

05 Governance



Building Sustainable JUKI

Board of Directors	41
Roundtable Discussion with Outside Officers	42-43
Corporate governance	44-47
Compliance	47
Risk management	48-49







List of officers

(as of July 1, 2025)




Please visit our website for detailed profiles of our officers.

For details on the reasons for the appointment of each director, please refer to the notice of the 110th Ordinary General Meeting of Shareholders.



Directors

Name	 <div>Atsushi Narikawa Representative Director & President Chairman of the Board of Directors Member of the Nominating and Compensation Advisory Committee Chairman of the Sustainability Promotion Committee</div>	 <div>Hiroshi Anzai Director & Managing Officer</div>	 <div>Keiichi Hashimoto Director & Managing Officer</div>	 <div>Yutaka Hori <div>Outside</div> Outside Director (Independent Directors) Chairman of the Nominating and Compensation Advisory Committee</div>	 <div>Junko Watanabe <div>Outside</div> Outside Director (Independent Directors) Member of the Nominating and Compensation Advisory Committee</div>	 <div>Hiroko Nihei <div>Outside</div> Outside Director (Independent Directors) Member of the Nominating and Compensation Advisory Committee</div>
Position						
Brief biography	<div><div>April 1982</div>Joined Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)<div>March 2006</div>Seoul Branch Manager of the same bank<div>April 2009</div>Executive Officer and General Manager of Sales Department 13 of the same bank<div>April 2010</div>Managing Executive Officer of the same bank<div>May 2015</div>Joined Foster Electric Company, Limited, Senior Managing Director<div>June 2020</div>President & Representative Director, and COO of the same company<div>June 2022</div>President & Representative Director, and CEO of the same company<div>June 2023</div>Chairman of the Board of the same company<div>March 2024</div>Joined the Company, Director<div>April 2024</div>Director, Executive Vice President, and corporate officer of the Company<div>July 2024</div>Representative Director & President, and Representative Director, Chairman of JUKI AUTOMATION SYSTEMS CORPORATION, and Representative Director, Chairman of JUKI TECHNOSOLUTIONS CORPORATION (present)</div>	<div><div>April 1995</div>Joined the Company<div>March 2019</div>Executive Officer<div>March 2021</div>Managing Officer for Development Center, and General Manager of Corporate Planning Dept.<div>July 2022</div>Managing Officer for Development Center, And Managing Officer for Development Center of JUKI AUTOMATION SYSTEMS CORPORATION, and Director and Managing Officer of JUKI TECHNOSOLUTIONS CORPORATION, and General Manager of Development Center of JUKI TECHNOSOLUTIONS CORPORATION<div>January 2025</div>Managing Officer & General Manager of IndustrialEquipment Business Unit and in charge of Development Unit, and Representative Director of JUKI AUTOMATION SYSTEMS CORPORATION, and Director of JUKI AMERICA, INC., and Director of ESSEGI AUTOMATION S.r.l.<div>March 2025</div>Director & Managing Officer Head of the Industrial Equipment Unit and supervisor of the Development Unit and Representative Director and President of JUKI AUTOMATION SYSTEMS CORPORATION and Director of JUKI AMERICA, INC. and Director of ESSEGI AUTOMATION S.r.l.<div>July 2025</div>Director & Managing Officer General Manager of Industrial Equipment Business Unit and supervisor of the Development Unit and Representative Director and President of JUKI AUTOMATION SYSTEMS CORPORATION and General Manager of the Sales Center and Director of JUKI AUTOMATION SYSTEMS GMBH. and Director of JUKI AMERICA, INC. and Director of ESSEGI AUTOMATION S.r.l. (present)</div>	<div><div>April 1986</div>Joined Sony Corporation<div>June 2003</div>Vice President of Sony Electronics Inc.<div>November 2013</div>General Manager of Sony Electronics Huanan Co., Ltd.<div>March 2015</div>Executive manager of Sony EMCS Corp. (currently Sony Global Manufacturing & Operations Corporation)<div>January 2020</div>Director, ditto and Managing Director of Sony Technology (Thailand) Co.Ltd.<div>July 2022</div>Joined the Company, Advisor March 2023 Executive Officer for Production Center, and General Manager of Production Planning Dept.<div>January 2024</div>Managing Officer in charge of Production Center and in charge of Group Business Company of Industrial equipment & Systems Business Unit and General Manager of Production Planning Dept.<div>March 2025</div>Director & Managing Officer Head of the Global Corporate Unit and in charge of the “Contract Business Company” and supervisor of the Production Unit and in charge of “Internal Control and Compliance”<div>July 2025</div>Director & Managing Officer Head of the Global Corporate Unit and General Manager of the Human Resources Dept. and in charge of the “Contract Business Company” and supervisor of the Production Unit and in charge of “Internal Control and Compliance” and Director of ESSEGI AUTOMATION S.r.l. Director (present)</div>	<div><div>April 1979</div>Registered as an attorney (Dai-ichi Tokyo Bar Association) Representative attorney of Hori & Associates Law Office (currently Hori & Partners) (present)<div>December 1989</div>Lecturer of Graduate School of International Corporate Strategy, Hitotsubashi University Executive and Vice President, National University Corporation Chiba University (present)<div>April 2004</div>Executive and Vice President, National University Corporation Chiba University (present)<div>April 2010</div>Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office <div>March 2016</div>Director of the Company (present)<div>June 2016</div>Outside Director of FIDEA Holdings Co. Ltd. (present)<div>August 2017</div>Outside Director of Pasona Group Inc</div>	<div><div>April 1980</div>Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)<div>June 2003</div>General Manager of Hi-yoshi Branch, of Mizuho Bank, Ltd.<div>February 2006</div>General Manager of Oji Branch, of the same bank<div>April 2008</div>General Manager of Diversity Promotion Office, Human Resources Dept. of the same bank Resigned from Mizuho Bank, Ltd.<div>August 2010</div>Executive Officer of Mizuho Research Institute Ltd.<div>September 2010</div>Senior Executive Officer of the same bank <div>May 2011</div>Resigned from Mizuho Research Institute Ltd.<div>March 2014</div>Joined Joban Kosan Co., Ltd., Executive Officer <div>April 2014</div>Audit & Supervisory Board Member of the Company <div>March 2020</div>Managing Director of Joban Kosan Co., Ltd.,<div>June 2020</div>Outside Audit & Supervisory Board Member of KYB Corporation (currently Kayaba Corporation) (present)<div>June 2022</div>Director of the Company (present)<div>March 2023</div></div>	<div><div>April 1999</div>Joined Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)<div>March 2008</div>Retired from Mizuho Bank, Ltd.<div>September 2009</div>Completed legal apprenticeship, Registered as a lawyer (Daiichi Tokyo Bar Association)<div>October 2009</div>Joined O'Melveny & Myers gaikokuho kyodojogyo horitsujimusho, Associate Attorney at Law <div>September 2014</div>Received a master of laws degree from the University of Oxford <div>January 2016</div>Counsel Attorney at Law at the same law firm (present)<div>March 2019</div>Received a master of laws degree from Waseda University, Graduate School of Law (major in advanced legal studies, Intellectual Property Law)<div>June 2019</div>Outside Audit & Supervisory Board Member of Seed Corporation (present)<div>January 2020</div>Supervisory Director of Invesco Office J-REIT, Inc.<div>June 2022</div>Outside Director of Hokutsu Corporation (present)<div>March 2023</div>Audit & Supervisory Board Member of the Company <div>March 2025</div>Director of the Company (present)</div>

