion yen	FY2025 11.9 billion yen

2-5. 2022 (Final Year of Value Up 2022): Business Portfolio Reform

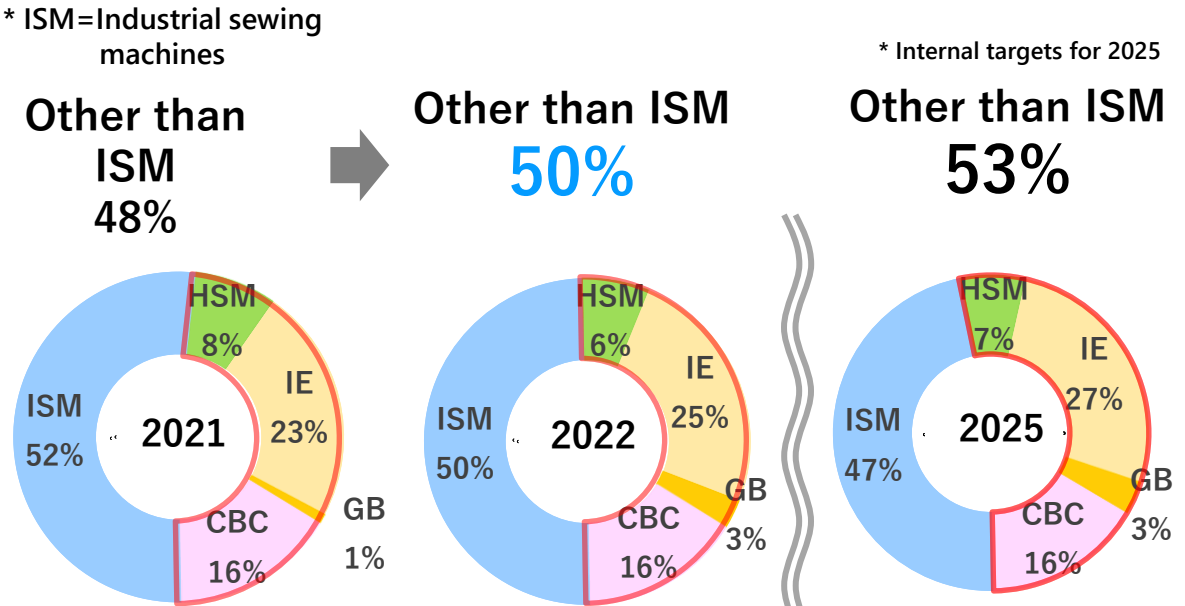
Net sales : Aiming to achieve continuous business growth by focusing on expanding business areas in priority areas in each business

Gross profit : Increase profitability by expanding high-value-added fields such as industrial equipment and customer business

