

# Environmental Report 2011

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JUKI CORPORATION

# Mind & Technology

# Corporate Philosophy of the Juki Group

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

## Corporate Slogan

# Mind & Technology

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

### Corporate Philosophy

The men and women of Juki work hand in hand to spread happiness and enrich society.

Juki technologies are constantly evolving and creating new value.

### Basic Management Policies

Promoting Total Quality Management.

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

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

### Policies Guiding Employee Activities

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

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

Act always as a trustworthy cosmopolitan.

## Corporate Philosophy of the Juki Group

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

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

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

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

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## JUKI Environmental Report 2011

### Editorial Policy

This report is issued to clarify and tell you plainly the idea of the environmental conservation of the Juki Group, the measures implemented and their results in fiscal year 2010, and the social responsibility to various stakeholders.

The feature of the “human-friendly and earth-friendly product-making” is introduced in this Environmental Report 2011 as the “Measures implemented by the Sewing Institute” that embody the Juki’s corporate slogan, “Mind & Technology.” We would like you to read them by all means.

Keeping up further communications with stakeholders based on this report to hear various opinions, impressions, and worrying matters, etc, we would like to make the best use of them as a guideline for the Juki Group to become a necessary enterprise for everybody.

Moreover, we are in consideration of an environmental aspect by avoiding the issue in the booklet, and publishing it on the WEB site in the version of fiscal year 2011.

### Period Covered

This report covers the period in fiscal year 2010 (from April 1, 2010 through March 31, 2011 in Japan and from January 1 through December 31, 2010 in other countries), but sometimes includes data for other periods.

### Scope of Reporting

The environmental activities of Juki Corporation and the manufacturing companies of the Juki Group are introduced.

### Reference Guidelines

Environmental Reporting Guidelines (Fiscal 2007 Version) issued by the Ministry of the Environment in Japan

### Time of issue

Month of issue: July 2011

We published our previous Environmental Report in August 2010, and plan to publish our next Environmental Report in July 2012.

Please send us your frank opinions and impressions by completing the questionnaire attached to this report. Your comments are valued, and we will incorporate them in our next Environmental Report.

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\*Please visit our website if you would like to get more information on our company.  
[http:// www.juki.co.jp/index\\_e.html](http://www.juki.co.jp/index_e.html)

### Disclaimer

This report contains not only a past and present fact of the Juki Group but also the forecast such as a plan or an estimate that is made at the time of issue. The forecast is an assumption or a judgment based on information that could be acquired when the report was made, and it has the possibility that the result of the business activity or the event in the future will become different from the forecast due to subsequent changes. Moreover, each data herein has the item for which the total is not suitable for the fraction processing. We would ask you to acknowledge the above.

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# *Top Management Message*

We will seek to become an enterprise  
that is trusted and needed by society through the practice of  
"Mind & Technology" and "Customer Creed."

Let me express my sincere sympathies to everyone who has been stricken by the devastating East Japan Earthquake.

Though still oppressed by the sharp rise of the yen against the dollar, we finally achieved our original performance target in fiscal year 2010, largely thanks to rising demand in China and other Asian countries. We also finally accomplished our "Revival," a goal we have been pursuing since the Lehman shock. This would never have been possible without our single-minded efforts and the backing and support of customers from all over the world. We would once again like to express our gratitude for this support.



Our success over the last can also be credited to our commitment to putting the Juki corporate slogans into practice. Specifically, "Mind & Technology," the "Customer Creed," and "Management based on the market." By following these principles, we can always learn from customers and create a new value with customers.

In the meantime, Juki's operations as a for-profit enterprise are inseparably linked to the measures it is taking for the environment. The Juki head office and all of the manufacturing companies of the Juki Group have been advancing the construction, maintenance, and improvement of their practices for compliance with ISO14001, the international standard for environmental management. As you all know, the last of the group manufacturers finally acquired ISO14001 certification in April 2011. So now every one of our manufacturers in the world is operating with this certification. Moving forward into a new chapter for the Group, we will be further strengthening environmental practices united with enhanced primary businesses and group-wide environmental management.

We will also be making renewed efforts in fiscal year 2011 to achieve major power-saving targets. These efforts will go beyond the already considerable power-saving measures we have taken so far in our approach to the environment.

As we make the transition from the Juki "Revival" to the Juki "Leap" in 2011 as a united Juki Group, we will aim to become an enterprise that is trusted and needed by society, "A strong global enterprise that can live through the 21st century." We hope to receive your ongoing support as we move into the future.

Akira Kiyohara  
President  
Juki Corporation

清原 晃

# Response to the Tohoku Region Pacific Coast Earthquake

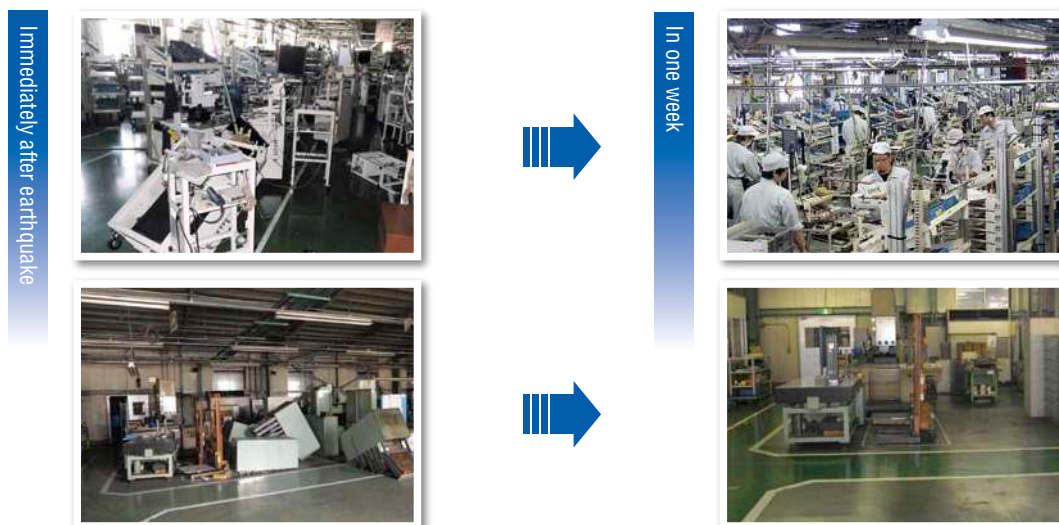
The biggest earthquake of magnitude 9.0 in the history of the Japan observation occurred at 14:46 on March 11, 2011. The epicenter of the earthquake was assumed to be coasts of Sanriku. The extensive damages such as the radiation leak pollution at the Tokyo Electric Power Company Fukushima nuclear power plant in addition to the earthquake and the tsunami were caused over one capital nine prefectures centering on the Tohoku region. Juki set up the crisis task force that made the president a general manager immediately after the occurrence of the earthquake, and took the rapid actions to grasp the damage situation in the group companies, confirm the employee's safety, and give directions of response to the customer, etc.

The Ohtawara plant (Tochigi Prefecture) resumed the production in one week by employee's all-out remediation activity though some of the structures and equipment received damages. Fortunately, there were no big damages in other companies such as Juki head office (Tama City, Tokyo), three companies in Akita Prefecture (Juki Denshi Kogyo Corporation, Juki Yoshino Kogyo Corporation, and Juki Akita Seimitsu Corporation), Juki Aizu Corporation (Fukushima Prefecture), and Suzutami Precision Industry Co., Ltd. (Niigata Prefecture).

## Damage situation and contents of rehabilitation and reconstruction of Juki Ohtawara plant

	Damage situation	Restoration step situation		
		March	April	May
Factory building	Lighting fall, crack of pillar and floor, and crack of iron frame prop	■■■	■■■	
Machine shop	Breakage of jigs and edged tools, and mismatch between systems due to the machining center machine gap	■■■	■■■	
Paint shop	Ceiling fall, and conveyer fall in small pain line	■■■	■■■	
Assembly shop	Products scattering	■■■	■■■	
Automatic warehouse	About 30% parts fall	■■■	■■■	
Office building	Ceiling fall, lighting damage, and pane all damage	■■■	■■■	

July scheduled completion



Production was resumes in one week by all-out recovery efforts though the products had been scattered due to the earthquake. (Assembly shop)

## For afflicted customers –Assistance to repair the damaged JUKI products–

Juki have serviced JUKI products that received damage due to the earthquake such as industrial sewing machines, household sewing machines, SMT systems, and data entry device without asking "Technical fee for a repair". Juki have been dedicated to responding to 350 requests or more till May from the occurrence of the earthquake though regrettably some products were unrepairable owing to submersion under water. This service will be offered untill September 30, 2011 on a receipt of request basis.

## For the reconstruction of the disaster area –Donation of relief money–

Juki, the Juki Group companies, all directors and managers, the JUKI labor union and others contributed the relief money of a total of 10 million yen through the Japan Red Cross in order for victims of the disaster or the disaster area to use it for their aid or reconstruction.



The relief money was donated through the Japan Red Cross.

# “Human-friendly and earth-friendly product making”

Juki always thinks about "Easier to use," "More efficient," and "More eco-friendly" as an enterprise engaged in a product making, and has developed the products. The JUKI products themselves are fruits of Mind & Technology of Juki.



## Embodiment of Juki's "ambition" that boasts functionality and takes pride in top share

**30% reduction  
in power  
consumption**

Industrial  
Sewing Machines

Power consumption was largely reduced.

## AMS series

(AMS-210EN, AMS-221EN, AMS-224E)

Electronic cycle machine with input function



### ● Excellent power saving design in economical efficiency

We have adopted the direct drive method with small AC servomotor excelling in the energy transfer in the drive of sewing machines, and adopted the encoder control method driving the pulse motor with a minimum electric power according to weight and the seam length to the XY drive of intermediate presser for feeding the materials. This technology helps to reduce power consumption by 30% in the AMS-210EN series over our existing machines.