Audit & Supervisory Board Members

Name	 <div>Michinari Sougawa Audit & Supervisory Board Member (Full-time)</div>	 <div>Minoru Takenaka <div>Outside</div> Audit & Supervisory Board Member (Independent Directors)</div>	 <div>Takashi Yoneyama <div>Outside</div> Audit & Supervisory Board Member (Independent Directors)</div>
Position			
Brief biography	<div><div>April 1986</div>Joined Fuji Bank Limited currently (Mizuho Bank, Ltd.)<div>November 2000</div>Resigned from Mizuho Bank, Ltd.<div>May 2005</div>Joined the Company, Project leader of Corporate Planning Dept.<div>April 2009</div>Head of Public Relations and Investor Relations Office, Corporate Planning Dept.<div>March 2015</div>Deputy General Manager of General Affairs Dept. and Group Leader of General Affairs & Corporate Communication Group.<div>March 2017</div>General Manager of Secretariat<div>March 2023</div>General Manager of Corporate Communications Dept. and General Manager of Secretariat<div>April 2023</div>Executive Officer, General Manager of Corporate Communications Dept. and General Manager of Secretariat<div>March 2025</div>Full-time Audit & Supervisory Board Member (present)</div>	<div><div>October 2000</div>Joined Deloitte Touche Tohmatsu LLC<div>June 2009</div>Retired from Deloitte Touche Tohmatsu LLC<div>March 2015</div>Registered as a certified public accountant<div>December 2015</div>Registered as a certified tax accountant<div>December 2015</div>Manager of Takenaka Minoru Accounting Firm (present)<div>March 2024</div>Audit & Supervisory Board Member of the Company (present)</div>	<div><div>October 2003</div>Registered as an attorney at law (Daini Tokyo Bar Association)<div>October 2003</div>Joined TMI Associates<div>May 2009</div>Graduated from University of Southern California Law School (LL.M.)<div>May 2010</div>Admitted to the New York State Bar<div>January 2014</div>Appointed a Partner of TMI Associates (present)<div>March 2024</div>Audit & Supervisory Board Member of the Company (present)</div>

Managing Officers

Name	 <div>Minoru Nitta Senior Managing Officer General Manager of Sewing Business Unit and General Manager of the Smart Solution Center and Representative Director & President of JUKI TECHNOSOLUTIONS CORPORATION and Chairman of JUKI SINGAPORE PTE. LTD. and Chairman of JUKI AMERICA, INC. and Director of JUKI SALES (JAPAN) CORPORATION</div>	 <div>Jiro Ishibashi Managing Officer General Manager of Sewing Business Unit and General Manager of the Smart Solution Center</div>
Position		

Executive officers

Kenji Nakao Head of the Production Unit and General Manager of the OHTAWARA PLANT	Yasuyuki Suzuki Head of the Development Unit and Director of JUKI TECHNOSOLUTIONS CORPORATION, General Manager of the Development Center	Tsuyoshi Inoue Deputy Head of the Development Unit and Director of JUKI AUTOMATION SYSTEMS CORPORATION, General Manager of the Technology Center	Tomohiro Takeda Global Corporate Unit General Manager of the Information Systems Dept.
Kunio Nukui Deputy Head of the Industrial Equipment Unit and Executive Officer of JUKI AUTOMATION SYSTEMS CORPORATION	Katsunori Hoshino Executive Director of JUKI (CHINA) CO., LTD. and General Manager of Headquarters and General Manager of JUKI (SHANGHAI) INDUSTRIAL CO., LTD. and General Manager of SHANGHAI JUKI SEWING MACHINE CO., LTD.	Shunsuke Yoshida Sewing Machinery Unit (in charge of the Chinese area) [stationed in Shanghai] and President of JUKI (CHINA) CO., LTD. (Sewing Machinery Sales) and Chairman of JUK (JUKI HONG KONG) LTD. and Executive Officer of JUKI TECHNOSOLUTIONS CORPORATION	Yorihisa Okamoto General Manager of the Storage Business Company, Industrial Equipment Unit
Hidehiko Koike Deputy Unit Manager, the Sewing Unit (responsible for Southwest Asia, Middle East, and Central and Southern Africa) and General Manager of the Asia Global Sales Dept. [stationed in Vietnam] and President, JUKI SINGAPORE PTE.LTD. (responsible for Vietnam, Indonesia, Cambodia, Thailand, Myanmar, and JS-administered regions) and President of JUK (JUKI VIETNAM) CO., LTD. and President of JUKI (THAILAND) CO., LTD. and Chairman of JUKI INDIA PVT.LTD. and Chairman of JUKI MACHINERY BANGLADESH LTD. and JUKI TECHNOSOLUTIONS CORPORATION (in charge of Vietnam, Indonesia, Cambodia, Thailand, Myanmar, and JS-administered regions)	Masanori Awasaki Deputy Head of the Sewing Machinery Unit (responsible for the Americas, Europe, CIS, and North Africa) [stationed in the Americas] and President of JUKI AMERICA INC. and Chairman of JUKI CENTRAL EUROPE SP. ZO.O. and Chairman of JUKI ITALIA S.P.A. and JUKI TECHNOSOLUTIONS CORPORATION, in charge of the Americas	Kazunao Konda General Manager of the Contract Business Company, Industrial Equipment Unit and General Manager of the Development Dept. and General Manager of the Group Quality Assurance Dept.	Daizo Minami Deputy Head of the Global Corporate Unit
Hideya Sudo Representative Director and President of JUKI INDUSTRIAL EQUIPMENT ECHNOLOGY CORPORATION	Shuichi Nozaki Deputy Head of the Production Unit and Representative Director and President of JUKI AIZU CORPORATION and Aizu Branch Manager, the Sales Dept., Contract Business Company, Industrial Equipment Unit and Full-time Quality Issue Response Officer, the Production Unit	Satoshi Kamoida General Manager of the Corporate Planning Dept., the Global Corporate Unit	

Roundtable Discussion with Outside Officers

How is JUKI's management changing under the new philosophy and structure? Outside officers exchanged frank opinions on various topics.

The outside officers engaged in frank discussions on the operation of the Board of Directors under the new management system based on specific changes seen in processes such as the formulation of the new Medium-term Management Plan. We also sought opinions on the significance of diversity in revitalizing the Board of Directors and responding to changes in the environments in which the outside officers worked. The outside officers voiced deep admiration and appreciation for JUKI in discussions looking forward to a future JUKI where every employee will have opportunities to shine and thrive as stewards of JUKI's distinctive qualities.



Audit & Supervisory Board Member
Takashi Yoneyama

Audit & Supervisory Board Member
Minoru Takenaka

Outside Director
Hiroko Nihei

Outside Director
Yutaka Hori

Outside Director
Junko Watanabe

Changes in the Board of Directors under the new management structure

Q. Please tell us how the Board of Directors operates under the new management system. What changes have taken place in the way the Board of Directors operates and in the matters it discusses?

Watanabe I feel that the operation of the Board of Directors has changed significantly. In the past, most of the reports came from the executive side. The participating members, on the other hand, tended to take a passive stance. With the new system, the Board of Directors has adopted a "two-way" model that facilitates the active exchange of opinions among the board members, both inside and outside the company. Though many details of the business are unfamiliar to us as outside directors, the current atmosphere encourages us to actively express our opinions and seek additional explanations and background information to enrich and extend our discussions.

