

5-year Medium-Term Management Plan “Building Sustainable JUKI”

February 13, 2025
JUKI CORPORATION

Building Sustainable JUKI

1. Background and Policies of Medium-Term Management Plan Revisions

Background of the Revision

- Needs to drastically change the core business model to reflect the changing environment.
- Needs to rebuild the management base to respond to the drastically changing business environment, such as responding to sustainability issues.

Revision policies

- **Develop measures based on JUKI's unique characteristics.**
- In the first three years (by 2027), we will **shift to growth areas** and establish a new business model.
In the following two years (by 2029), we will deepen this model **to achieve sustainable growth.**

Business Environment Awareness

2-1. Business Environment Awareness and Company Challenges

In addition to emphasizing **management center on ESG** due to the increasing importance of sustainability, **it is important to introduce high-value-added products/services that leverage JUKI's strengths** to target markets based on global economic conditions, including **the growth of Global South and the stagnation of the Chinese economy**.

	Business Environment	In-house issues
Society	<ul style="list-style-type: none">• Growing Needs for Sustainability De-Carbon Society/Environmental Impact Reduction/ Human Resource Flow/Quality and Safety/ Automation/Corporate Governance	<ul style="list-style-type: none">• Promote management center on ESG
Politics/ Economy	<ul style="list-style-type: none">• Segmentation of the supply chain due to geopolitical risks• Slowdown in the Chinese economy/Moves toward global South expansion	<ul style="list-style-type: none">• To realize a sustainable supply chain• Prioritize investment of management resources in growth markets
Technology	<ul style="list-style-type: none">• Paradigm shift through AI/ robotics /IoT, etc.	<ul style="list-style-type: none">• Improvement added value of products and operations by utilizing advanced technologies

2-2. Business Environment Changes

Increasing customer needs for automation/systemization and reduction of environmental impact.
In addition, price competition with competitors intensifies.

	Sewing Machinery	Industrial Equipment
Custo mer	<ul style="list-style-type: none">Needs for labor-saving, automation, smart factories, and reduction of environmental impact (CO2 reduction)Global South market expansion/ Sewing Machinery plants shift from China to the Asian region	<ul style="list-style-type: none">Needs for labor-saving and automation of semiconductor-related manufacturing processes in generalNeeds for MI (Odds-shaped components Insertion machines), which is our strengthAutomated warehouse market expansion
Comp etitor	<ul style="list-style-type: none">Emergence of cheap sewing machine manufacturers in China and elsewhere	<ul style="list-style-type: none">Intensifying price competition for mountersAdvantage in performance and price for peripheral equipment such as MI (Odds-shaped components Insertion machines) and automated warehouse

Outline of the Medium-Term Management Plan

3.New Management Policy

Reason for existence (raison d'être)

Vision

Our shared values

Building on its achievements in sewing technology, the JUKI Group will continue to be a company that supports the sustainability of the garment industry and other sectors of society.

Innovation for your Sustainable Future

Creating a sustainable future together with society,
centered on smart factory and automation technology

*Our shared values are based on the Japanese power word "重" from the origins of heavy equipment manufacturing.

JUKI = 重機

*
重

- ① なる信頼
Enduring Trust
- ② みのある責任
Strength in Commitment
- ③ 厚なつながり
Solid Foundations
- ④ みのあるイノベーション
Innovation with Substance
- ⑤ 圧に負けない力
Strength to Endure Challenges
- ⑥ 厚な生産技術基盤
Strong Manufacturing Foundation
- ⑦ 視するサステナブル
Focusing on Sustainability
- ⑧ く響く感動
Profound Impact & Emotion

Mid-Term Management Plan

Building Sustainable JUKI

4. Vision and Basic Policies of the Medium-Term Management Plan

Vision

3 years from now (2027)

Strategic Partner with a Sense of Presence by Demonstrating "JUKI's Unique Characteristics"

Building a new business model by shifting to growth fields

5 years from now (2029)

Unique Solution Partner Supporting the Future of Apparel and Society

Further deepening the business model nurtured over 3 years and achieve sustainable growth

Basic Policies

● Growth based on two core businesses

- Integration of Sewing and IoT platform businesses
- Shift from moulder to peripheral business