Net sales portfolio

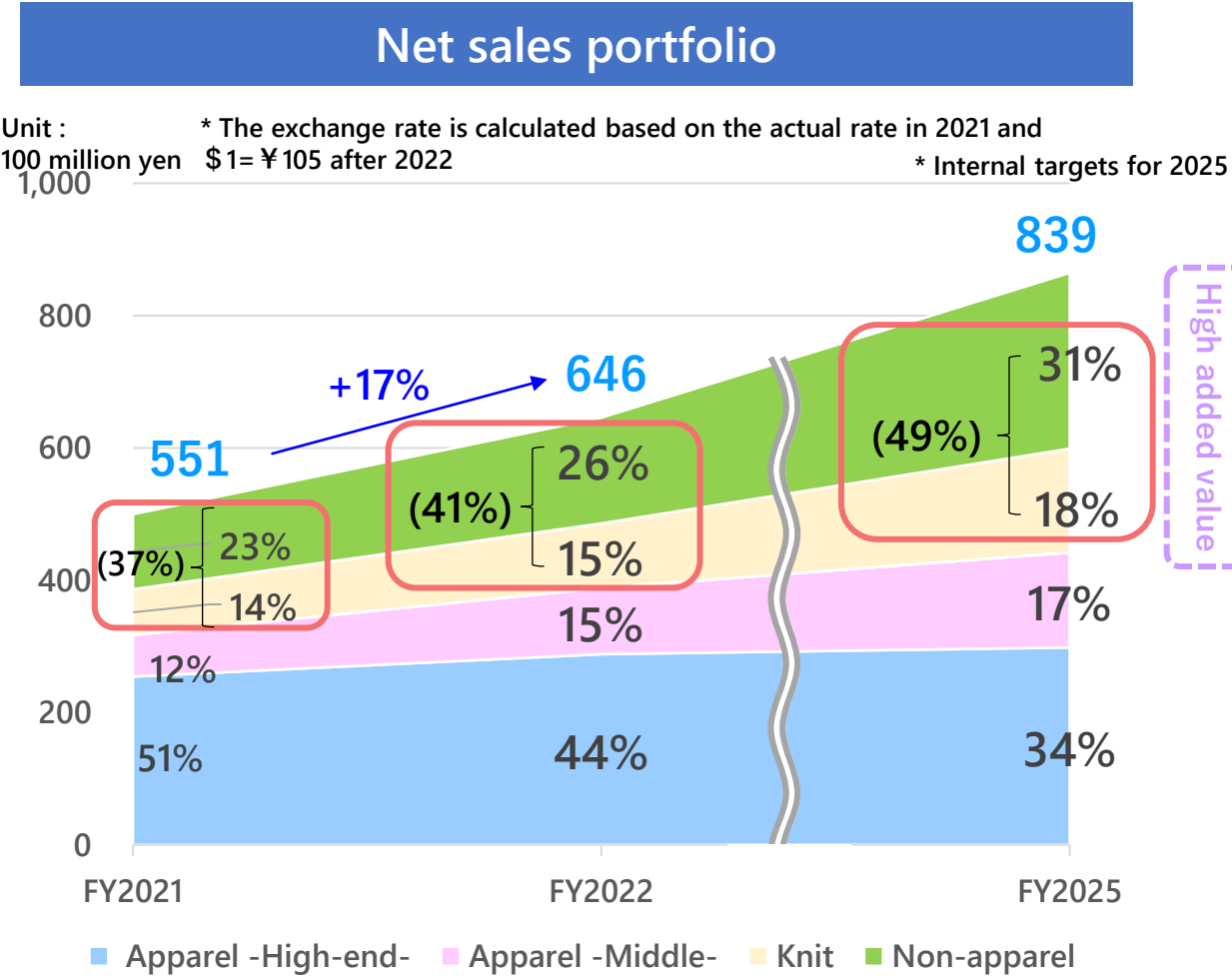


Percentage of gross profit



2-6. 2022 (Final Year of Value Up 2022): Business Portfolio Reform (Industrial Sewing Machines)

Increase the ratio of non-apparel / knit products in high-value-added areas from 37% in 2021 to 41% in 2022.
We will build a customer base by expanding our market share in the middle market.