Nihei I agree. Under the previous system, the Board of Directors seemed to be set up more for the rubber stamping of executive decisions than for discussion or deliberation on all sides. Later, when Mr. Narikawa took over

as chair, more time was allotted for in-depth discussions of the issues and decisions at hand. In particular, I think the thorough implementation of the "Bad News First/Fast" approach has brought about a major change. Concerns that previously tended to be ignored are now shared early on and can be discussed and monitored on the spot. As a lawyer, I feel that this has greatly improved the situation. The new system allows for the widespread sharing of risk information and creates an environment that is easier to monitor.

Takenaka I was appointed as an outside audit & supervisory board members in 2024. After I took office, Mr. Narikawa was promoted from executive vice president to president. I sensed his strong determination to change the company as soon as he took charge of JUKI. Under the new system, the president himself encourages participants to speak up as the chair of the Board of Directors and follows up on and organizes the content of the discussions. I think this is a manifestation of Mr. Narikawa's strong determination to change the company. I also strongly agree that it is crucial to create an environment that encourages people to speak up. As a person serving as an outside officer at JUKI for the first time, I feel there has been more openness than I had imagined, both in the Board of Directors and the Audit & Supervisory Board.

Changes brought about by diversity on the Board of Directors

Q. In March 2024, two new outside officers joining the Board of Directors heralded a new generation of diversity at the company. What changes are taking place?

Hori Apart from the lively discussions encouraged by the chair of the Board of Directors, the addition of younger members to the Board of Directors has diversified the perspectives explored in the discussions and opinion exchanges. In that regard, I feel that the atmosphere of the Board of Directors has become more serious. By carefully listening to the opinions of younger members, I am learning values that differ from those most familiar to me from my earlier years. On the other hand, there are universal and unchanging values that companies must uphold. When researching long-established companies that have been in business for hundreds of years, one finds that all of them value fundamentals such as smooth human relationships and the preservation of the culture and technologies being passed down from generation to generation. In some cases, even previously emphasized concepts such as DE&I (Diversity, Equity, and Inclusion) might prove to have poor sustainability in the long run.

That's why I believe it is important to promote diversity while not losing sight of what the essence of a company is. I believe the Board of Directors should consciously engage in discussions of this type.

Yoneyama I am another new member who joined in 2024. I can't help but feel a sense of generosity in the way our senior leaders, men and women who have been leading Japanese society, are humbly learning about the changing values of the world. I believe that such generosity will support the future of Japanese companies. On the other hand, it is very important for a highly homogenous culture to accept outsiders, even if only superficially at first. While it goes without saying that we should aim for substantive diversity in experience and values, a shallower, nominal form of diversity should be welcomed if it points us in the right direction. When the members of a group are diverse, the atmosphere allows them to more readily admit when they fail to understand a matter at hand. A meeting body where frank dialogue can take place among diverse and heterogeneous members is highly effective.



Watanabe I think it's common, not just at JUKI, for corporate Boards of Directors in Japan to be dominated by middle-aged and older men. Being surrounded by like-minded members may be comfortable, but it may also be less likely to lead to new ideas. I also believe that it is necessary to deliberately hire people who are different from the norm in order to break away from the status quo.

As an 'outsider' myself as a woman from the financial industry, I've observed that outsiders bring new perspectives into an organization when they join. If management realizes that outsiders aren't so bad after all, diversity will truly take root.

Takenaka As I am part of the so-called Showa generation of middle-aged and elderly people, I am keenly aware of the gap between my values and those of the younger generation. I also know that I would fail in my role as an outside audit & supervisory board member if I simply dismissed different values I didn't understand. I constantly strive to learn and incorporate new values into my work.

Today, more than ever, I feel that we need to make greater efforts to flexibly update our values in line with the changing times.

Nihei Few workplaces in Japan seem to have environments where diverse human resources spontaneously gather. To stimulate discussion within Japanese workplaces, I believe that companies should accept outsiders as a deliberate policy. I propose that companies add women to meetings where there are none, and position foreigners in departments currently staffed only by Japanese. If these changes alone are adopted, workplace customs and beliefs that had previously been taken for granted might become acceptable, or at least become topics that merit open discussion in words. I feel that the same effect can be achieved with regard to diversity on the Boards of Directors.

The first important step is to have a diverse range of people join the board. Next, the company can examine the types of changes that diversity has brought about.



Evaluation of the New Medium-Term Management Plan Formulation Process

Q. Please tell us about the process that was used to formulate the new Medium-term Management Plan. How was information shared and discussed at the Board of Directors?

Watanabe Months before the outline of the plan was finalized, President Narikawa shared his thoughts with the participants at the Board of Directors. "This is what I am thinking at the moment," he said. "What do you think?" In my previous job, it was customary to submit plans to the Board of Directors only after they were nearly complete. When I came to JUKI, I was honestly quite surprised by President Narikawa's open approach. At the same time, the process of developing the plan itself filled employees with a greater sense of ownership toward the new Medium-term Management Plan. Even in the final stages of formulating the plan, repeated discussions were held with outside directors. I can tell you that the Medium-term Management Plan has fulfilled its potential as a result.



Yoneyama The process was very advanced and progressive. President Narikawa asked us what we thought before we solidified our corporate vision. Our ideas were still vague at that stage and the outside officers offered many candid opinions. There were occasions, early on in the process, when everyone discussed the fundamentals of what JUKI was and sought to define JUKI's 'reason for being.' The outside officers were involved in the planning at that stage, which I believe strengthened their sense of responsibility and ownership of the plan.

It was a very effective planning process.

Hori My generation grew up in a corporate culture where medium-term management plans and other resolutions of that type were discussed at the Board of Directors at the last possible moment, leaving no time to express opinions. For that reason, outside officers weren't really expected to speak up. I came into the process at JUKI with some reservations about whether it was appropriate for me to speak up, and whether my comments would have any meaning. After hearing everyone's opinions today, I am reminded of how sincerely the management team sought out the opinions of the outside officers, including the younger ones, when formulating the Medium-term Management Plan. The process was carried out with different cultures and values in mind.

Nihei There are different ways of thinking about this issue within and outside the company. On the executive side, there may be a certain reluctance to submit to what they perceive as micromanagement by the

outside directors. At the same time, they may also welcome comments from outside perspectives to alert them to their own blind spots. When they do, the corporate culture will start to actively embrace the opinions of the outside officers.

We, as outside officers, believe that we need to become more alert than ever before, strive to make useful suggestions, and continue to express constructive opinions.

Takenaka I believe that the new Medium-term Management Plan evolved in part as an adaptation to JUKI's current situation. Under normal circumstances, the conventional approach might have been sufficient. This time, I think President Narikawa felt a greater sense of crisis. President Narikawa clearly stated at the outset that he wanted everyone to freely express their opinions on any circumstances that created risks for JUKI or otherwise were in need of change. He was clearly quite aware of the need for sufficient information sharing and discussion to promote change.

Yoneyama The environment in which the outside officers operate also seems to be changing quite significantly. Outside officers are constantly observed by stakeholders of every ilk and have a more impartial and neutral stance toward the company. The ways they participate in the Board of Directors and Audit & Supervisory Board will also need to change.