● Strengthening of financial discipline

- Improvement of key financial items

● Implementation of ESG management

- Carbon neutral initiatives
- Implementation of Grand Design for human resources
- Strengthening of governance
- Thorough quality management

Growth Based on Two Core Businesses

Sewing Machinery

- **Build an earnings base by strengthening and expanding the "Selling experiences" business, which is integrated with IoT.**
- **Develop proposal-based solution businesses for high-end and growth companies.**

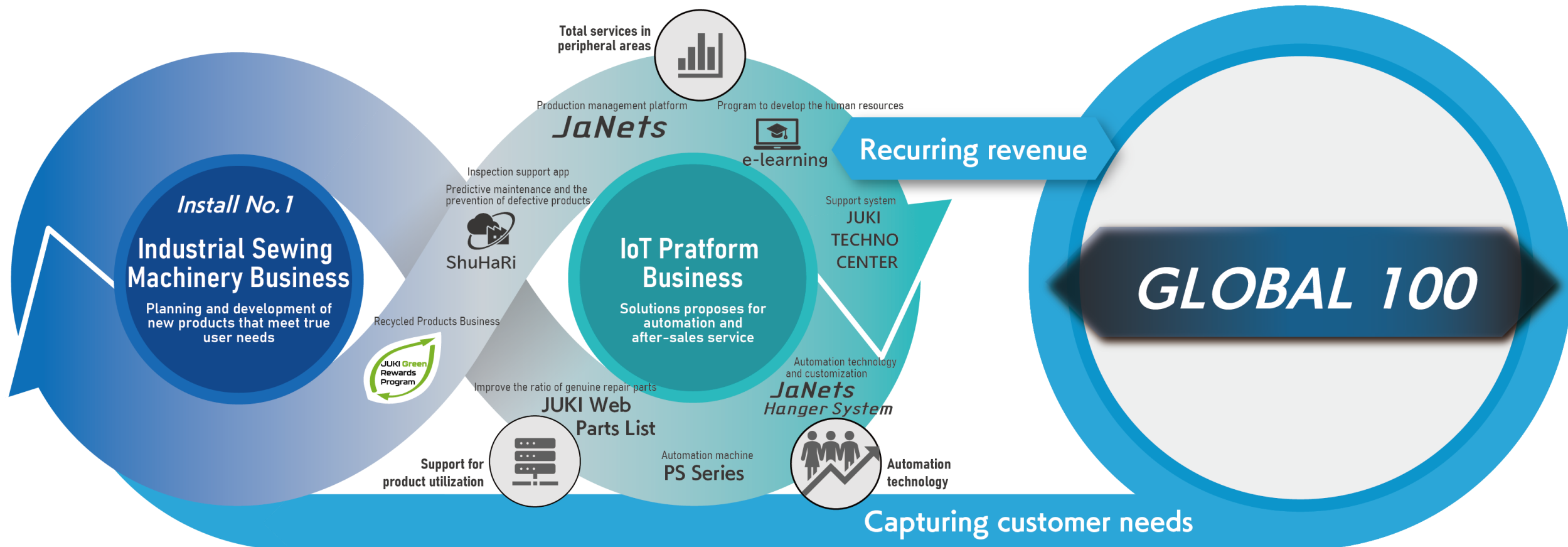
Industrial Equipment

- **Build a solid business foundation by shifting from mounter to peripheral equipment field, such as MI (Odd-shaped Component Insertion Machines) and automated warehouses, which are highly profitable fields.**

5-2. Business Strategy-Sewing Machinery Business-

Integrate Industrial Sewing Machinery Business/IoT Platform Business to strengthen solution proposals to excellent customers GLOBAL 100.