### ● Improvement of productivity

The AM S Series have achieved an industry-leading sewing speed 2,800sti/min. We were able to shorten the sewing time, reduce electricity use, and reduce operator's burden by having shortened the cycle time (The AMS-210EN series: shortening by 15% over existing machines) and having contributed to the productivity enhancement. Moreover, we can do the data input and the edit with a large-scale color liquid crystal touch panel, and shorten the arrangements time. We also decrease operator's inputting errors, and then omit the wastefulness of materials.

### ● Eco-friendly semi-dry head

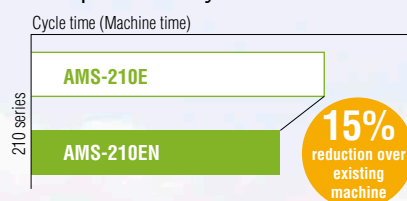
We have adopted the advanced oil-free dry technology that has been already promoted in a lot of machine types in the AMS series. The face section of sewing machine (needle bar section and balance section) is greased, and the rotating hook section is lubricated in small amounts with oil from lubricant oil tank. It is an eco-friendly product because the oil stain on needlework decreases by the oil-free dry technology, and the used amount of cleaning agent can be reduced. The oil stain in the factory is lost, and the working environment is improved.

### ● Comparison of power consumption

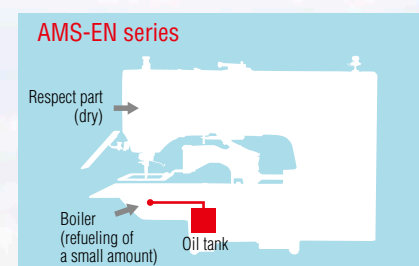


\* Sewing conditions/Pitch 4mm, 200needles, 5 seconds on standby, One-time pressure and lift  
AMS-210EN : 2,800sti/min  
AMS-210E : The highest sewing speed at pitch 4mm

### ● Comparison of cycle time



\* Sewing conditions/Pitch 4mm, 200needles, AMS-210EN : 2,800sti/min  
AMS-210E : The highest sewing speed at pitch 4mm



Lubrication chart

\*Power consumption and the cycle time are compared in AMS-210EN series. AMS-221EN and AMS-224E series are also sewing machines in which the similar improvement was attempted.



**17% reduction  
in power  
consumption**

Adherence to sewing quality, and success  
in reduction in power consumption and  
standby power requirement

## EXCEED series

### Household computerized sewing machine

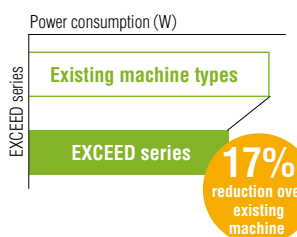
We fundamentally reviewed customer's needs for the EXCEED series to implement the product development based on the viewpoint of customers from the project stage, and develop it.

#### ● Stabilized sewing by a box feed system

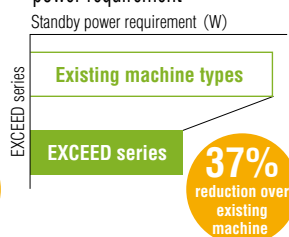
One of this machine's attractions assuming that 'The sewing machine is a sewing equipment' is a stabilized sewing by a box feed system. Though many attractive functions are provided in the EXCEED series, we have especially stuck to this function since the planning. We achieved the prevention of the sewing shrinking or the cloth gap, and the straight advancement or the stabilization of the cloth at start of sewing by feeding the cloth while keeping the feed dog in a horizontal position. We were convinced that this machine can play the role of an original sewing equipment fully and also give the added value of customer satisfaction, and released it with confidence as a definitive edition of the household sewing machine.



#### ● Comparison of power consumption



#### ● Comparison of standby power requirement



#### ● Large reduction in power consumption and standby power requirement

We achieved lower power consumption by reviewing a power supply and driving motor and using LED lamps in the electric control supporting the above-mentioned mechanism.

We also succeeded in reducing standby power requirement by 37% and power consumption by 17% over existing similar machine types.

A high-quality production line becomes able to be  
set up to satisfy a wide range of production needs.

## KE-3020/KE-3020R

### High-speed, general-purpose mounter

KE-3020/KE-3020R, high-speed general-purpose mounters put on the market in September, 2010 are new product that can set up a high-quality production line satisfying wide range of production needs by connecting with high-speed modular mounter FX-3 on sale and attaching electric tape feeders onto them.

#### ● Large reduction in power consumption

We achieved high operation efficiency by changing the drive system for the mechanism that moves electronic component from supplying unit to electronic board and place them. As a result, we attained a great reduction (25% reduction over existing machines) model) in power consumption by improving productivity more than existing machines.

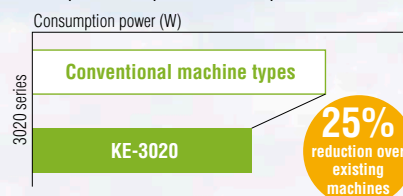
#### ● An existing resource is effectively used with economy

Like FX-3, we have adopted an industry's first specification that allows customers to use both electric tape feeder and traditional mechanic tape feeder by an overall exchange trolley (a unit of exchanging feeders collectively) in KE-3020/KE-3020R. As a result, customer's existing resource can be effectively used without uselessness. It excels in the economy and investment efficiencies, and it contributes to the resource saving.

**25% reduction  
in power  
consumption**



#### ● Comparison of power consumption



## Efforts by the Sewing Research Institute to reduce the wastefulness and enhance the productivity in the sewing industry

After World War II, Juki that had begun sales of an industrial sewing machine established the Sewing Research Institute providing a customer support service in 1959. Since then, more than half a century has passed. They have now contributed to the promotion of products around the world as well as an environmental reform and personnel training in the product site, and industrial development in the developing countries. The activities of JUKI Sewing Research Institute that has walked up to now with the apparel production industry and aspiration they will put in the future are introduced here.



### 50 years of JUKI Sewing Research Institute

#### *At the birth*

Juki (At that time, it was called Tokyo Juki Industrial Co., Ltd.) promptly started the development of the sewing machine at the postwar reconstruction period. Juki began selling the household sewing machines in 1947 and continuously the industrial sewing machines in 1953. The first machine of the industrial sewing machine among them was a high-speed rotation needle thread take-up sewing machine. They visit the sewing factory to expand sales of this machine. Then, so-called the home-manufacturing industrial structure they saw there was far from modern factory management. This type of factory looked like a treasure house of wastefulness to the employee of our company that had thought the production efficiency improvement to be a mission so far as a manufacturing factory of Juki.

"There is nothing in a future of the sewing industry if the seat-of-the-pants old-fashioned factory management is not conducted under scientific management based on data though it is also important to sell the industrial sewing machine." The following year, the top management of our company who thought so directed the research of the sewing production system in-house. It is "Sewing Efficiency Laboratory" that has become independent in 1959 as a specialty division that supports the customer for the factory modernization based on the results, and this is a start of "Sewing Research Institute (The title was changed in 1997)".

In the society, Japan External Trade Organization (JETRO) was inaugurated, 10,000 yen note was issued in 1959 previous year, and "National income-doubling plan" of the Ikeda Cabinet was announced in 1959 next year. In this way, Japanese economy began to head for the high-speed growth. Afterwards, the sewing industry in Japan accomplished the rapid growth, and became the ace of the foreign currency acquisition as star export-oriented manufacturers.



#### *1955 through 1974*

"JUKI synchronized system" that this laboratory developed along with the establishment of the Sewing Efficiency Laboratory penetrated widely into the sewing industry in Japan, and the production revolution was brought to the sewing industry. At the same time, the productivity improvement support activity such as "Synchronized classroom" by the Sewing Efficiency Laboratory came to gather the keen attention as a novel marketing operation that providing a customer support service to the enterprise customer, and to contributed to expanding sales of the industrial sewing machine of JUKI through the activity.

They started to conduct training to the apparel production factories throughout Japan as industry's first "Consultant team" that set up in the sewing machine manufacturer in 1965. They contributed greatly to the training of the manager in charge of production control in the sewing industry through "Manager training classroom" that developed from "Synchronized classroom" and others.

#### **What is "JUKI synchronized system?"**

It is a sewing production system developed to utilize the performance and function of the industrial sewing machine of JUKI by 100%. Juki offered "JUKI synchronized system" for profit as a customer support service leading to the productivity enhancement. And, they raised the production efficiency dramatically in the sewing factory where this system had been introduced, and come to receive a request for introductory training one and after. Thus, "JUKI synchronized system" was penetrated into the sewing factories at a dash.





## 1975 through 1997

A change in needs from mass production to high-mix low-volume production appeared in a Japanese market in 1975 through 1984, and lots of production systems were offered to the sewing industry in response to these needs. Juki announced "Juki unit synchronized system (JUSS)," and conducted the popularization activity to hold the seminar and others in Japan as well as in foreign countries.

The tendency to high-mix extremely-low-volume short-cycle production became much stronger in 1985 through 1997, and the sewing industry responded in the small-group multi-skilled worker line. The introduction of the QRS System or the Individual Production Unit developed by the Sewing Research Institute (The title was changed in 1997) advanced. At the same time, the movement of the sewing production site to Taiwan, China, and Southeast Asia accelerated worldwide owing to a sudden rise in labor cost.

## 1998 or later

A decrease in the sewing company continued in the sewing production site in Japan and the advanced country. Meanwhile, the sewing production site moved intensively to Southeast Asia and China based on low labor cost worldwide. Especially, China has grown up to the world's largest sewing production site owing to an increase in the company related to the sewing machine equipment, the easiness to procure the material, low labor cost and others.

The Sewing Research Institute also advanced the activity on a global basis in accordance with the shifting of the sewing production site to foreign countries. They trained the overseas local staff, assigned the full-time staff to the market in Japan as well as Southeast Asia and China, and have provided a fine-tuned customer support service to improve the productivity.