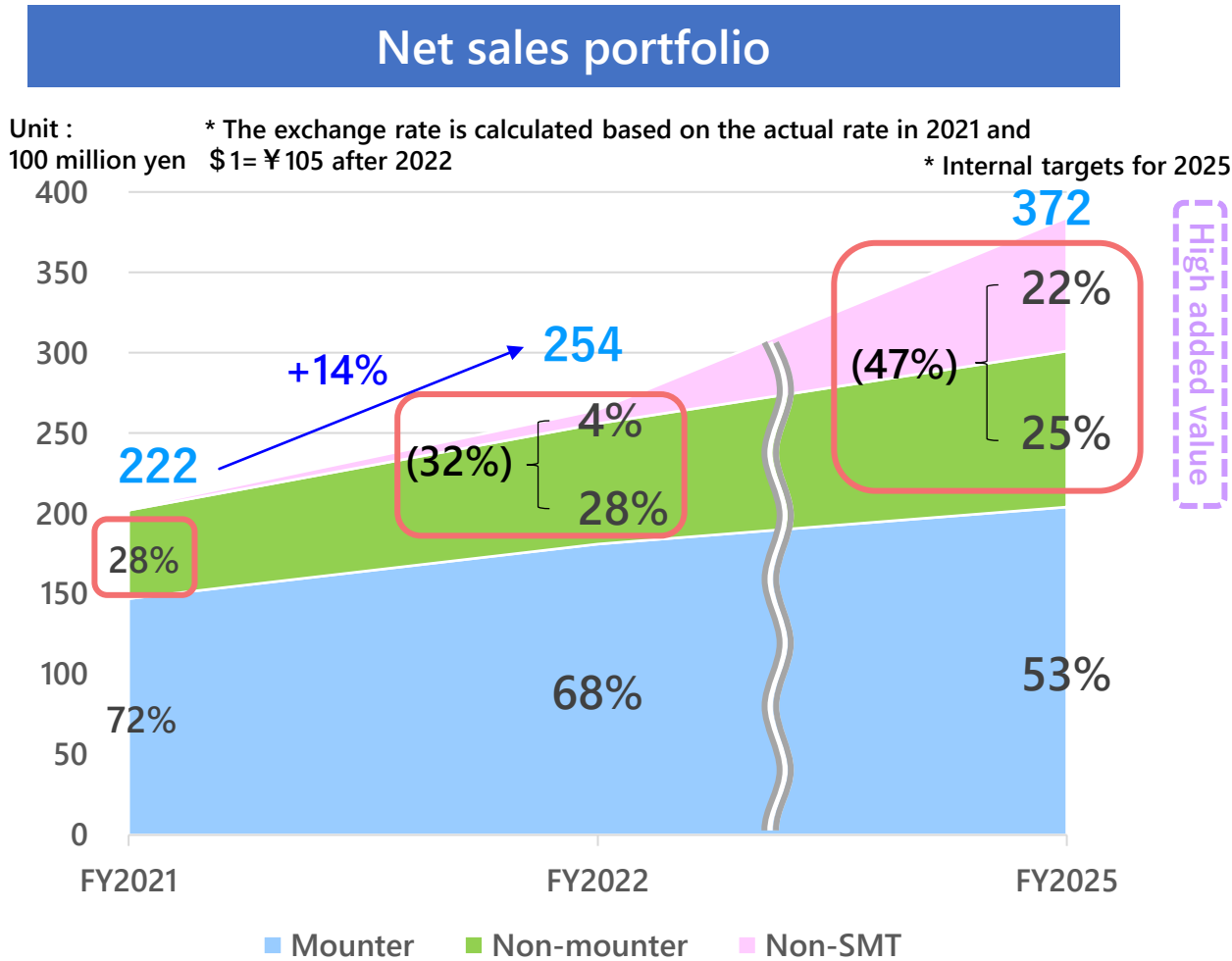


Key Initiatives	
Apparel High-end	<ul style="list-style-type: none">• Creating smart factories for customer factories by expanding the deployment of one stop solutions• Expanding the deployment of automated machines utilizing our strengths
Apparel Middle	<ul style="list-style-type: none">• Increase market share with JIN brand (models for middle market in emerging countries)
Knit	<ul style="list-style-type: none">• Developing emerging countries such as Latin America and Africa through business alliance with PEGASUS SEWING MACHINE MFG. CO., LTD.
Non-apparel	<ul style="list-style-type: none">• Strengthen sales for automotive seats / sports shoes / furniture customers* JUKI TECHNO SOLUTIONS, Jointly with Mitsubishi Electric Corporation and Meiryo Technica Corporation, is to be established in May 2022,

2-7. 2022 (Final Year of Value Up 2022): Business Portfolio Reform (Industrial Equipment)

In the areas of inspection and measurement, robots, and semiconductors, increase the percentage of non-mounter segment from 28% in 2021 to 32% in 2022.

We also plan to expand our business to include customers who do not have the product and aim for 22% by 2025.



Key Initiatives	
Mounter	High-speed mounter • Launch of high-speed mounter for wearable devices and 5G related devices
Non-mounter	Robot • Deployment of automated solutions utilizing robots Automated Warehouse • Expansion of sales network and expansion to other industries by strengthening collaboration with ESSEGI AUTOMATION S. r. l.
Non-SMT	Inspection and measurement • Strengthen sales to major EMS customers • Expanding business domains (automotive and parts processing inspection) in the visual inspection area in collaboration with XTIA • Expanding into the semiconductor field