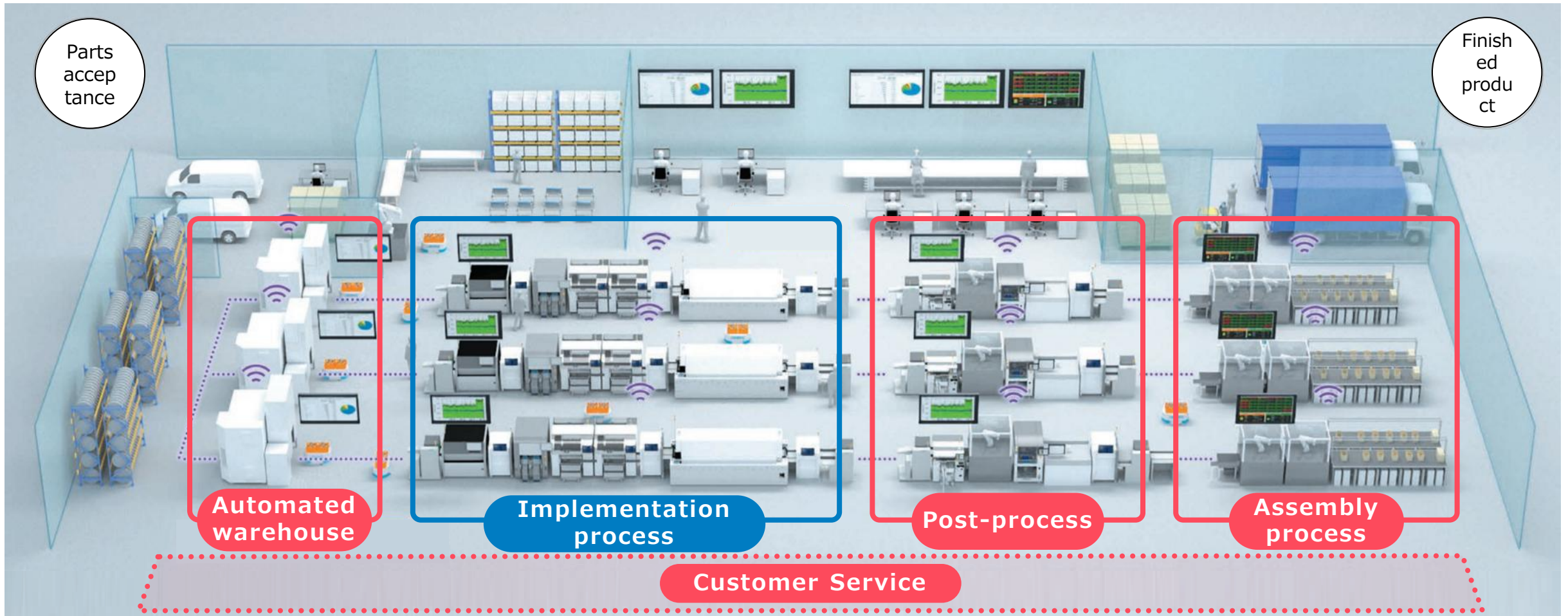
→ **As a platform provider of total support for Sewing Machinery factory manufacturing lines**



5-3. Business Strategy-Industrial Equipment Business-

Expand peripheral equipment fields, such as highly profitable MI and automated warehouse, from mounter businesses.

→ **Expand business domains to the entire electronic equipment manufacturing plant, which plays a role in the semiconductor industry**



Strengthening of Financial Discipline

6. Strengthening of Financial Discipline

Strengthen financial discipline to both strengthen the earnings base and ensure financial soundness.