The Sewing Research Institute that marked 50 years since establishment in 2008 has raised the existence value more and more.

### Factory diagnosis and plant design

Work of Sewing Research Institute (1)

The Sewing Research Institute proposes the production system as well as to conduct the factory diagnosis and plant design to improve the efficiency of the production plant. They also have provided consistent service based on an original sewing machine production system before or after the goods are delivered.

The factory diagnosis is executed to improve a further production efficiency at the stage where the factory has become able to achieve the production volume planned at first after the introduction of an industrial sewing machine. The problem, waste of work, and losses of transportation are dug up by using various IE (industrial engineering) method. In addition, the proposal is made to relocate the sewing machine for the production line balance etc. The factory is diagnosed spending about three days a company on the average including the analysis of present state, the investigation, and the layout changes.

They examine the scale of necessary equipment and the number of men based on the number of factories of plan production utilizing the knowledge the industrial sewing machine manufacturer has, and propose the plan design. They analyze the process from the sewing sample offered by the customer, and make plans of a type of necessary equipment, the number of necessary equipment, and the number of operators etc. They also design the layout of equipment on request.



Factory diagnosis scene

### Seminar that establishes system

Work of Sewing Research Institute (2)

Sewing Research Institute has worked on not only the introduction or consulting of the sewing production system but also the important human resource development activities to establish the system, and has conducted various human resource development training.

"Synchronized classroom" that started in 1960 is now called "Management seminar" intended for management level employees. They hold it at the Ohtawara Nasu training center every year in July, and have worked on training a leader who supports today's sewing industry. Moreover, they open an in-house seminar intended for an individual customer on request. Customer's production site moves to foreign countries, and most of the seminar is held in foreign countries accordingly.

Recently, we have done a new approach "Seminar OJT" that combines the seminar with the factory diagnosis. This makes the customer confident

that productivity can be improved on his own by discovering and improving the problem for him, and is popular among the customers.

Juki supports customer's continuous productivity enhancement by selling products that are excellent in the function or performance as well as providing these stronger customer support service.



Seminar scene

# For the future ~Decrease in environmental load and creation of added value~

**It is the JUKI Sewing Research Institute that has worked on converting the sewing industry to the modern apparel production industry. The JUKI Sewing Research Institute tries the modernization of the industry in a real sense in the future by making the sewing industry become an eco-friendly industry that creates eco-friendly high added value.**

The JUKI Sewing Research Institute has assisted the customer to achieve the productivity enhancement by providing the customer with a customer support service over longer than half a century. Such an approach leads to the environmental reform of the production site and the development of the industry.

An industrial sewing machine includes the oil-free dry type sewing machine that need not use the stain remover that leads to the destruction of the ozone later and the power-saving energy-saving type sewing machine that uses the servomotor. We propose the eco-friendly sewing machine preferentially when the machine type is selected.

Moreover, it is also possible to reduce useless space in the factory from the

viewpoint of 5S (Seiri: orderliness, Seiton: neatness & tidiness, Seiketsu: cleanliness, Seiso: cleaning, and Shitsuke: good matter). We are proud that such a Sewing Research Institute's approach to change an unproductive work such as a useless work to a productive one has become an impellent force that converts the sewing industry to the modern apparel production industry.



## VOICE

Customer's comment

### Production efficiency increases by 12 to 13% owing to the practice of 5S

Thoughtful product making is achieved with appropriate environmental care

Our company has received various guidance and seminars from the Sewing Research Institute to put them into practice. Owing to the guidance on 5S, we lessened the lost item or reduced the time for looking for the items by setting up the depository matched to the shape of tools necessary for a sewing and enhanced the working efficiency by 12 to 13% by making the shelf between the processes, putting the finished products in the former process as practice of "Visualization" in the production lines and making all members recognize the progress of the entire line. Moreover, we were able to enhance team work by studying 5S hard each other through a symposium of 5S.



Visualization of parts



Production line process

Our company thinks that maker's delicate mind is indispensable, and is aiming at the product making that hits human in his mind. This is based on an idea, "When the environment is

not good, good work cannot be done", and this connects with the aspect of 5S of the Sewing Research Institute. Good environment is made not only for the process but also for the entire factory. For instance, it connected with "Improvement of the working environment" to aim at not only the reduction in the electric energy that is related to air-conditioning but also the improvement of working efficiency by ES (employee satisfaction) by giving insulation to the equipment generating high temperature and the roof of the factory as well as enlightenment by all employees' recognition of the demand (the used electric power) at the factory.

We will continue to offer the sewing that only our company can do with the greatest care. Therefore, we wish to make efforts in partnership with the Sewing Research Institute on both sides of the mind and technology to reduce wastefulness further and improve efficiency.



President  
Sawing Asahi Corporation  
**Eiichiro Takahashi**

## VOICE

Local staff's comment

### Productivity improves by 27.4% at the major knit factory

Our role in the future is to provide a customer support service to the customer who can run high-efficiency production lines in conformity with the customer's needs.

Our sewing research center in China has been providing customer support services such as the factory diagnosis, the production management seminar, and the plant engineering design etc. to major sewing factories in China.

We were able to learn the posture to a variety of production systems and management techniques, and the attitude toward a work by the guidance of the Sewing Research Institute in the JUKI head office. The factory diagnosis implemented last year at the major knit factory in China resulted in improvement of the productivity by 27.4% successfully. Moreover, we have further encouraged the growth by taking a positive action voluntarily in addition to an enhancement of skill in the staff development in our place.

We think that the apparel industry expands along with the increase of robust demand in China though there are a labor shortage, an increase in production cost, and a problem

of high-mix low-volume production in China as well as Japan in recent years. We also think that the role that JUKI should play in the future is to provide a customer support service to allow the customer to run higher-efficient production lines as well as to introduce energy-saving equipment in accordance with the customer's needs.

Our role is to make the use of what we have so far learnt in the trainings and to build the win-win relationship with the customer. It is also a target for us.



Deputy General Manager  
Sewing Research Center  
East China Sales Dept.  
Juki (China) Co., Ltd.  
**Han Weiguang**

Interviews with the JUKI Sewing Research Institute

## Role and ambition of the Sewing Research Institute



# For the development of the apparel production industry in the world

**The activity of the JUKI Sewing Research Institute has extended to not only Japan but also China and other countries in Asia that have become sewing production sites in the world. We asked three key persons to talk about the role for the JUKI Sewing Research Institute in the development of the apparel production industry and their ambitions.**

**I am very glad to feel that the overseas local staff has grown up so early.**

The early cultivation of local staff is an important mission imposed on me today. It is a task how to send local staff the know-how that we obtained. Therefore, we have built a mechanism in which they can grow up at the earliest after they understand their level and weak point by repeatedly making a skill chart and interviewing. My efforts bear fruit, and they now became able to do what I took ten years in a couple years.



1st Group Leader  
Sewing Research Institute  
Customer Support Dept.  
Sewing Machinery  
Business Unit  
**Satoshi Sasaki**

**The sewing delights the customer with a sewing machine and also contributes the economic development in the area.**

Sewing is, so to speak, an industry contributing to the economic development in the area in which various foreign currencies can be acquired by handling people. We go to the regions where there is no work though there is person such as China and Bangladesh, and teach them the new management technique and operation. As a result, the productivity is enhanced, and the national power goes up. It is a big pleasure for us to be able to be involved there. We have received applause and requests for a signature from them after the end of the factory diagnosis debriefing session (smile).



2nd Group Leader  
Sewing Research Institute  
Customer Support Dept.  
Sewing Machinery  
Business Unit  
**Masaki Kusumi**

**I would like to contribute to the environmental reform of the sewing factory, and to establish a win-win relationship with the customer.**

It is expected in the future that the shift from mass production to high-mix low-volume production will advance in foreign countries and the change that have ever occurred in the sewing factory in Japan will come out there too. Customer's production circumstance is changing all the time. The Sewing Research Institute would like to contribute to an improvement in the quality, the productivity, and the profit by making the mechanism solving the problem that foresees such a change and offering a new proposal and the solution. "Continuance is a change." In other words, it is necessary to get the customer satisfaction by continuing an approach to the customer that stays one step ahead of changes at home and abroad. We are convinced that it is the way in which the Sewing Research Institute has the existence value and keeps growing up.

As one of the customer service sectors of JUKI, we would like to construct the cycle that induces the customer to purchase JUKI product, and build a win-win relationship with the customer by delighting the customer with a service and improving the profit.

General Manager  
Sewing Research Institute  
Customer Support Dept.  
Sewing Machinery  
Business Unit  
**Akira Yamada**



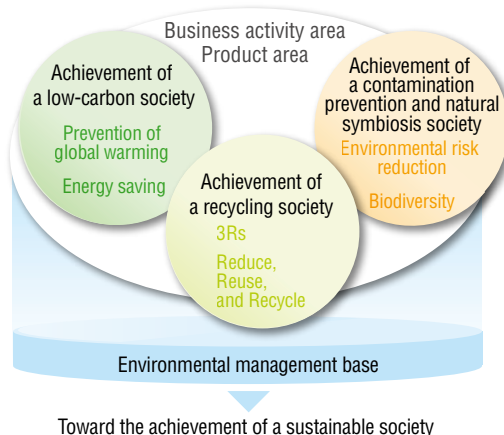


# Environmental Vision

The Juki Group conducts environmental activities on a daily basis according to its "Environmental Philosophy" and "Environmental Action Policy." We have done our ECO-MIND Declaration to promote our environmental conservation activities across the Group, including those to reduce our environmental load, conserve resources and energy, and foster recycling.

## The attitude towards the Juki Group Environmental Conservation Activities

### Toward the achievement of a sustainable society



To contribute to the achievement of a sustainable society, the Juki Group has been practicing environmental management in three areas of "Achievement of a low carbon society", "Achievement of a recycling society", and "Achievement of a contamination prevention and natural symbiosis society."