2-8. 2022 (Final Year of Value Up 2022): Investment Plan

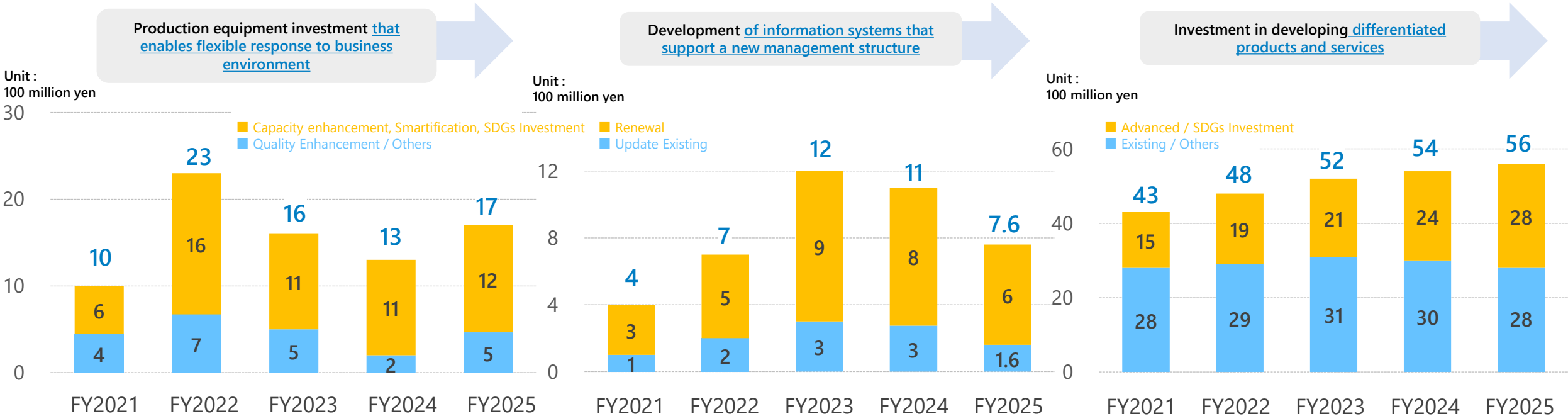
2022=The year in which approximately 30 billion yen will be invested toward 2025 to strengthen business foundation supporting **growth**.

Investment Plan (2022-2025)

Capital Investment
6.9 billion yen

Information System Investment
3.8 billion yen

Development Investment
21 billion yen



2-9. Key Initiatives in the Investment Plan (2022)

Division	Key Initiatives
Equipment Investment	Skill Enhancement * 1 <ul style="list-style-type: none"> Aiming to win projects in growth areas such as semiconductors, measuring instruments, electric vehicles and robots Strengthening response capabilities at each group company Ex. JUKI Industrial Equipment Technology: Strengthen EMS business Otawara Factory: Expansion of precision equipment assembly business including microscopes and semiconductors JUKI Aizu: Significantly increase MIM (metal powder injection molding) production capacity Smartification <ul style="list-style-type: none"> Making each factory smarter by promoting automation and digitization of production factories SDGs Investment <ul style="list-style-type: none"> Introduction of FEMS in each factory / improvement of productivity / introduction of LED in Tama Head Office Building Further reduction of CO2 emissions
Information System Investment	Strategic investment * 2 <ul style="list-style-type: none"> Use of IT tools to improve the efficiency of settlement/order management (Introduction of next-generation ERP / expansion of RPA)
Development Investment	Advanced Development * 3 <ul style="list-style-type: none"> Development of products and services utilizing advanced technologies such as AI/5G/IoT SDGs Investment * 4 <ul style="list-style-type: none"> Development of sewing machines/mounters with low environmental impact such as reduction of power consumption Enhancement of remote services such as ShuHaRi and e-learning