Key Initiatives

Improving cash flow

- **Inventory reduction/Promote collection of trade receivables.**

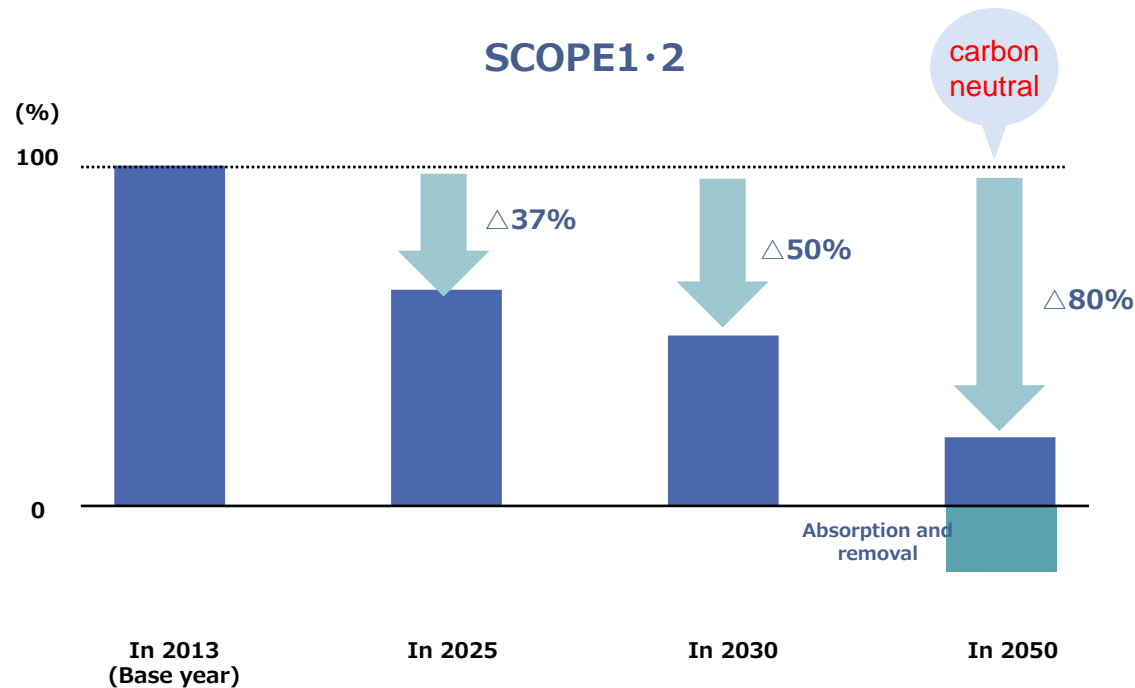
Optimizing operating assets

- **Sale of stocks/real estate/other assets.**

Implementation of ESG Management

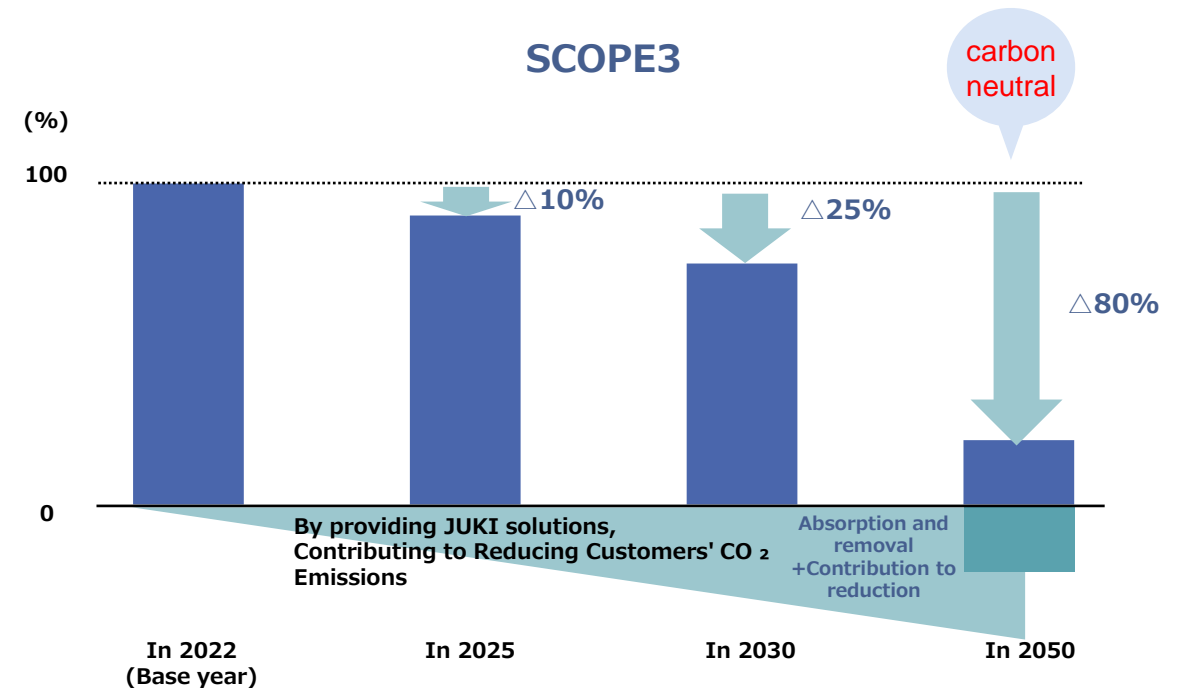
7. Carbon Neutral Initiatives

Working to reduce SCOPE1·2·3 to achieve a Carbon-free Society.