And, the Juki group has been making the "ECOMIND declaration" that consists of the "Environmental Philosophy" and the "Environmental Action Policy" to show these to all stakeholders more concretely.

"ECO MIND Declaration" means that a mind of "Environment" is added to minds of "Quality," "Customer Satisfaction," and "Respect for Human Nature" included in a corporate slogan of JUKI, "Mind & Technology." Based on these, we have also formulated the "Juki Group Guideline for Environmental Conservation" which is a guideline used when the Juki Group concretely conducts activities for the environment, and has carried out the environmental prevention activities as the Juki Group. Moreover, we ensure that relevant information is exchanged and distributed throughout the Group, which will improve the level of environmental activities across the entire Group.

## ECO MIND Declaration

### Environmental Philosophy

Juki Group recognizes that activities of enterprises are closely related to the global environment, and is making efforts to:

1. Contribute to the local community and society by environment-conscious activities.
2. Provide people around the world with environmentally friendly products.
3. Play an active role to hand down a better global environment to future generations through continuous activities.



### Environmental Action Policy (Revised in April, 2010)

1. Prevent global warming by promoting energy-saving in all business activities and use resource efficiently by implementing the 3Rs (Reduce, Reuse, and Recycle).
2. Provide products with less environmental load by planning, researching, developing, procuring, and manufacturing with environmental influences in mind.
3. Contribute to countries and regions by modifying environmental conservation activities to suit local conditions wherever Juki does business as a global company.
4. Observe environmental laws and other agreed requirements, and prevent environmental pollution.
5. Actively disclose environmental information.
6. Raise "awareness of ecological problems" among employees through educational campaigns.

## VOICE

### We contribute to the achievement of a sustainable society through a primary business.

The social problems that an enterprise should address now become diversified. The measures against the global environmental problems including global warming prevention among them are strongly required.

We have already tried a resource saving, an energy saving, and a prevention of pollution in the whole area of the business activity.

We have also attempted to reduce an environmental load continuously by providing product and service with less environmental load or eliminating the wastefulness in the production process. These lead to reduction in cost at the same time, and also become provisions for our own growth.

In the future, we promote the activity that advances an offer of a valuable product and a further decrease in environmental load in our own active conduct of business to the customer for the achievement of a sustainable society that satisfied both of the global environment conservation and the economic development.



General Manager Corporate Planning Dept.  
Managing Director Juki Corporation  
**Hiroshi Nakamura**

# Environmental Targets and Results for FY2010

We have been setting common environmental targets that are suitable for the realities of each business for Juki Corporation and the manufacturing companies of the Juki Group. We are promoting our environmental conservation activities while monitoring our progress in achieving the targets. We have set specific environmental targets to reduce our CO<sub>2</sub> emission and decrease total waste emission.

## Environmental Target of the Juki Group

Environmental Target	Coverage	Numerical Target	Results	Review in FY2010 and Future Activities
Reduction in CO <sub>2</sub> emission	The entire Group companies	Reduction by 27% in total amount from FY2005	Achievement rate 96%	<p>The Juki Group achieved 96% on CO<sub>2</sub> emission and 84% on waste total emission over the plan along with an increase in production volume in fiscal year 2010. The Juki Group will reduce the environmental unreasonableness and wastefulness in fiscal year 2011 by advancing the optimization of the entire Group with Production Planning Dept. and Procurement Dept. under the initiative of Production Center that supervises the manufacturing companies of the Group.</p> <p>The special waste is excluded with disposal of the former head office building.</p>
	Domestic manufacturing companies	Reduction by 28% in total amount from FY2005	Achievement rate 102%	
	Overseas manufacturing companies	Reduction by 29% in total amount from FY2005	Achievement rate 87%	
	Head office	Reduction by 4.8% in total amount from FY2005	Achievement rate 96%	
Reduction in total waste emission	The entire Group companies	Reduction by 21% in total amount from FY2005	Achievement rate 84%	<p>The number of incompatible green procurement that had been generated in fiscal year 2009 became 0 through an appropriate preventative measures in fiscal year 2010. We work continuously even in fiscal year 2011.</p>
	Domestic manufacturing companies	Reduction by 28% in total amount from FY2005	Achievement rate 81%	
	Overseas manufacturing companies	Reduction by 12% in total amount from FY2005	Achievement rate 87%	
	Head office	Reduction by 13.5% in total amount from FY2005	Achievement rate 108%	
Promotion of green procurement	Common to the Juki Group	The number of violation of restrictions of shipments of Green Procuring Conforming Articles and Hazardous Chemicals Substances: 0	The number of violation: 0	
Observance of environmental law		The number of violation: 0	The number of violation: 0	

## Environmental Target of the Juki Head office

Environmental Target	Coverage	Numerical Target	Results	Review in FY2010 and Future Activities
Approaches to eco-friendly products	① "JUKI ECO PRODUCTS" recognition of new product	Development dept. New models introduced to market Design planning goal achievement 100%	Achievement: All dept.	We achieved the goal for both "ECO PRODUCTS" and "Reduction in power consumption of a new product" in fiscal year 2010. We work continuously even in fiscal year 2011.
	② Reduction in power consumption of new product	Development dept. New models introduced to market Reduction goal achievement 100% compared with the existing models	Achievement: All dept.	
	③ Development of PR activities for "JUKI ECO PRODUCTS" and environment	Industrial sewing Machinery sales dept. PR activity in an exhibition for ECO PRODUCTS and environment	Achievement rate 117%	We work continuously. We set the target of each business segment and worked on it in fiscal year 2010. We will set the target of each business unit that is a new organization and develop activities in fiscal year 2011.
		SMT systems sales dept. Appeal for environment activity in an exhibition	Achievement rate 85%	
		Household sewing Machinery sales dept. An increase in the sale of eco-friendly product	Achievement rate 74%	
Reduction in OA papers purchase volume	Head office	67.5% reduction compared with fiscal year 2005	Achievement rate 92%	We introduced the combined machines with capability of print, copy, and fax into all sections in fiscal year 2010. We worked on the enthusiastic target for 67.5% reduction compared with fiscal year 2005. We will aim at further reduction based on this in fiscal year 2011.
Improvement of environment awareness and environmental knowledge	Head office	Plan implementation 100% of environmental education	Achievement rate 88%	We work continuously.
Positive release of environmental information to the public	Head office	Continued issue of environmental report, Schedule adherence rate	Achievement rate 100%	We work continuously.

\* This data shows the targets and the results for fiscal year 2010 of Juki Corporation and other domestic and overseas manufacturing companies of the Group shown on page 30.

\* The numerical values in the entire Group companies stand for those in Juki Ontawara plant plus the manufacturing companies of the Group.

## Receiving the Results of Fiscal Year 2010

We put much more production into practice than previously projected owing to the release of an entry-level machine to the burgeoning market in emerging countries in fiscal year 2010. As a result, some of the Group companies were not be able to achieve the target for CO<sub>2</sub> or waste. On the other hand, we were able to achieve 100% about the target in the product making offered to the customer as a manufacturer.

Receiving the result of fiscal year 2010, we will work on the improvement of the performance-related nonfulfillment item of the target in fiscal year 2011, and further advance the strengthening of the eco-friendly product making.

# Environmental Management

The Juki Group is committed to contributing to the creation of a "sustainable society" by reducing the environmental load of its business operations. To this end, we have managers in charge of the environment at each of our Group companies under the Group's environment promotion system and are implementing environmental measures for continuous improvement.

## Promoting Environmental Management

The Juki Group has promoted the activity that combines with the more management by transferring an administrative organization, which carries out the environmental target etc. company-wide including the approach to a global warming, from the CSR Environment Dept. in charge to the Corporate Planning Dept. in November 2009. The environmental target of the Juki Group including the head office has been discussed and decided by "Management Strategy Council" that is the highest decision-making body in the company. Moreover, we have acted by setting up the environmental conservation promotion team to improve the ability to get things done for development of these targets, execution of these strategies, and these environmental conservation activities. We have also changed from the segment team according to the division to a business unit or center team according to the function along with the organizational reformation in April 2011, and unified the secretariat of each team to promote environmental conservation activities more speedily and efficiently.

## ISO14001 Acquisition Situation

In April 2011, Shanghai Juki Sewing Machine Co., Ltd. completed an acquisition of the certification of the ISO14001 in the integrated shape with ISO9001 that had already been acquired. This means that Juki and all manufacturing companies of the Group completed an acquisition of the certification of the ISO14001. We will aim at the further activity to raise the level of the entire Group in the future.

## Regulatory Compliance

In the manufacturing process of the sewing machine or the chip mounter, various environmental loads were generated by the use or emission of the fuels such as electricity, fuel oil, and gas, the generation of smoke, dust, noise, or vibration, and the use or emission of oil or chemical substances. Their legal standards have been enacted. The head office properly disposed of PCB (polychlorinated biphenyl) capacitor that was the specially controlled industrial waste at Japan Environmental Safety Corporation (JESCO) in November 2011.

Besides, to clear these various legal standards, each manufacturing group company has thoroughly managed the environmental load based on the internal rule including the method and frequency of the monitoring and measurement and the maintenance management method of equipment. Fiscal year 2010 is the first year to fulfill the obligation for the revision Law Concerning Rational Use of Energy, and two companies (Juki and Jukil Aizu Corporation) take proper measures to report to the administration etc. There was no law violation in fiscal year 2010.