The distinctive qualities JUKI needs in the future

Q. Finally, please tell us what distinctive qualities JUKI needs in the future and what distinctive qualities you expect from JUKI.

Nihei I believe that JUKI's distinctive qualities lie in the company's pioneering spirit. JUKI's hunger to boldly enter emerging markets where other companies haven't ventured has helped it lay foundations for the spread of JUKI products around the world. I believe that JUKI's strength lies in its pioneering spirit. In order to grow further in the future, I hope that JUKI will return to its roots and eagerly take on new challenges in fields outside of its two main businesses.

Watanabe JUKI's unwavering passion for manufacturing is another of its distinctive qualities.

All of JUKI's employees truly love manufacturing and are passionate about JUKI products. JUKI was truly strong in the days when that passion and a pioneering spirit worked in tandem. If JUKI combines JUKI's love for its products and technical capabilities with a pioneering spirit, the company will most certainly succeed in opening up new avenues for growth. As an

outside officer, I would like to nurture the love JUKI employees have both for their company and for taking on new challenges.



Yoneyama The 'Employee Happiness Project' was conceived by JUKI employees as one of several key measures underpinning the Medium-term Management Plan. The core aims of the project are to achieve happiness for all employees and enhance employee engagement. As an audit & supervisory board member, I was once asked, "What is happiness?" As I puzzled over the question, I realized that the answer might hold the key to JUKI's future. There are as many forms of happiness as there are people. In a good way, it is a multifaceted concept.

The right to pursue happiness is enshrined in the U.S. Declaration of Independence as "the pursuit of Happiness." Our own constitution in Japan lays down a similar concept: "Because happiness means different things to different people, the right protected is the opportunity to seek happiness, not an entitlement to happiness itself."

I expect that JUKI's strength in the future will lie in its ability to attract employees who are excited about tackling challenges in their work.

Takenaka I think that's exactly right. The presence of employees enables the company to grow. Although this is a very basic concept, I believe it is a very important medium- to long-term initiative. Another question to consider under the new management philosophy is how the company will give back to society through the realization of happiness. I believe that clearly defining and implementing a roadmap for this will ultimately lead to increased motivation among employees.

Hori For me, the distinctive JUKI is simply the JUKI of sewing machines and the JUKI of the sewing industry.

If you walked into a sewing factory in the past, you would always see JUKI's machines, no matter where you were in the world. We must never allow the JUKI brand, a brand that has supported Japan and many other countries, to disappear. That is my firm belief.

To preserve the preeminence of the brand, I will be monitoring JUKI's future with a strict stance. If I ever see the need, I will offer my frank criticism and advice to JUKI's management team.

Corporate governance

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

Basic concepts

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

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

Corporate governance system

Board of Directors

The Board of Directors consists of six directors: Atsushi Narikawa, Hiroshi Anzai, Keiichi Hashimoto, Yutaka Hori (outside director), Junko Watanabe (outside director), and Hiroko Nihei (outside director). The Board of Directors makes decisions on matters stipulated by law and important management issues, and supervises the execution of business operations on an ongoing basis.

Training for Directors and Audit & Supervisory Board Members

The Company has appointed persons who can fully fulfill the roles and responsibilities expected of Directors and Audit & Supervisory Board Members, including Outside Officers. In light of this, the Company promotes the understanding of the roles and

responsibilities expected of Directors, including legal knowledge, of newly appointed officers, who have been promoted internally, by utilizing external training sessions and such. As for Outside Directors and Outside Audit & Supervisory Board Members, the Company conducts activities to understand the business and functions of the Company at the time of their appointment and periodically thereafter.

Audit & Supervisory Board

The Audit & Supervisory Board consists of three audit & supervisory board members: Michinari Sougawa (Chair: Full-time Auditor), Minoru Takenaka (outside audit & supervisory board members), and Takashi Yoneyama (outside audit & supervisory board members). An Audit Office has been established to assist the audit & supervisory board members. Each audit & supervisory board member conducts audits in accordance with the audit policies and division of duties established by the Audit & Supervisory Board, and audits the execution of duties by the directors.

Internal audit

The Group Audit Dept. has been established as the organization responsible for internal audit at our company and consists of nine members. Their duties consist of auditing the operations of the respective departments of JUKI and JUKI's group companies.

Nominating and Compensation Advisory Committee

We have established a Nominating and Compensation Advisory Committee as an

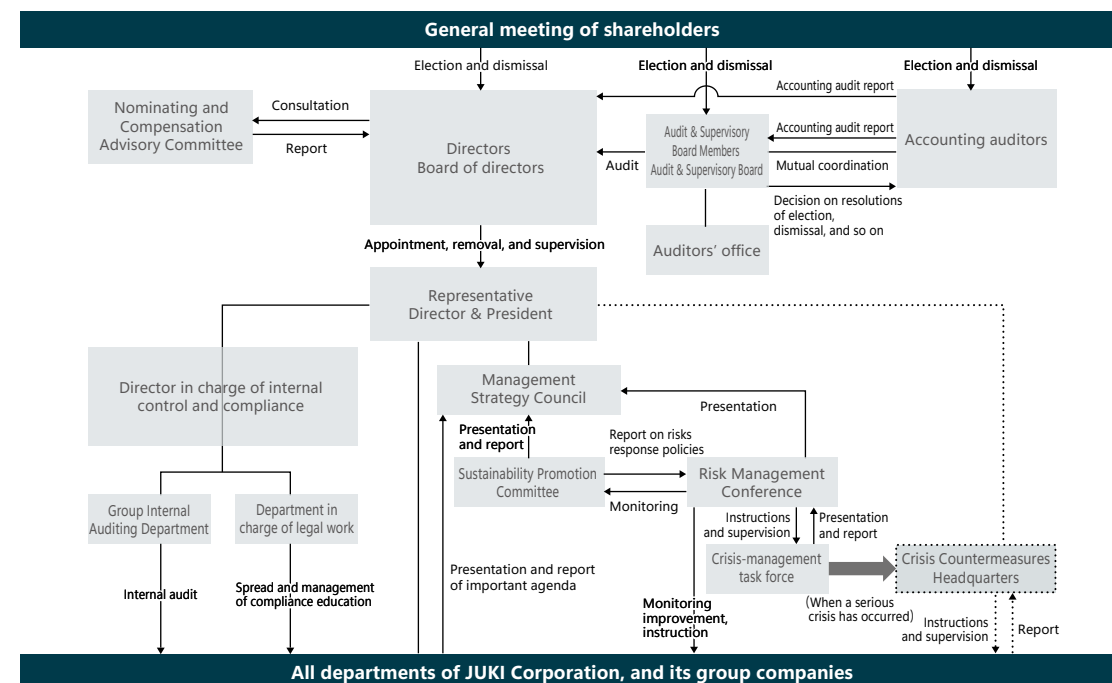
advisory body under the Board of Directors to strengthen the independence, objectivity, and accountability of the function of the Board of Directors related to the nomination and compensation of senior management, directors, and audit & supervisory board members. The committee consists of Yutaka Hori (Chair: outside director), Junko Watanabe (outside director), Hiroko Nihei (outside director), and Atsushi Narikawa (representative director and president).