Reduction measures

- Promotion of energy conservation in production processes
- Upgrading to high-efficiency facilities and equipment
- Switching to renewable energy
- Use of non fossil certificate (If self-help efforts do not yield results)

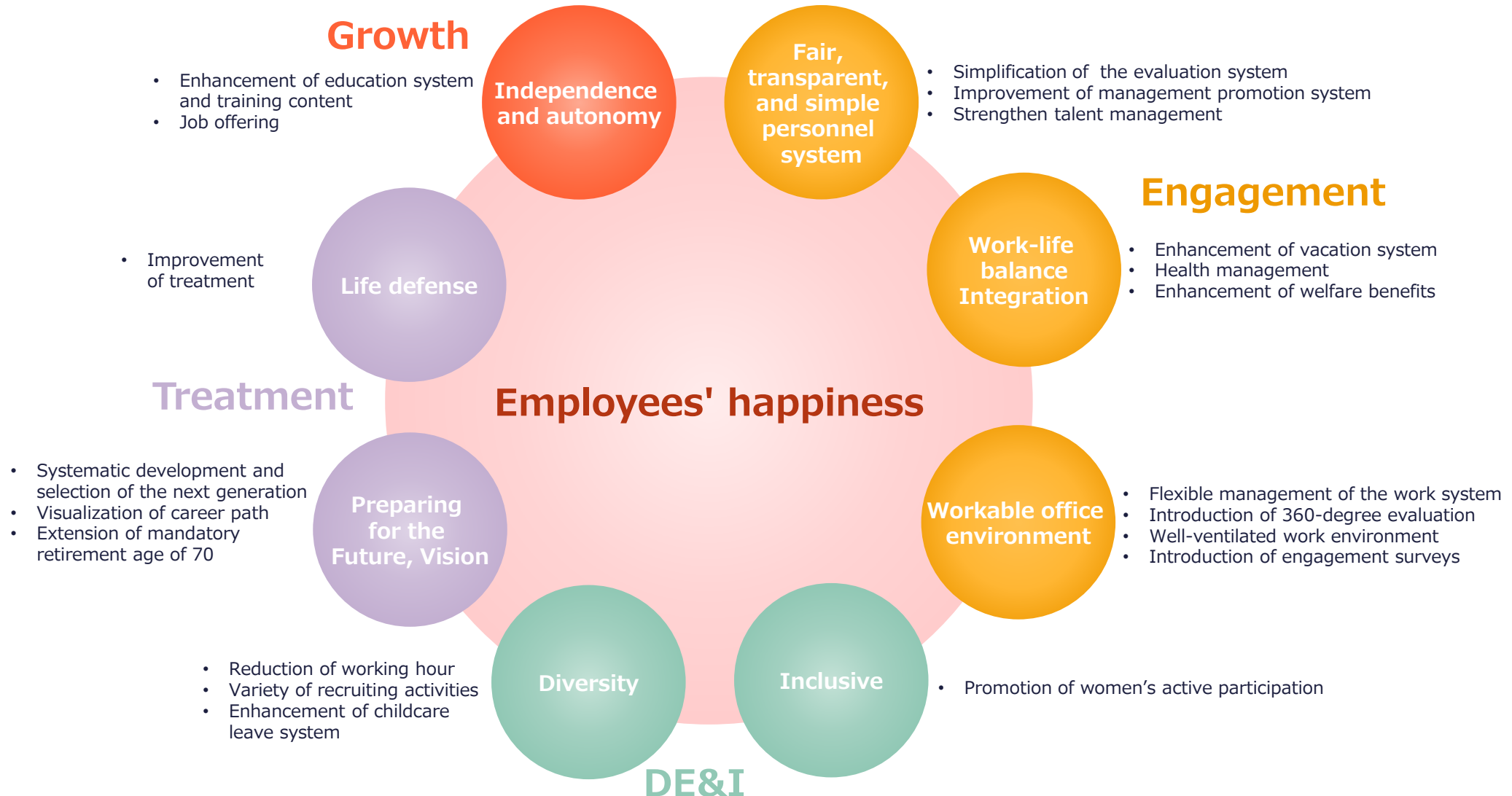


Reduction measures

- Switching to products with low environmental impact
- Develop products with lower environmental impact and develop solutions
- Increasing the use of renewable materials
- Reduction of product weight
- Promote refurbished products business