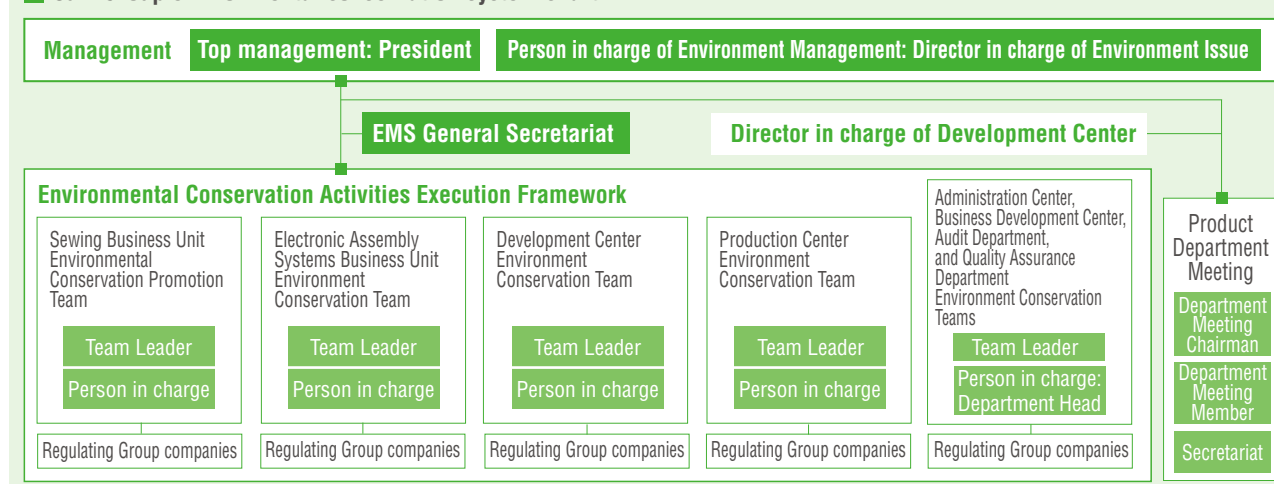


## Conducting Internal and External Audits

The Juki Group has checked with both an internal audit and an external audit whether the environmental management system of each company functions effectively in the Group companies that acquired the certification of the ISO14001. The third reassessment was conducted at the head office in April 2010. We were intensively assessed on the check of the effectiveness of management system because it is ten years since we acquired the certification. We were also self-assessed in the internal audit in November 2010, and attempted the enhancement of the internal audit by conducting the follow-up activity and enlightening the approach to the primary business in the external audit.

\* The correction was completed internally though one task was detected in the audit at the head office in April 2010.

### Juki Group environmental conservation system chart





## Environmental Communication

The Juki Group has kept environmental communication with the regional administration.

### Communication case 1 Suzutami Precision Industry Co., Ltd.

#### They were appointed as an eco-business office in Niigata Prefecture

This is a system for a small and medium-sized business office that work positively on a reduction in CO<sub>2</sub> through energy-saving measures and the new energy introduction etc. to promote a creation of mechanism evaluated by the society. Niigata Prefecture started this system in 2009. Suzutami Precision Industry Co., Ltd. advanced the approach based on the CO<sub>2</sub> emission reduction plan and was examined and recognized as a business office that had raised results filling the recognition standards. In the first year of inauguration of the system, 99 business offices applied for it in the prefecture, and 70 offices were recognized.



### Communication case 2 Sewing Machinery Business Unit

#### They exhibited sewing machines to the 7th Eco-products International Exhibition in New Delhi, India in February 2011.

The Eco-products International Exhibition is the largest class of international environmental exhibition in Asian region. Juki exhibited sewing machines to this exhibition only as a sewing machine manufacturer, and appealed for an environmental practice of development, manufacture, physical distribution, and sales using the panel and the product centering on the ECO PRODUCTS recognition product along with the environmental activities until the product is handed to the customer besides employee's approach to the environment. Through these activities, Juki conveyed a desire put in each of sewing machine to the visitors.



### Communication case 3 Ohtawara plant, Juki Corporation

#### They implemented the drain briefing to the region and the plant tour

Juki Corporation cleaned the drain route with the water supply union members in July 2010. Moreover, Juki Corporation invited parties concerned such as the local ward mayor, head of the water supply union, and staff of the Ohtawara City government life environment section in October, and explained that it was proper drain. Afterwards, Juki Corporation showed them around the waste water treatment facilities and the factory, and they understood the activity of the Ohtawara plant.



### Communication case 4 Juki Matsue Corporation

#### They exchanged opinions with the factory inspection receipt enterprise in Yin Chuan City that is a sister city of Matsue City.

Two persons, a director and a section manager, of the environmental conservation bureau in Yin Chuan City, China that is a sister city of Matsue City and one person, section manager, of the environmental agency paid industrial visits to Juki Matsue Corporation on November 24, 2010. They exchanged opinions with each other about an administrative guidance and a corporate independent approach. They showed an interest in an independent approach to the administrative observance of environmental standards.

Juki Matsue has promoted and strengthened an environmental education

#### Juki has promoted the activity that integrates with "Primary business"

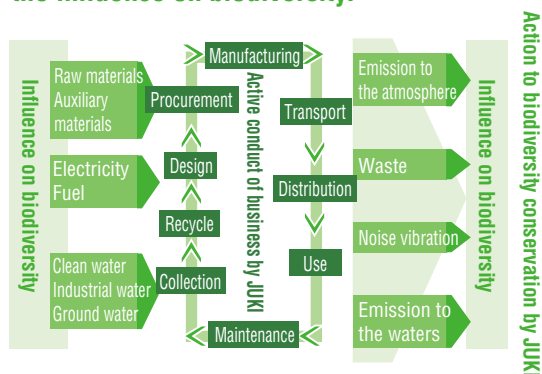
Juki has work on promotion of the activity that integrates "Environment" and "Business" with "Primary business" that is not separate from them, and this enlightenment and promotion activity are centered in the education.

Juki made the training program that includes the drill to understand a primary business and an environment in fiscal year 2009, and will attempt further enhancement of the training program using an external education etc. in fiscal year 2011.

Besides this, "Environmental basic training" (April and August) is conducted, and "Environmental education for the engineer" (June and October) is conducted to technical employees. The items concerning the environment such as "Energy-saving" and "Recycling" are taken in "Technical capabilities check" that has been continuously conducted since 1984, and environmental education has been executed systematically.

## Relationship between JUKI and biodiversity

### We have been doing activities to minimize the influence on biodiversity.



The Juki Group has conducted various activities to minimize the influence on biodiversity in each stage of the product life cycle recognizing that its active conduct of business has deep relations with biodiversity.

For instance, we commercialize a new product after executing the environmental assessment of the product at the design stage of the product, and the whole assessment of the life cycle on the resource saving, the energy saving, the productive efficiency, the transport efficiency, the recyclability, etc. We also have practiced the green procurement based on the Juki Group Green Procurement Activity Guideline at the procurement stage of materials, and conducted the active conduct of business that might not threaten biodiversity by procuring the materials that do not contain the hazardous substances with a high environmental load.

# Environmental Performance

The following table shows our environmental performance data for the past four years.

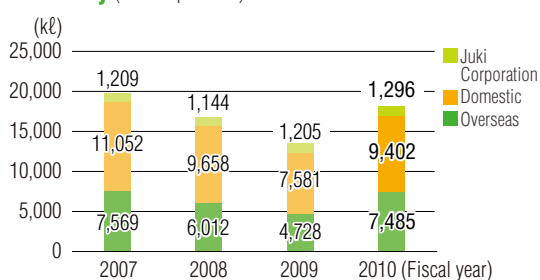
We will further expand the scope of our environmental performance data to include more items and will strive to improve our environmental performance.

	Item	FY2007	FY2008	FY2009	FY2010
Juki Corporation	CO <sub>2</sub>	2,938 t-CO <sub>2</sub>	2,724 t-CO <sub>2</sub>	2,953 t-CO <sub>2</sub>	3,309 t-CO <sub>2</sub>
	Electricity	4,699 MWh	4,448 MWh	4,685 MWh	5,039 MWh
	Fuel oil A	62 kℓ	48 kℓ	13 kℓ	0 kℓ
	Gas	12 thousand m <sup>3</sup>	9 thousand m <sup>3</sup>	102 thousand m <sup>3</sup>	192 thousand m <sup>3</sup>
	Gasoline	59 kℓ	46 kℓ	45 kℓ	48 kℓ
	Water	17 thousand m <sup>3</sup>	16 thousand m <sup>3</sup>	14 thousand m <sup>3</sup>	13 thousand m <sup>3</sup>
	Drainage	14 thousand m <sup>3</sup>	13 thousand m <sup>3</sup>	13 thousand m <sup>3</sup>	22 thousand m <sup>3</sup>
	Final waste disposal	0.0346 t	0.05 t	0.00 t	0.00 t
	Total waste emission	114 t	103 t	181 t	105 t
Domestic manufacturing companies of the Group	CO <sub>2</sub>	37,461 t-CO <sub>2</sub>	29,313 t-CO <sub>2</sub>	23,299 t-CO <sub>2</sub>	28,402 t-CO <sub>2</sub>
	Electricity	42,966 MWh	37,547 MWh	29,474 MWh	36,550 MWh
	Kerosene	306 kℓ	138 kℓ	177 kℓ	202 kℓ
	Fuel oil A	2,947 kℓ	2,247 kℓ	2,020 kℓ	2,276 kℓ
	Liquid petroleum gas (LPG)	438 t	344 t	276 t	386 t
	Gasoline	92 kℓ	76 kℓ	45 kℓ	64 kℓ
	Light oil	113 kℓ	76 kℓ	35 kℓ	49 kℓ
	Acetylene	127 kg	135 kg	36 kg	0 kg
	Coke	934,960 kg	192,660 kg	0 kg	0 kg
	Methanol	5,760 kg	2,880 kg	0 kg	0 kg
	Water	387 thousand m <sup>3</sup>	321 thousand m <sup>3</sup>	262 thousand m <sup>3</sup>	333 thousand m <sup>3</sup>
	Drainage	339 thousand m <sup>3</sup>	279 thousand m <sup>3</sup>	242 thousand m <sup>3</sup>	276 thousand m <sup>3</sup>
	Final waste disposal	612 t	618 t	620 t	604 t
	Total waste emission	7,094 t	5,814 t	3,473 t	5,103 t
Overseas manufacturing companies of the Group	CO <sub>2</sub>	20,074 t-CO <sub>2</sub>	15,601 t-CO <sub>2</sub>	12,146 t-CO <sub>2</sub>	19,887 t-CO <sub>2</sub>
	Electricity	29,426 MWh	23,373 MWh	18,379 MWh	29,098 MWh
	Kerosene	1.4 kℓ	0 kℓ	0 kℓ	0 kℓ
	Gas	90 thousand m <sup>3</sup>	53 thousand m <sup>3</sup>	0 thousand m <sup>3</sup>	0 thousand m <sup>3</sup>
	Liquid petroleum gas (LPG)	839 t	581 t	445 t	839 t
	Gasoline	111 kℓ	99 kℓ	77 kℓ	111 kℓ
	Light oil	296 kℓ	204 kℓ	166 kℓ	325 kℓ
	Acetylene	900 kg	609 kg	24 kg	24 kg
	Natural gas (NG)	0 Nm <sup>3</sup>	4,078 Nm <sup>3</sup>	23,552 Nm <sup>3</sup>	49,598 Nm <sup>3</sup>
	Water	408 thousand m <sup>3</sup>	346 thousand m <sup>3</sup>	248 thousand m <sup>3</sup>	347 thousand m <sup>3</sup>
	Drainage	366 thousand m <sup>3</sup>	313 thousand m <sup>3</sup>	213 thousand m <sup>3</sup>	312 thousand m <sup>3</sup>
	Final waste disposal	1,780 t	1,090 t	1,226 t	1,557 t
	Total waste emission	4,074 t	2,646 t	2,415 t	4,192 t