Corporate Officer System and Executive Officer System

We have introduced a corporate officer system and an executive officer system (executive officers equivalent to corporate officers other than corporate officers with specific titles) to facilitate the smooth execution of business and clarify responsibilities. The corporate officers consist of five corporate officers with specific titles, including the Representative Director and President and 15 executive officers. In addition, we are positioning and training executive officers as successors to corporate officers with specific titles, and revitalizing our organization by promoting young employees. Under our Board of Directors, we have established a Management Strategy Council attended by directors, corporate officers with specific titles in charge, executive officers in charge, and department heads in charge from our company and group companies. The council deliberates on basic management policies and strategies from various perspectives, enabling more appropriate decision-making and business execution. Decisions on particularly important matters among those submitted to the Management Strategy Council are made by the Board of Directors.

Corporate governance system

(as of July 1, 2025)



Initiatives Taken to Enhance Corporate Governance

2015

A "JUKI Group Employees' Code of Conduct" is established.

2020

A system for Corporate Officers equivalent function of Executive Officers is introduced, excluding Corporate Officers with special titles.

2023

An outside director was appointed as chairman of the A Nomination and Remuneration Advisory Committee.

2018

A "JUKI Group Corporate Philosophy System Chart" is established.
A Nomination and Remuneration Advisory Committee is established.

2022

A restricted stock-based remuneration system for directors (excluding outside directors), etc. is introduced.
A Sustainability Promotion Committee has been established.

2025

Introduction of the executive officer system

Organizational Structure

Organizational Structure	Total number of directors	Ratio of outside (independent) directors	Director's term of office	Executive officer system introduced	Organization to assist the president in making decision
A company with an Audit and Supervisory Board	6	50%	1 year	Yes	Nomination and Remuneration Advisory Committee

45

Evaluation of the Effectiveness of the Board of Directors

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

(1) In accordance with the Board of Directors Regulations, the Board of Directors selects all important matters as proposals and meets monthly in principle to discuss them in a timely and appropriate manner.

(2) Prior to deliberation by the Board of Directors, problems, issues, risks and their countermeasures are clarified at meetings such as the Corporate Strategy Committee, and the effectiveness of discussions is enhanced.

(3) In order for the Board of Directors to conduct smooth and active discussions and conduct sufficient deliberations, materials for the Board of Directors are distributed in advance, and in particular, the content is explained to Outside Directors and Outside Audit & Supervisory Board Members in advance.

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

In the evaluation for fiscal 2024, we confirmed that the effectiveness of the Board of Directors as a whole is ensured for the following reasons.

(1) The composition of the Board of Directors is appropriate in light of the content and scale of the Company's business.

(2) The management of the Board of Directors is appropriately conducted from the viewpoints of the frequency of meetings and the content of materials.

(3) The deliberations of the Board of Directors are appropriate from the perspective of the content of the deliberations, such as the selection of agenda items, the deliberation time, and the statements of the attendees.

(4) The system to support Directors is appropriate from the perspective of opportunities to exchange information with top management or to deepen understanding of the contents of proposals and business other than the Board of Directors.

Our initiatives to strengthen Corporate Governance to date

According to feedback provided to the Board of Directors in the "Analysis and Evaluation of the Effectiveness of the Board of Directors," the volume of documentation provided to the Board of Directors is excessive and lacks clarity. Going forward, we will strive to improve the effectiveness of discussions by streamlining the volume and focus of the board documentation to make it more concise and understandable. We will continue to take steps to enhance the exchange of opinions within the Board of Directors, to further ensure the effectiveness of the Board of Directors, and to build a more robust corporate governance framework towards achieving greater corporate value.

Reasons for the appointment of directors, and skills matrix

	Name	Reasons for appointment	Corporate management	Finance / Accounting	Legal / Compliance	Global	Sales / Marketing	Manufacturing / Quality control / Research and development	Environment / Society	Human resources and labor relations / Human resource development
Director	Atsushi Narikawa Representative Director & President Chairman of the Board of Directors Member of the Nominating and Compensation Advisory Committee Chairman of the Sustainability Promotion Committee	From 2015 to March 2024, he served in the management of a global manufacturing company and established a proven track record of restructuring and growing the company's business. As president of JUKI Since July 2024, he has been working to turn around the company's performance based on his extensive overseas business experience and outstanding corporate management expertise. He has demonstrated strong leadership and formulated a new Medium-term Management Plan. We believe he is the right person to lead JUKI's initiatives to strengthen the group's medium- to long-term business foundations and enhance corporate value.	●	●	●	●	●		●	●
	Hiroshi Anzai Director & Managing Officer	He has served as a corporate officer since 2019, overseeing a wide range of areas such as management planning, information systems, and development. Backed by a wealth of experience and knowledge, he has performed his duties appropriately in both management and business operations. We believe that he will be able to oversee the electronics assembly & systems businesses and help to expand and strengthen related business areas.	●		●		●	●	●	
	Keiichi Hashimoto Director & Managing Officer	With his extensive experience as a corporate manager in global production and business management, he has performed his duties appropriately in a wide range of areas, including production centers, group operations, and business planning, since 2023. We believe he is capable of performing his duties appropriately as a director based on his deep insight into business management.	●		●	●		●	●	●
Outside Director	Yutaka Hori Outside Director (Independent Directors) Chairman of the Nominating and Compensation Advisory Committee	As he began his term of service as an outside director of JUKI in 2016, he will have accrued a total of nine years of consecutive service as of the conclusion of the ordinary general meeting of shareholders for the fiscal year ended December 2024. We believe that he is the right person to provide accurate advice and make decisions regarding corporate management, including compliance issues, based on his experience as a director of other companies in the business world and the specialized legal knowledge he has cultivated over many years as a lawyer.	●		●	●			●	●
	Junko Watanabe Outside Director (Independent Directors) Member of the Nominating and Compensation Advisory Committee	As she began her term of service as an outside director of JUKI in 2023, she will have served for a total of two years as of the conclusion of the ordinary general meeting of shareholders for the fiscal year ended December 2024. We expect her to provide objective and accurate advice and make decisions based on her extensive experience and knowledge in diversity management and business management and her keen insight and high-level supervisory skills in corporate management.	●	●			●		●	●
	Hiroko Nihei Outside Director (Independent Directors) Member of the Nominating and Compensation Advisory Committee	As she began her term of service as an outside director of JUKI in 2023, she will have served for a total of two years as of the conclusion of the ordinary general meeting of shareholders for the fiscal year ended December 2024. We expect her to provide accurate advice and make decisions, particularly in the area of compliance, based on the specialized legal knowledge she has cultivated as a lawyer, her extensive experience in international commercial and other legal matters, and her experience as a director and an audit & supervisory board member at other companies in the business world.			●	●			●	●

(Note) The skills listed above are representative skills of the directors named and by no means encompass all of the skills they possess.