8. Implementation of Grand Design for Human Resources

Utilize the opinions of employees from a wide range of age groups and organizations to formulating and implementing a grand design centered on the "Employees' happiness"



9. Strengthening of Governance

-Risk Management/Compliance-

In order to minimize risks in the business environment and respond appropriately to legal regulations and social demands, we will promote further strengthening of the system for strengthening risk management and compliance.

Strengthening risk management

Prepare a risk map and build an organizational structure that can carry out appropriate controls.

... Strengthen risk management (prevent the occurrence) on the first line and clarify the roles and functions of the second line to support it.

- Clarify rules to be observed on the first line (front office department) and develop a system to enable self-inspections.
- Rule formulation and support on the second line (headquarters management division) and periodic monitoring.

Thorough compliance

Improve the effectiveness of the employee consultation desk.

(Maintaining and improving information gathering ability and strengthening response ability)

... Also consider unifying the consultation desk.

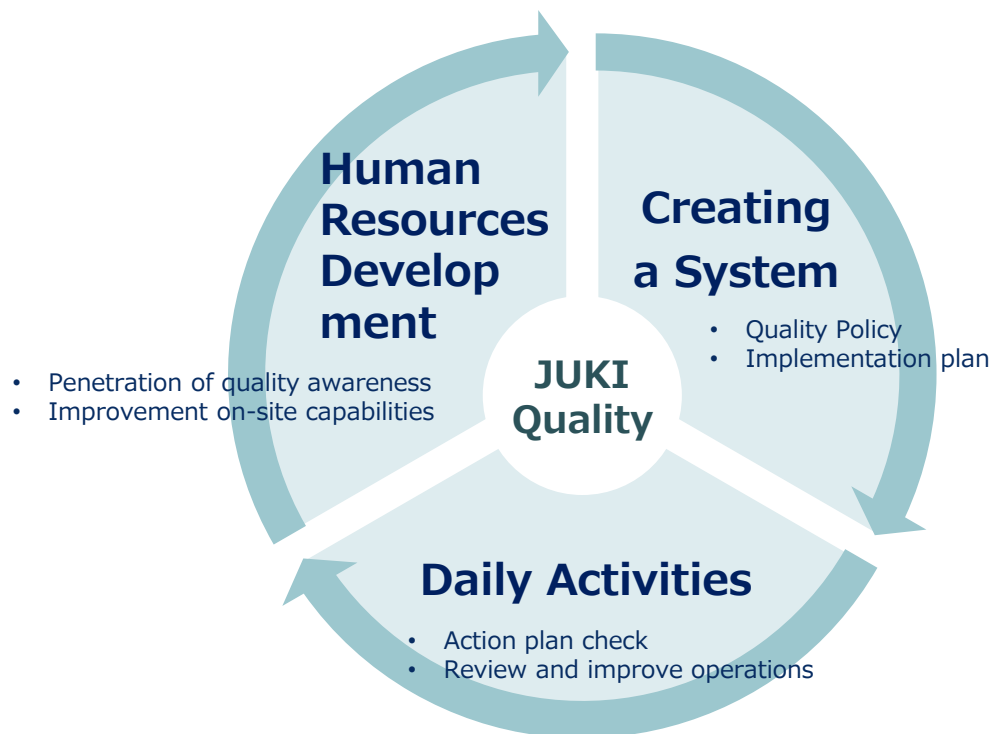
- Informing employee about the employee consultation desk.
- Ensuring "ease of consultation" to the consultation desk.

Established the "Compliance Committee" to unify the investigation and solve of cases.

- Building a system for compliance with laws, regulations, and industry standards.