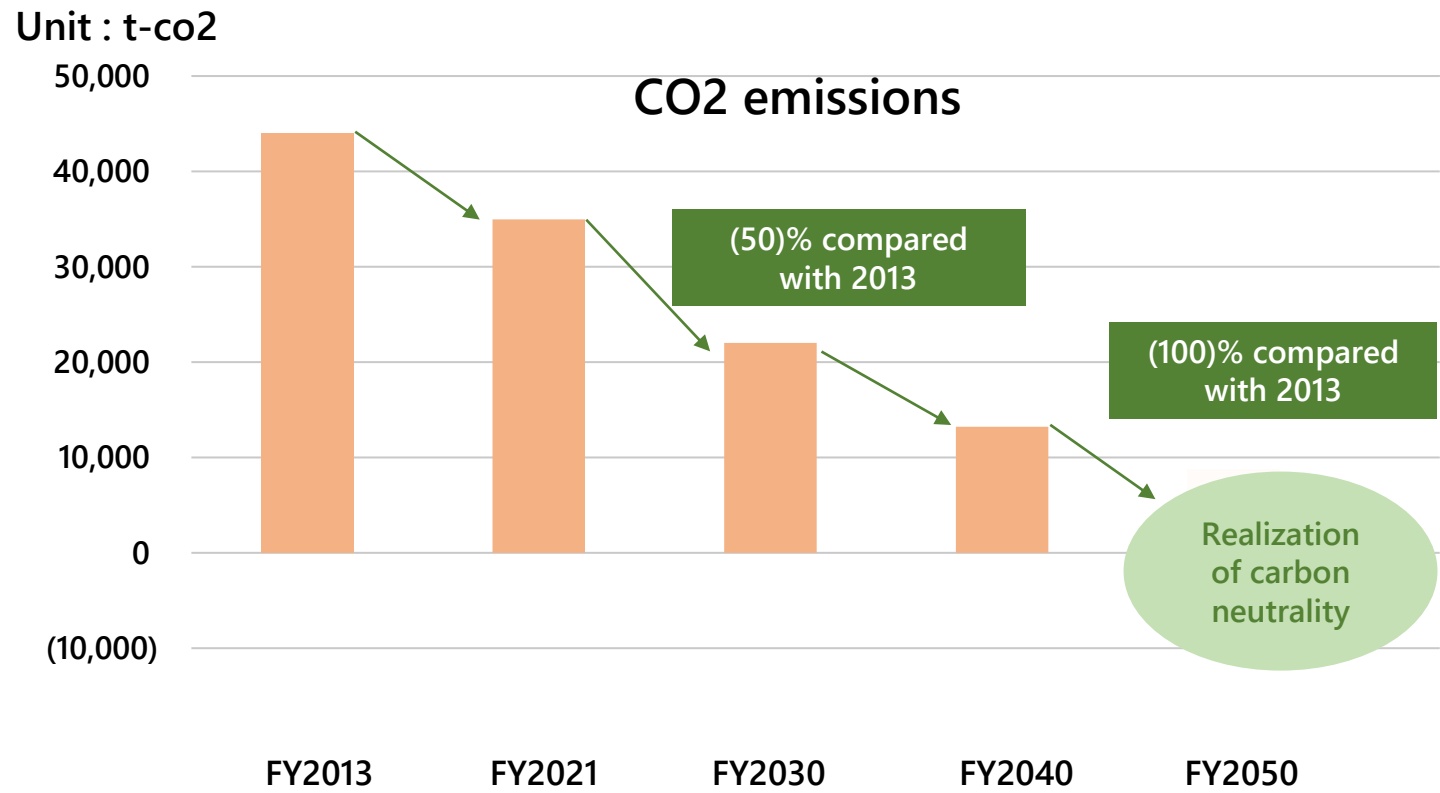
* Internal targets for FY2025

* 1 Core customer sales in group businesses
FY2021 2.1 billion yen → FY2022 4.3 billion yen → FY2025 7.5 billion yen
* 2 Indirect costs ratio by revenues.
FY2021 5% → FY2022 4% → FY2025 3%
* 3 Advanced investment ratio in development investment
FY2021 31% → FY2022 40% → FY2025 50%
* 4 SDGs-related investment ratio in development investment
FY2021 10% → FY2022 20% → FY2025 40%

2-10. Initiatives for Achieving Carbon Neutrality

The JUKI Group has made further efforts to address the global environment including climate change
Aiming to realize carbon neutrality by 2050 * 1

* 1 Reduce CO2 emissions by 50% from 2013 levels by 2030 and by 100% from 2013 levels by 2050 (SCOPE1/2 target)