Remuneration system for Officers

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

Basic policy

The compensation of our directors is based on a compensation system that provides incentives for sustainable growth and enhancement of our corporate value. The total amount of compensation for directors is determined at the general meeting of shareholders and consists of a monthly salary (fixed compensation), performance-based compensation (bonuses) set in accordance with the company's consolidated performance, and restricted stock awards. The monthly compensation for directors is determined based on an annual evaluation of their responsibilities. The performance-based compensation (bonuses) is calculated based on consolidated ordinary profit, an important indicator of the Group's profitability, taking into consideration the company's performance for each fiscal period and dividends. Each individual's performance and achievements are evaluated and determined based on this calculation, and bonuses are paid at a fixed time each year. In addition, restricted stock awards are awarded to further promote the sharing of company equity with shareholders, and the number of shares allocated is determined each fiscal year based on an evaluation of duties. The board elected not to grant any performance-based compensation (bonuses) in fiscal 2024 in view of the company's performance for the year, namely, a consolidated ordinary loss of 3,327 million yen. The compensation for outside directors is limited to monthly compensation, in consideration of their roles in overseeing and supervising management and their independence. The following summarizes the restricted stock awards granted:

- Upper limit of restricted stock awards: Total of 50 million yen (per year)
- Upper limit of shares allocated: 100,000 shares (per year)
- Transfer restriction period: Until the date of resignation

Determination process

The decision-making process regarding the compensation of directors is delegated to a Nominating and Compensation Advisory Committee consisting of four directors, including three independent outside directors, in order to strengthen the independence and objectivity of the function of determining the directors' compensation. The committee deliberates on a remuneration proposal submitted by the representative director and submits its decision on compensation to the Board of Directors. The Board of Directors will deliberate and decide on the appropriateness of the report received from the committee. Based on the recommendations of the Committee, the Board of Directors has confirmed that the method of determining the individual compensation of directors for the current fiscal year and the content of the compensation determined are consistent with the decision policy resolved by the Board of Directors, and has determined that the decision policy is being duly observed.

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

The 92nd Ordinary General Meeting of Shareholders held on June 28, 2007, resolved that the maximum amount of the remuneration, etc. for the Directors (excluding employee salary for employees concurrently assuming a position as a Director) and Audit & Supervisory Board Members of the Company would be 480 million yen and 80 million yen per year, respectively. The number of directors at the conclusion of the said Ordinary General Meeting was nine. In addition, pursuant to a resolution adopted at the 107th Ordinary General Meeting of Shareholders held on March 28, 2022, the annual amount of the Restricted Stock-based Compensation within the scope of the above compensation, etc. for Directors other than Outside Directors shall not exceed 50 million yen, and the maximum number of shares shall not exceed 100,000. The number of directors other than outside directors at the conclusion of the said Ordinary General Meeting of Shareholders was three.

Internal control system

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

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

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

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

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

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

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

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

- (1) We will transfer part of the Board of Directors' executive authority to corporate officers or executive officers, and strive to speed up the execution of duties by adopting a corporate officer system and an executive officer system (executive officers equivalent to officers other than corporate officers with specific titles)
- (2) We will transfer part of the directors' authority to execute duties to employees in order to make more efficient decisions, as prescribed by the "Board of Directors Regulations" and "Authority Regulations."
- (3) Important matters to decide shall be deliberated at the "Management Strategy Council" and decided by the president.
- (4) The Sustainability Promotion Committee will deliberate and decide on the formulation of company-wide policies and targets related to sustainability, establish and organize systems to implement them, and monitor various measures.
- (5) In performing duties, we will define roles in the "Organizational Regulations" and make efforts to perform the duties efficiently.

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

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

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

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

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

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

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

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

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

- (1) An Audit & Supervisory Board Member may remark on a personnel transfer and personnel evaluation of an employee who belongs to the Auditor's office.
- (2) An employee who belongs to the Auditor's office collects information necessary for the Audit & Supervisory Board Member's audit promptly in accordance with their instructions.

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

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

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

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

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

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

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

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

System to ensure the reliability of financial reporting

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

Overview of operation status

The following is an overview of the operation of the system to ensure the appropriateness of business operations in fiscal 2024.

Compliance system

- We are working to thoroughly implement compliance systems at both JUKI and JUKI's group companies in accordance with the Compliance Regulations.
- We have distributed a new JUKI Group Employee Code of Conduct, an updated version whose content has been simplified and unified to make it more universally applicable and accessible to group employees, with a view to ensuring thorough group employee compliance.
- We have posted a "Declaration on Anti-Social Forces" and have reflected it in the terms of our contracts.

Risk management system

- In accordance with our "Risk Management Regulations," we hold a Risk Management Meeting once every quarter in principle, and conduct risk identifications, risk assessments, and countermeasures covering both JUKI and JUKI group companies.
- When a crisis occurs we establish a Crisis Response Task Force and Crisis Management Headquarters in accordance with the location, scale, and nature of the crisis, and make improvements in our crisis response systems and procedures by reporting to and deliberating with the Board of Directors.

Executive structure for the duties of directors

- We will strive to ensure that duties are performed promptly and efficiently in accordance with the "Board of Directors Regulations," "Regulations Governing Corporate Officers with Specific Titles," "Executive Officer Regulations," "Authority Regulations," and "Organization Regulations."
- We hold a Management Strategy Council once a month, in principle, to make quick decisions on important matters.
- The Sustainability Promotion Committee meets four times a year, in principle, to deliberate and decide on sustainability policies, plans, and measures, confirm progress, and report and make proposals to the Board of Directors and other bodies.
- When a crisis occurs we establish a Crisis Response Task Force and Crisis Management Headquarters in accordance with the location, scale, and nature of the crisis, and report to and deliberate with the Board of Directors to make improvements in our crisis response systems and procedures.

Group company management system

- The "Organizational Regulations" and "Group Company Management Regulations" prescribe the use of a reporting system and management system based on functional organizations. In fiscal 2024 we held three Group Management Meetings to report on the management policies and plans of group companies and to check and adjust their operational status.

Internal audits

- We conducted internal audits of our company and group companies in accordance with our internal audit plan.
- We had group companies and their local offices conduct self-assessments focusing on key items and individual themes, and provided guidance for improvement based on the results.

System related to the activities of the Audit & Supervisory Board Members

- An "Auditor's Office" has been established to assist Audit & Supervisory Board Members, and collect necessary information.
- The Audit & Supervisory Board Members exchange opinions with the representative director and president every three months.
- The Audit & Supervisory Board Members regularly exchange information with certified public accountants regarding accounting audits to ensure the effectiveness of audits.

Compliance

Basic concepts

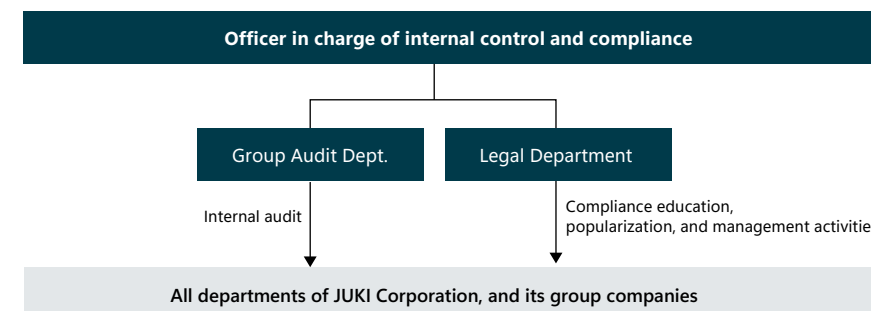
To fulfill our accountability as a company, secure the trust of our stakeholders, and maintain and further enhance our corporate value, we strive to efficiently ensure thorough compliance, including ethics and soft law, as well as legal compliance in the JUKI Group as a matter of course. We have established the "JUKI Corporate Code of Conduct" and the "JUKI Group Employee' Code of Conduct," as well as other compliance-related rules and regulations that serve as norms for the JUKI Group and its officers and employees, in order to choose appropriate actions, maintain a compliance system based on these rules and regulations, and educate JUKI Group officers and employees.