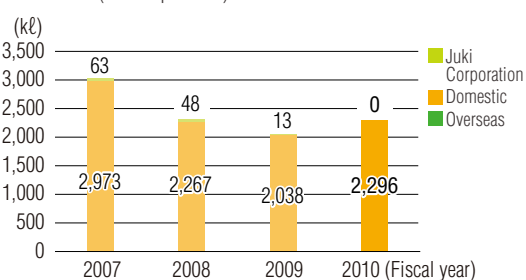
\* This table shows environmental performance data for Juki Corporation and other domestic and overseas manufacturing companies of the Juki Group shown on page 30.

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

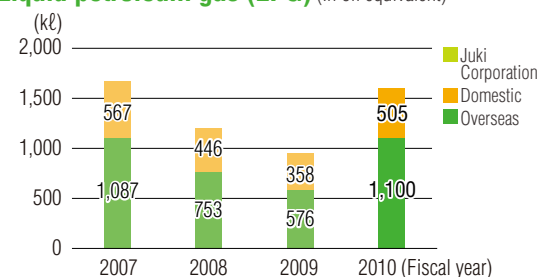
## Electricity (In oil equivalent)



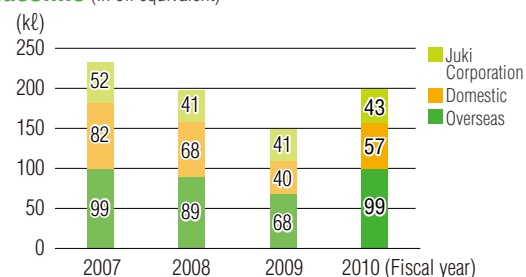
## Fuel oil A (In oil equivalent)



## Liquid petroleum gas (LPG) (In oil equivalent)

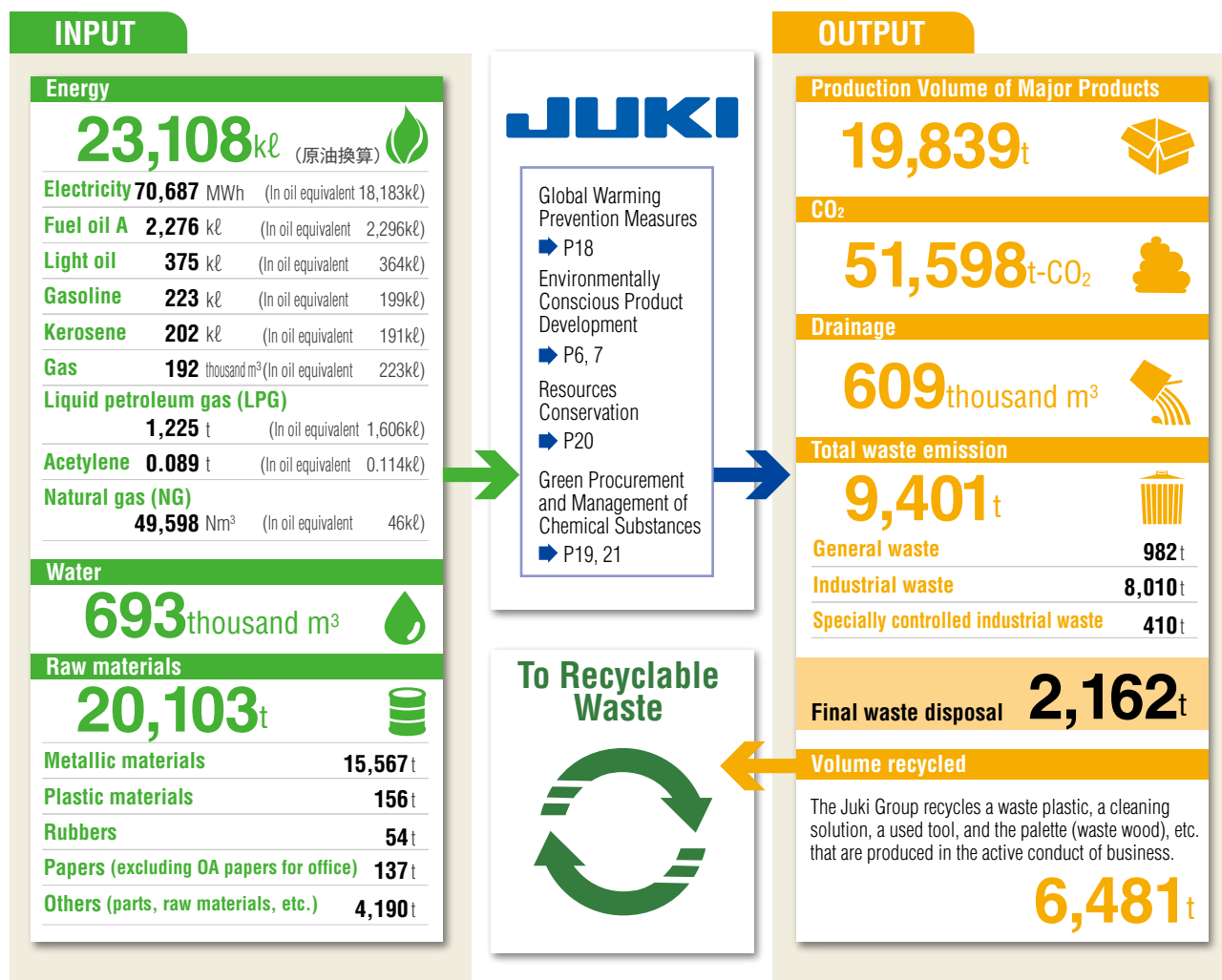


## Gasoline (In oil equivalent)



# Environmental Load by the Juki Group's Business Activities

The Juki Group uses a lot of energy and resources in manufacturing its products, including precious minerals used for parts and materials. In light of this fact, we are endeavouring to make effective use of resources and energy, and to identify the environmental load of our business activities.



Feature

Environmental Reporting

Social Reporting

\* This table shows environmental performance data for Juki Corporation and other domestic and overseas manufacturing companies of the Group shown on page 30.

\* There are some group companies that do not have enough information on the raw materials.

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

## INPUT

**Crude oil equivalent:** means the conversion volume to crude oil by using the heating value for comparing the different energy volume in a common measure.

**Electricity:** means the electric power used in the factories and offices.

**Fuel oil A:** is used for operating the equipment such as drying furnace at painting facilities. means the fuel for regular-use electricity generator, boiler, and heater.

**Light oil:** means the fuel for trucks.

**Gasoline:** means the fuel for company-owned cars.

**Kerosene:** means the fuel for warm-air heating.

**Liquid petroleum gas:** means the fuel for regular-use electricity generator means the fuel to heat drying furnace in paint facility

**Acetylene:** means the fuel for gas welding at repairing the equip

**Natural gas:** means fuels for cooking in a dining room or for supplying hot water to a bathroom

**Metallic materials, plastic materials, and rubber:** means material for parts.

**Paper:** means the cardboard for transportation, packing and packing of products, and for preventing collapse of cargo, dent of products at manufacturing processes.

## OUTPUT

**CO<sub>2</sub>:** is caused by use of electricity and fuel.

**General waste:** means all wastes discharged from homes and enterprises except industrial wastes. Garbage such as kitchen and left over garbage discharged in the business activities is included.

**Industrial waste:** means 20 kinds of waste set up by laws, rules and regulations within the wastes caused by the business activities such as factories. Included are the abolished sand used at moulds, pallets (made of pellets of wood), cutting oil, prototype machines used at experiments and research

**Specially controlled industrial waste:** means high explosibility, toxicity and pestiferousness which may cause the suffering to the human health and life environment. Especially severe management is indispensable. They include old condensers.

**Recycle:** means the effective use by recycling as resources.

**Final disposal:** means to be filled with garbage as reclaimed disposal sites.



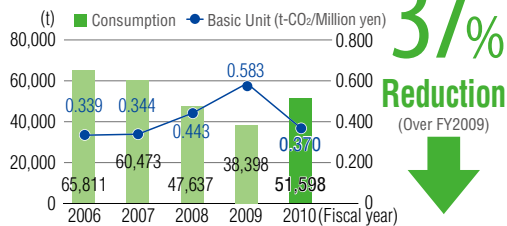
# Reduction in Greenhouse Gas Measures

Carbon dioxide (CO<sub>2</sub>) is the largest contributor to global warming. The Juki Group is actively acting to reduce its CO<sub>2</sub> emission by reducing a consumption of electricity and fossil fuels at its manufacturing bases and also to promote a modal shift by changing to transportation by rail that has less environmental load during the transportation of its products.