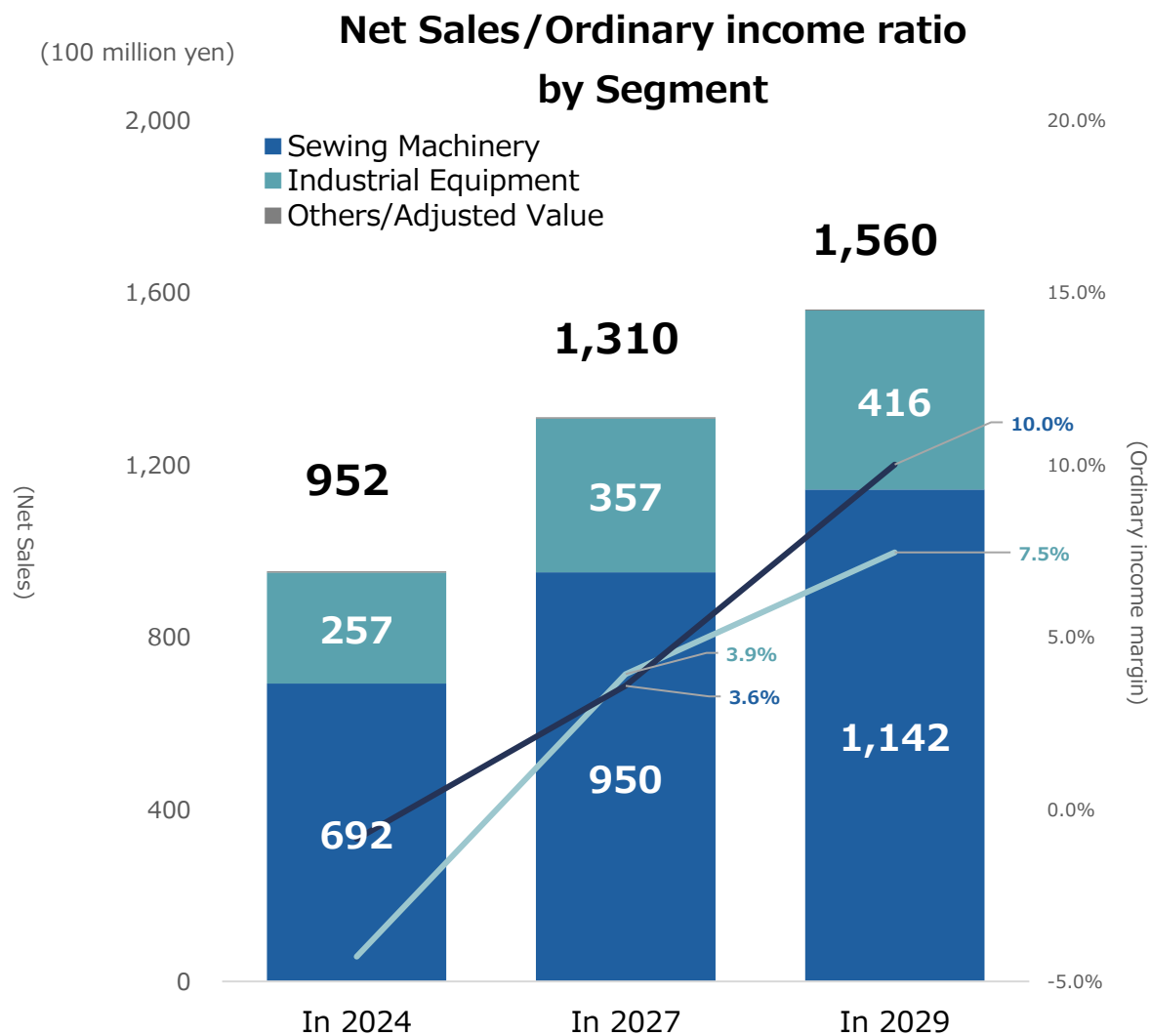
10. Thorough Quality Management

Safety and trust in JUKI quality is the very essence of brand power.
Established a "Quality Policy" **to improve quality awareness throughout the company.**
⇒ Build a system that **improving product and service quality by improving business quality.**



Financial Targets

11. Target Value



Major financial items

	2024	2027	2029
Inventory	7.3 months	5.0 months	5.0 months
Interest-bearing debt	10.4 months	6.0 months	4.7 months
Equity ratio	21.9%	24%	31%
ROE	△10%	11%	25%

※New Segment Standards (Transferred automation departments to Sewing Machinery Segment that previously included in Industrial Equipment from 2025)

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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