Initiatives to reduce CO2 emissions

Production Equipment		<ul style="list-style-type: none">Switch to equipment with less environmental impactSwitch to a smarter production system
Buildings		<ul style="list-style-type: none">Visualization of energy loadPromotion of switching to energy-saving equipment
Power		<ul style="list-style-type: none">Replacement with renewable energy
Absorption / Remove		<ul style="list-style-type: none">Use of carbon credits (Support for Afforestation Projects)

* In addition to the above, we will promote initiatives to reduce CO2 emissions throughout the JUKI supply chain, including the development of energy-saving and resource-saving products, the use of highly recyclable materials, the collection and recycling of used aircraft, and modal shifts in distribution

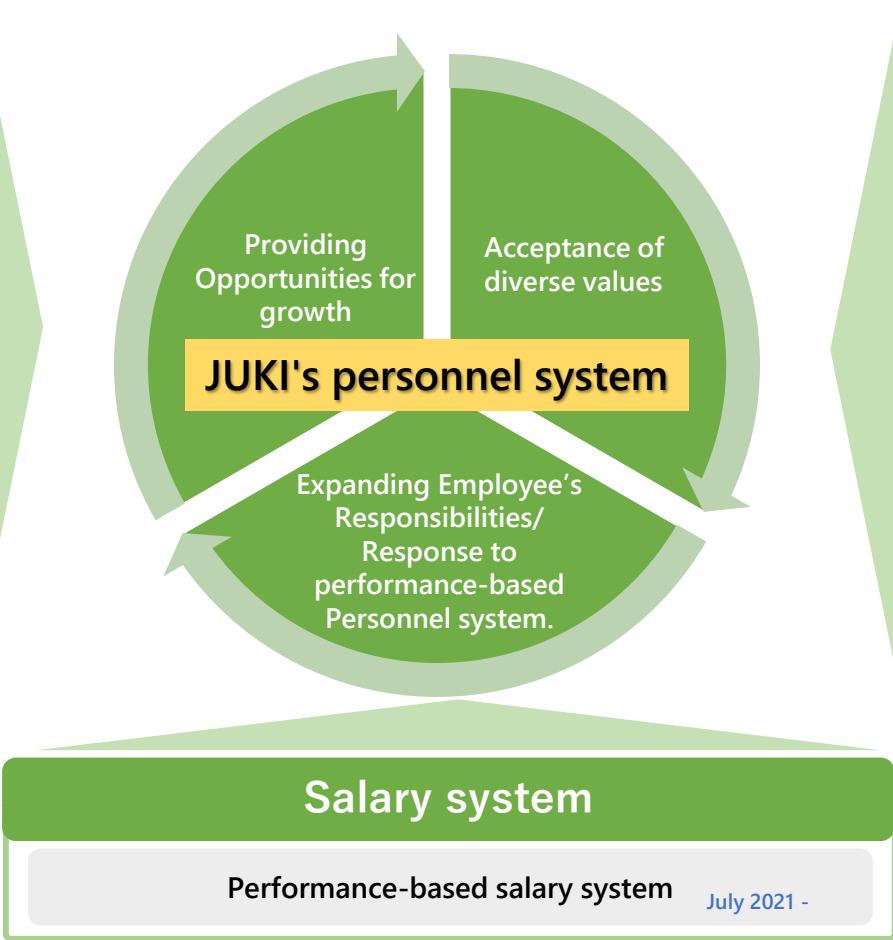
Note : 1. Figures in parentheses() are negative values.

2-11. Initiatives to Make the Most of the Diversity of Individual Employees

In order to develop human resources capable of responding vigorously and flexibly to changes in the business environment in the new normal, the JUKI Group is promoting the creation of a system to further enhance the abilities of each and every employee while accepting differences in various values.

Human Resource Education/Utilization ~ Increase added value ~

- Career development plan system
October 2018 -
- Specialized Employee System
(utilization of experienced employees)
January 2017 -
- Career recruitment system and group recruitment system
2018
- Initiatives to be further strengthened
- For the further advancement of women
Action plan deployment
- Global Human Resource Utilization System



- ## Work system ~ Initiatives in the new normal ~
- Selective work system
(Short working hours and three days weekend system)
April 2020 -
 - Remote work system
April 2020 -
 - Slide work system
January 2019 -
 - Side job system
May 2020 -
 - In-house side job system
(Internal support)
June 2021 -

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.

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