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

### Thoroughness in energy reduction by an inspection tour for energy saving

Transition of CO<sub>2</sub> emission

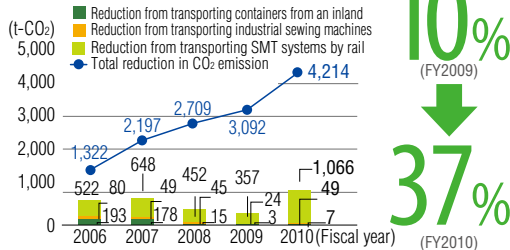


The Juki Group has made various efforts to review the production method and the equipment operating time to reduce the used amount of electric power that accounts for 70 percent or more of the cause of CO<sub>2</sub> emission. In fiscal year 2010, Juki Head office persisted in the electric power reduction by making an inspection tour for energy saving, thinning out the light, and pulling out the unused outlet. Moreover, we enlighten it to the employee by publishing the CO<sub>2</sub> emission in the bulletin board every month. We were able to reduce the CO<sub>2</sub> emission by 37% in terms of sales basic unit over the previous year in the entire Juki Group in fiscal year 2010.

## Measures implemented to reduce CO<sub>2</sub> emission at the Transportation Stage

### Substantial increase up to 37% from 10% in a railway transportation ratio of the industrial dewatering machines

Reduction in CO<sub>2</sub> emission



The Juki Group achieved the railway transportation ratio 100% by aggressively using Morioka freight terminal station inland depot \* in the container inland transportation from the chip mounter shipment base of the SMT systems (Yokote City in Akita Prefecture) in April 2010.

On the other hand, the railway transportation ratio of industrial sewing machines was greatly improved with a increase up to 37% when it was made up for a period of October 2010 through February 2011. This was achieved by involving the physical distribution corporations, the shipping companies, and the importing firms in another industry in the transportation, carrying empty containers in the shipment base (Ohtawara City in Tochigi Prefecture), and further enhancing the convenience of using a railway transportation.

\* Inland depot: Terminal for freight container set up in an inland

## Measures implemented to reduce CO<sub>2</sub> emission at the Production Stage

The Juki Group advanced the activity to contribute to the cost reduction and the enhancement of production efficiency by reducing CO<sub>2</sub> emission at the production stage.

Companies of the Group	The main activities in fiscal year 2010
Juki Corporation, Ohtawara plant	Energy reduction by challenge to low temperature of painting printing
Suzutami Precision Industry Co., Ltd.	As a result of setting up a demand automatic control device, the air-conditioning machine is shut down and the peak power is controlled when it is going to exceed the contracted power amount.
Juki Aizu Corporation	Efficiency increase by replacing a heater of high temperature heat-treating furnace and exchanging a heat insulator
Juki Hiroshima Corporation	Reduction in the used electric power by lowering the setting pressure of compressor
Juki Matsue Corporation	Reduction in LPG by concentrated operation in painting process
Juki Xinxin Industry Co., Ltd.	Reduction in electric energy by about 56,000 kWh by changing to the energy-saving type in October 2010

### Pick Up

### Reduction in energy by challenge to low temperature

We worked on low temperature of the painting printing as a basic theme 'Balanced quality and price.' It becomes necessary to rethink the current painting from the bottom up to reduce the cost without dropping the painting quality. Therefore, we completed a new low temperature (upper, lower painting) in cooperation with the painting manufacturer because we need a drastic idea to reduce energy not to mention a reduction in material cost. We were able to reduce LPG by 20% effectively, and additionally to abolish sealing coat (xylene).

## VOICE

### Reduction in electric energy by about 56,000 kWh by changing the compressor

Juki Xinxin Industry Co., Ltd. changed the existing compressor to a servo type compressor in October 2010. As a result, they could reduce the electric energy by about 56,000 kWh for three months (about 2.2t – CO<sub>2</sub> in terms of CO<sub>2</sub> conversion) as the ventilation efficiency increased and the operation matched to the amount of the compressed gas demand in conjunction with other compressors became possible..



## Activities in Office

Reduction in used energy by controlling ventilation and the volume of fresh air instead of the concentrated air conditioning



50% or more of the energies (electricity, utility gas, and water service) that the Juki Head office consumes are used for "Air conditioning." We were unable to disregard the improvement of the air-conditioning driving to mitigate the green house gas emission, so we set a standard temperature according to the season to reduce the air-conditioning load. To cite one example, we have reduced the used energy by driving air conditioners based on the control of the fresh air capacity while observing the ventilation and the density of CO<sub>2</sub> instead of the concentrated air conditioning.

## Environmental Reporting

# Green Procurement Measures

In order to provide customers with environmentally conscious products, the Juki Group formulated the "Juki Group Green Procurement Activity Guideline" in August 2004 and has since been conducting green procurement activities. We update the "Guideline" from time to time to respond to new environmental regulations in a proactive manner.

## Activities for Green Procurement

Promotion of the product conforming activity to a new restriction such as REACH



To take measures against EU REACH rule \*<sup>1</sup> or a new chemical restriction in each country, the "Juki Group Green Procurement Activity Guideline" was revised. The product conforming activity to a new controlled substance such as SVHC\*<sup>2</sup> has been advanced based on this guideline.

Moreover, the industry-wide standard JAMP\*<sup>3</sup> survey tool is adopted in this guideline revision as the JUKI original survey sheets of the hazardous substance survey, and the hazardous substance survey by the supply chain is conducted. When we revised the guideline, we held the briefing session to parties concerned in the domestic and foreign production base and the suppliers concerning revision purport, its contents, and the introduction of a new survey method. It is a new method of conducting the survey, so we have advanced it with the suppliers who will understand it and take root in it.

\* 1 REACH rule:

A rule for European Parliament and European Council for person's health and protection of environment in European Union. The producers and importers are required to investigate an influence on the human race and the global environment exercised by all chemical substances produced or imported (one ton or more a year), apply to the European Chemical Agency or register in it.

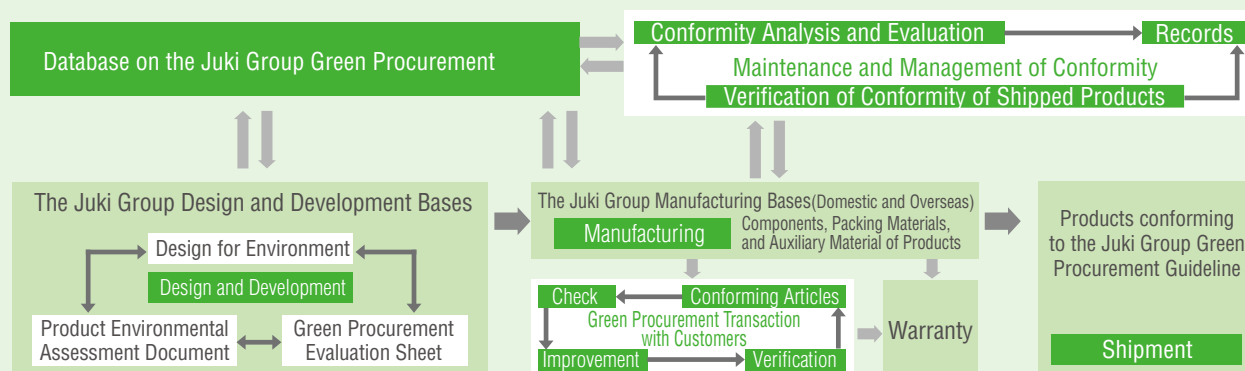
\* 2 SVHC: Abbreviation of high concern substances "Substances of Very High Concern". The substances indicate the ones with the possibility to cause person's health or environment the serious negative impact, such as the carcinogen or the substances that causes the abnormality of the genes.

\* 3 JAMP:

Abbreviation of article management promotion conference (JAMP: Joint Article Management Promotion-consortium).

A concrete mechanism to manage information appropriately on chemical substances contained in the article (parts and molded articles, etc.) and others, and to disclose and deliver it smoothly in supply chain.

## Green Procurement Flow

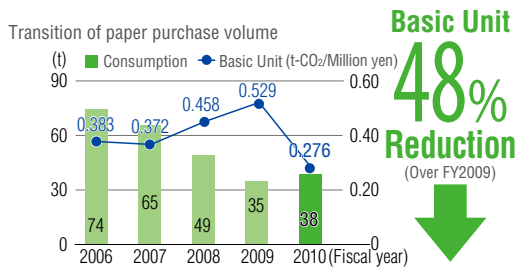


# Resource Saving Measures

We have continued the activities to conserve resources with our 3Rs (Reduce, Reuse, and Recycle), including reduction of the volume of paper used for copying and printing, more effective use of resources, and reductions in the waste emitted by our offices and factories in the daily active conduct of business.

## Effective use of paper resource

The basic unit was reduced by about 48% over fiscal year 2009 by the introduction of combined machine etc.

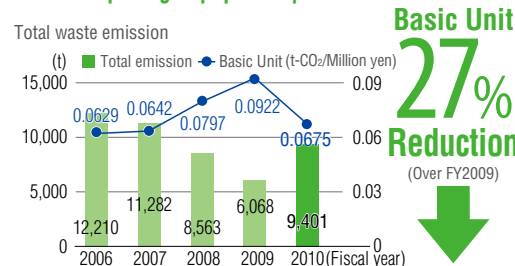


The Juki Group has been encouraging the conference using PC, the digitization of sales promotional materials, the use of both sides of copied and printed sheets or the thoroughness in using a condensed print, and the paperless business operations using email.