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

Framework for promoting compliance

We make decisions on the maintenance and improvement of the compliance system and important compliance-related matters in the Board of Directors. Under this framework, as the chief officer in charge of "Internal Control and Compliance", oversees the Group Audit Dept. and the Legal Department. The Risk Management Meeting, which is operated by the Legal Department as the secretariat, appropriately maintains the compliance system established by the JUKI Group, provides overall management and guidance on new compliance risks due to changes in the environment, and strengthens the management of the entire JUKI Group. In accordance with the Compliance Regulations, we also ensure thorough compliance by establishing, maintaining, and operating a compliance system that is applied to all Group companies. We have also established the "JUKI Group Employee' Code of Conduct" to keep our group officers and employees informed about compliance, and we present a "Declaration on Antisocial Forces" to our stakeholders and supply chain to maintain good relationships with them.

Compliance promotion structure chart

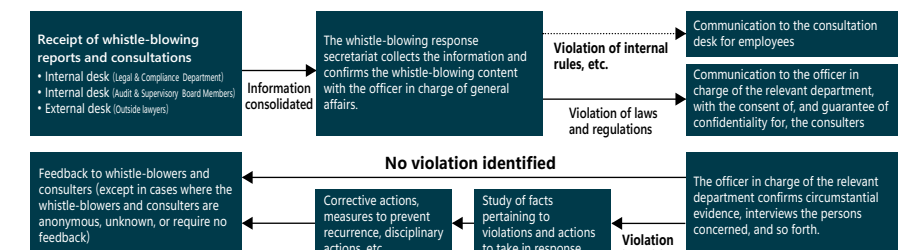


Public interest reporting system

The JUKI Group has established a "Consultation Desk for employees" as a public interest reporting system that allows anonymous whistle-blowing, and has reported on its operation status at both the Risk Management Conference and Audit & Supervisory Board. The basic policy for the internal control system and internal rules clearly states that whistle-blowers will not be subjected to any disadvantage.

In addition to the existing "Consultation Desk for employees," we have established a public interest reporting system based on the "Public interest reporting Regulations" in force in all domestic group companies, in order to maintain mechanisms by which whistle-blowing works properly. A whistle-blowing desk can be used anonymously to facilitate whistle-blowing by informants, and can be accessed from both an internal desk (Legal & Compliance Department and full-time Audit & Supervisory Board Members) and external desk (outside lawyers). The operation status of the whistle-blower system is regularly reported at both the Risk Management Conference and the Audit & Supervisory Board.

In addition, the "Public interest reporting Regulations" clearly stipulate the confidentiality of the identities of informants and fact-finding collaborators, the prohibition of detrimental treatment of whistle-blowers, the prohibition of claims for damages against whistle-blowers, etc., in order to protect whistle-blowers.



Main Initiatives

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

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

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

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

Risk management

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

Risk management initiatives

JUKI has established and operates a risk management system centered on a risk management committee consisting of corporate officers, heads of business divisions, and group company managers, in addition to a management strategy council that deals with strategic risks, in order to appropriately address all risks within the Group.

We have established four categories of risk: strategic risk, financial risk, hazard risk, and operational risk. Under these categories, we apply classifications such as political and economic conditions, quality assurance, environmental regulations, information security, security trade, compliance, and occupational health and safety. To respond to changing risks, we will review our policies annually and conduct quarterly risk assessments and monitoring to identify signs of significant risks. We will report and discuss these risks at the Board of Directors and strive for continuous improvement. If risks turn into crises we will establish a system to respond promptly, including crisis response task forces and crisis management headquarters for crises that reach certain severity thresholds.

Significant risks and ways to respond to them

Category	Classification	Item	Risks		An approach useful for responding
Strategic risk	① Management strategy	New businesses (risks when starting and after starting a new business)	<ul style="list-style-type: none"> Investment failure Fundraising failure Failure to launch new businesses or feasibly recover investments Contraction of existing markets due to technological innovation 		When launching a new business, we conduct sufficient deliberations at management strategy councils. After launching a new business, we review progress at regular internal meetings and follow up on progress.
		Investment in equipment (risks associated with investing in equipment and risks associated with not investing in equipment)	<ul style="list-style-type: none"> Risks associated with investing in equipment Initial investment burden (cash flow pressure) Increased costs, occurrence of losses 	<ul style="list-style-type: none"> Risks associated with not investing in equipment Possibility of opportunity loss Decreased competitiveness with competitors 	We thoroughly deliberate on the effectiveness of investment in equipment at management strategy councils and meetings within the management division.
		Research and development activities	<ul style="list-style-type: none"> Opportunity loss due to inability to launch products in a timely manner, lack of market acceptance Contraction of existing markets due to technological innovation 		We will promote research and development that is resilient to changes in the market environment by discovering customer needs through market trends and building close relationships with customers, strengthening research and development bases close to the market, and utilizing open innovation.
		Intellectual property protection	<ul style="list-style-type: none"> Lost sales opportunities due to the manufacture of similar products by other companies through the unauthorized use of our group's intellectual property Disputes and losses arising from unintended infringements of other companies' intellectual property rights by our company 		<ul style="list-style-type: none"> We will establish an appropriate management and monitoring system under the Intellectual Property Dept. to protect the intellectual property rights of our group companies. We will prevent any infringement of the intellectual property rights of other companies.
		M & A	<ul style="list-style-type: none"> Significant changes in the environment, conflicts of interest between the parties involved in the alliance, a loss of management integration effects due to an outflow of human resources Impact on cash flow due to additional expenses, goodwill losses, and measures taken to address them 		<ul style="list-style-type: none"> We will discuss and decide on integration effects, etc. at the Management Strategy Council. We will monitor the situation and follow up flexibly and regularly through internal meetings after the business restructuring is implemented.
	② Marketing strategy	Pricing strategy	<ul style="list-style-type: none"> Emergence of low-priced products from competitors that exceed our response capabilities Changes in market demand Reduced profitability due to significant increases in raw material prices, etc. Damages to the JUKI brand image due to price reductions, difficulty in recovering costs, and long-term declines in market share 		<ul style="list-style-type: none"> Appropriate pricing will be determined by management at each business division, in addition to regular internal meetings at the corporate level. We will continuously review costs.
	③ Human resources strategy	Recruitment difficulties, resignation, education	Intensifying competition for talented human resources due to Japan's declining birthrate and aging population, as well as rapid changes in overseas labor markets		We will secure and retain a diverse workforce by securing and developing human resources on a global scale through our group companies in Japan and overseas, as well as by promoting work-style reforms and engaging senior employees.
	④ Politics	Political and economic conditions Revisions to domestic and international laws and regulations, and tax reforms	<ul style="list-style-type: none"> Restrictions imposed on business activities due to revisions to laws and tax systems in the event of changes in political and economic information or accompanying demand fluctuations that exceed expectations Adverse effects on finances and business performance due to increased costs or tax burdens 		We will request regular reports from each location at risk management meetings and group management meetings, and receive reports as necessary regarding serious incidents calling for appropriate measures in response.
		Trade friction and trade issues	<ul style="list-style-type: none"> Restricted business activities due to tighter or changed regulations caused by changes in the international situation Adverse effects on finances and business performance due to increased costs or tax burdens 		We hold risk management meetings four times a year to understand regulations in each country, gather the latest information through our overseas subsidiaries, and establish an in-house response system to take swift action when special measures are required.
	⑤ Economy	Economic fluctuations Domestic and overseas business activities, industry trends	Reduced sales quantities, and deteriorated profitability and competitiveness due to competitively motivated price reductions		Based on progress meetings within the business division, we will assess the current circumstances at regular internal meetings and implement appropriate measures as necessary.
	⑥ Society and media	Boycott campaigns by organizations and individuals	<ul style="list-style-type: none"> Damage to the JUKI brand image Impact on our business performance Reduced revenue due to worsening relationships with business partners 		Based on progress meetings within the business division, we will assess the current circumstances at regular internal meetings and implement appropriate measures as necessary.
		Responding to rumors, slander, and defamatory attacks in the media, serious litigation	The spread of negative rumors, slander, and defamatory attacks via the Internet and other media has damaged the JUKI brand image, leading to a decline in product competitiveness and the company's credibility.		<ul style="list-style-type: none"> We will thoroughly verify facts and promote accurate information dissemination. We will consider and implement appropriate measures, including legal proceedings, in response to malicious complaints that are deemed to be criminal in nature.

Category	Classification	Item	Risks	An approach useful for responding
Financial risks	⑦ Fundraising	Credit rating	Restricted financing or increased financing costs due to a downgrading of JUKI's credit rating	<ul style="list-style-type: none">• We will formulate a financing plan and conduct business activities in compliance with disciplined financial principles • We will appropriately review assets held.
	⑧ Credit	Credit concerns, unpaid bills, etc. of business partners, suppliers, and alliance partners	<ul style="list-style-type: none">• Risk of inability to collect payments due to credit concerns in our sales destinations• Occurrence of procurement risk due to credit concerns of our suppliers• Delayed business operations due to credit concerns of our alliance partners	<ul style="list-style-type: none">• We carry out measures to strengthen credit management and debt collection, such as the setting of transaction terms that factor in ongoing credit risk, etc.• We will diversify risks by sourcing from multiple suppliers.• We will have the alliance management dept. report on progress at JUKI risk management meetings.
	⑨ Price fluctuations	Financial markets	<ul style="list-style-type: none">• Impact on the prices of products sold and materials procured in foreign currencies• Impact on our finances and business performance due to increased interest payments resulting from rising interest rates	<ul style="list-style-type: none">• We will appropriately grasp foreign exchange risk and allocate foreign currency income from exports to import settlements.• We will regularly confirm market trends at foreign exchange meetings and implement foreign exchange forward contracts.• We will raise funds based on interest rate levels and suppress interest-bearing debt.
Hazard risks	⑩ Natural disasters	Hazards	<ul style="list-style-type: none">• Occurrence of various man-made and natural disasters such as earthquakes, floods, and global outbreaks of infectious disease (pandemics)• Lost business opportunities due to a suspension of business activities and supply chain fragmentation caused by war or terrorism	<ul style="list-style-type: none">• We will regularly review BCP and implement disaster drills.• We will regularly review the supply chain routes and secure alternative routes in preparation for unforeseen circumstances.
	⑪ Accidents and breakdowns	Malfunction of equipment and machinery	<ul style="list-style-type: none">• Delayed delivery time, lost customer trust, and claims for damages attributable to production stoppages• Occurrence of quality issues and work-related accidents• Increased costs due to repairs and defective products	We will understand the operating status of equipment at meetings within the management dept.
		Supply chain fragmentation	Rising procurement costs, difficulties in procurement	We will regularly review the supply chain routes and secure alternative routes.
		Information risks	<ul style="list-style-type: none">• Lost business opportunities due to delayed business operations• Deterioration of our group's reputation, credibility, business operations, competitiveness, etc. due to the leakage of customer information or confidential sales or technical information• Occurrence of other significant losses to our group's financial condition, business performance, and business development	<ul style="list-style-type: none">• We will establish an information security management system, implement appropriate measures on an ongoing basis, and monitor risk events at risk management meetings.• We will conduct information security education, training, and internal evaluations. <div>TOPICS Conducting information security education <p>We conducted online training for all JUKI Group employees from October to December 2024 to ensure that they understood the content of the information security policy and related regulations and recognized the need for security measures. The participation rate for the 2024 fiscal year was 95%. We provide training that incorporates information on targeted attack emails, a form of cyberattack that has been on the rise in recent years, to deepen JUKI Group employees' understanding of the latest security threats. We will continue to raise awareness of the importance of information security among our employees and improve their response capabilities, while strengthening our information risk management system overall.</p></div>
Operational risks	⑫ Products and services	Product liability PL Product defects Product liability, recalls	<ul style="list-style-type: none">• Liability arising from accidents, market recalls, production stoppages, etc. due to quality problems• Deteriorated customer trust in JUKI, and damages to the JUKI brand image	<ul style="list-style-type: none">• We will take out product liability insurance to mitigate financial damage.• We will implement daily quality improvement activities and hold quality meetings six times a year to strengthen quality measures.
		Operational errors and personalized operations resulting in non-compliance with operational processes and unclear workloads	<ul style="list-style-type: none">• Deteriorated quality and competitiveness due to the black-boxing of operations and loss of operational know-how• Loss of morale due to an inability to allocate the appropriate workforce or to determine the appropriate workload for each person in charge	<ul style="list-style-type: none">• We will avoid the black-boxing of operational know-how by regularly rotating our personnel.• We will conduct employee education based on an annual training plan.
		Malicious complaint	<ul style="list-style-type: none">• Costs incurred to handle complaints• Damages to the JUKI brand image	<ul style="list-style-type: none">• We will thoroughly verify facts and promote accurate information dissemination.• We will consider and implement appropriate measures, including legal proceedings, in response to malicious complaints that are deemed to be criminal in nature.
	⑬ Legal affairs and compliance	Compliance violations and litigation	<ul style="list-style-type: none">• Adverse effects on business operations due to violations of laws and regulations, suspended business operations• Criminal penalties, economic losses due to claims for damages, social sanctions, falling stock prices, damages to the JUKI brand image	<ul style="list-style-type: none">• We will establish and operate a system based on the "Compliance Regulations" and "JUKI Group Employee Code of Conduct," and ensure that every employee in the JUKI Group thoroughly understands the same.• We will review the methods and systems for publicizing the whistleblowing system in order to assess its effectiveness.
	⑭ Environment	Environment	<ul style="list-style-type: none">• Increased costs for compliance with environmental regulations in various countries regarding CO₂ emissions, hazardous chemicals, waste, etc.• Suspended exports due to non-compliance with EU directives, etc.	<ul style="list-style-type: none">• We will reduce the environmental impact of our business based on our environmental philosophy, environmental action guidelines, and green procurement guidelines.• We will monitor legal regulations on environmental issues and assess the status of environmental regulations in each country at risk management meetings.
	⑮ Labor	Work-related accidents mental health problems death from overwork harassment	<ul style="list-style-type: none">• Work-related accidents due to inadequate labor management• Deterioration of employee health due to long working hours• Any loss of the company's social credibility, etc. caused by the above	<ul style="list-style-type: none">• We will ensure compliance with laws and regulations.• We will implement appropriate labor management.• We will identify inappropriate labor management as a risk and monitor the status of labor management through risk management meetings.