Juki head office changed the old dedicated machines in almost all departments to the combined machines that can be used for a copy and fax in one unit in April 2010. As a result, each person comes to know the number of output paper, and the paper purchase volume has been continuously reduced. It caused a 48% reduction in the basic unit over the previous year on the entire Juki Group basis. Moreover, Juki Head office and the Ohtawara plant have achieved the cost reduction by unifying the OA paper purchase route.

## Reduction in waste

The activities of recycling the waste metal and waste oil and disposing of paper for profit were conducted.



The Juki Group works on the reduction in waste in each factory, by promoting the recycle of a waste plastic, a cleaning solution, a used tool, the pallet (woodchip), and the corrugated cardboard.

Juki Matsue Corporation has achieved 100% in working on recycling the waste metal and waste oil generated in the metal working process in fiscal year 2010. It is ten years since Juki head office started the environmental activities. As a part of effectiveness, Juki has disposed of papers for profit. Moreover, Juki has developed the activities to not only separate the garbage but also excavate the resource with cost-consciousness, to say nothing of reduction in "Paper, garbage, and electricity."

## Reduction of packing materials

The returnable box has been continuously used among the group companies to reduce the packing materials.

The Juki Group has changed the cardboard used to transport parts etc. to the "Returnable box" that can be recycled to reduce the packing materials etc.

Juki (Ningbo) Precision Industrial Co., Ltd. is able to secure the quality of transport and the reduction of CO<sub>2</sub>, by using a returnable box from the receipt of parts to the shipment of parts. They expect a big effect on it. They start from the suppliers in suburban area, and work on the continued use of a returnable box recognizing that it plays a big role on environmental conservation.

Juki Aizu Corporation also has utilized the returnable box to transport large-size parts (turbine for power generation etc.). As a result, the cushioning material becomes unnecessary, and it leads to the saving resource and the waste reduction.

## VOICE

### More frequent use of returnable box

#### Feedback of evaluation results of whether the prototype is overpacked.

Juki Xinxin Industry Co., Ltd. has promoted the frequent use of the returnable box made of the cardboard since 2008. In addition, they increased the returnable box with an increase in the production volume in 2010. After using parts, they arrange and pack the returnable box. They send an empty returnable box to the vendor using the regular flight of the parts transportation between Juki (Ningbo) Precision Industrial Co., Ltd. and Juki Xinxin Industry Co., Ltd. As a result, they work on the recycling use of the returnable box. Moreover, They feed the evaluation results and suggestions for improvement back to the vendor after evaluating whether the prototype is overpacked at the stage of an evaluation trial of self-local procurement goods, and they work on the reduction of the packing materials from the stage of an evaluation trial.



Production control Section  
Juki Xinxin Industry Co., Ltd.  
**Tai Delin**



# Chemical Substances Measures

The Juki Group has made efforts to reduce the environment load by decreasing the chemical substances used in the production process and others in addition to measures against the green procurement.

## Management of Chemical Substances

The Juki Group, which is using chemical substances in the manufacturing process of sewing machine and chip mounter, is strengthening measures to minimize the environmental load of all the chemical substances used in our products.

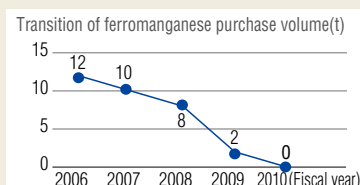
Companies of the Group	The main activities in fiscal year 2010
Juki Corporation, General Affairs Department	Proper disposal of PCB capacitor
Juki Aizu Corporation	Shifting a solvent used for removing antirust agent from organic solvent-based to alcoholic-based (bioethanol-based) cleaning solution on a trial basis
Juki Metal Corporation	Implementation of compounding amount management in type 1 chemical substance and manganese compound according to the PRTR method *
Juki Matsue Corporation	Self-audit of the poisonous material control
Shanghai Juki Sewing Machine Co., Ltd.	Detection of hazardous chemical substances by the parts inspection delivered by the suppliers. Preventive measures against their outflow
Juki Vietnam Co., Ltd.	The introduction of a fluorescent X-ray analyzer and the implementation of a regular analysis of the contained hazardous chemical substances

\*PRTR: method: System that understands the amount and reports to country when business operator emit and move the intended chemical substances

### Pick Up

Unnecessary to report the manganese compound and the PRTR method

To make the cast metal for the sewing machine, the pig iron and the iron scrap have been dissolved, and the carbon and the manganese alloy, etc have been added to them. We bought the manganese alloy intended for the PRTR method by 1 ton or more a year in the past. We were able to decrease the purchase volume of the manganese alloy and lessen the emission to the environment by managing the compounding amount of the iron scrap with a lot of contents of manganese.



## Prevention of environmental pollution

The Juki Group has thorough efforts to prevent the pollution due to leakages of the chemical substances and the fuels when we accept them in the production facilities and stock or use them.

Companies of the Group	The main activities in fiscal year 2010
Juki Corporation, General Affairs Department	Construction of water quality analyses inside drain tank (execution of inspection according to wastewater tank along piping route and flowing-in article)
Juki Corporation, Ohtawara plant	Execution of drain analysis, smoke measurement, and working environment measurement
Juki Yoshino Corporation	Execution of setting an independent standard value about the water quality drained by the factory based on Article 3 of the Water Quality Pollution control Act, watching, and measuring the water quality
Suzutami Precision Industry Co., Ltd.	Execution of discharging water regularly to prevent a rise of BOD* value in summer in facilities for drainage
Juki Hiroshima Corporation	Activity to reduce alkali value in barrel drain (neutralizing with diluted sulphuric acid)
Juki Matsue Corporation	Specification of abnormal PH management in waste water treatment for the emergency, and execution of the emergency training and review in February 2011

\*BOD: Abbreviation of "Biochemical Oxygen Demand." Amount of oxygen needed when organic materials in river or in plant effluent becomes inorganic or gasified by microorganism

### Pick Up

Execution of water quality analyses inside drain tank

We have narrowed the medicines used in each laboratory and the corresponding inspection items after comparing the piping route of the sink of the laboratory in Juki Head office technical building with ten rough wastewater tanks in the building pit to execute quantitative analysis. Moreover, we have constructed the frame that prevents the environmental pollution in which we check the chemical substances survey sheet or MSDS\* every year, conduct the hearing survey to the user, and to conclude the industrial waste disposal agreement to dispose of waste fluids properly.



\*MSDS: Abbreviation of "Material Safety Data Sheet". It is data sheet in which information (element, discard method, and recovery method in an emergency, etc.) for handling chemical substances safely is described, and is issued by the manufacturing business operator to each of pertinent product.

## Reduction in Hazardous Chemical Substances

The Juki Group works on the reduction in the chemical substances, which is switching to the manufacturing process that reduces the emission of chemical substances.

Companies of the Group	The main activities in fiscal year 2010
Juki Corporation, Production Planning Department	Adoption of the acceptable materials with the conforming judgment tool used in adoption stages to adopt the method or the material that doesn't contain the controlled substances from the design stage., Collection of the contained hazardous substances survey sheets from the suppliers, promotion of the green procurement conformity, and reflection in the "JUKI ECO PRODUCTS" recognition system. Introduction of the fluorescent X-ray analysis machine into all bases not to build the hazardous substances into the product Continuous reduction in hazardous chemical substances through the adoption of the acceptable materials and the analysis confirmation
Juki Corporation, Ohtawara Plant	Nonconformity: Nil, as a result of the conformity confirmations by responses to survey from the suppliers and by the receipt analysis of delivered articles to check the conformity of parts adopted in the product
Juki Yoshino Kogyo Corporation	Efforts against selection of the cutting oil and the extension at the use period by the introduction of filtration device to control the exhaust along with the decay of the soluble cutting oil
Suzutami Precision Industry Co., Ltd.	Change of the cutting fluid from oil-based to water-soluble one to decrease the environmental load and prevent a fire
Juki Matsue Corporation	Shift from organic solvent paint to powdered paint on parts

### Pick Up

Change from oil-based to water-soluble cutting fluid

Suzutami Precision Industry Co., Ltd. has eighteen horizontal machining centers in all. They changed from oil-based to water-soluble cutting fluid for fifteen units out of eighteen units. They changed this cutting fluid from the viewpoint of the fire prevention to reduce an environmental load and as the machines are operated by unmanned system in the night.



# Responsibilities to Stakeholders

The Juki Group believes that conducting business activities fully oriented towards its stakeholders will increase its corporate value and generates mutual profits. We are implementing this to make ourselves into a corporate group that fulfills the needs of all of our stakeholders.

## Customers

The Juki Group will ensure that the products and the services that can be used for a long time will help customers maximize their value. We aim to continue to build and deepen the bond of trust we have with our customers.



## Business Partners

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



## Shareholders

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



## Involvement in Stakeholders

## Employees

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



## Society

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



## Feature

## Environmental Reporting

## Compliance

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

The Juki Group, as a risk management system, sets up the Risk Management Conference, where company-wide risks and important risks are managed, and directs it to take the remediation measure for the risk decrease. Moreover, we set up the Crisis-Management Task Force for the crisis in preparation for the occurrence of disasters (Exteriorization of the risk) such as natural disaster, fire, explosion, the PL (Product Liability), the environmental problem due to the industrial effluent to maintain the system to examine and execute the countermeasures. Furthermore, we set up the "Crisis Countermeasure Headquarters" headed by president, a head of the Crisis Countermeasure Headquarters immediately after the Great East Japan Earthquake occurred in March, and conducted the crisis management quickly by giving instruction to the group companies concerning the countermeasures against the aforementioned earthquake in acute crisis.





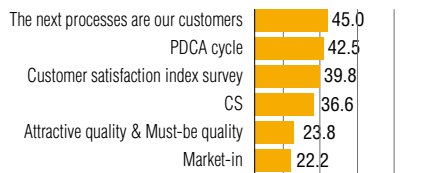
# Relationship with Customers

We are working to provide safe products and increase Customer Satisfaction (CS), in addition to responding to inquiries and requests from customers. We are committed to building and maintaining a deep bond of trust with our customers.

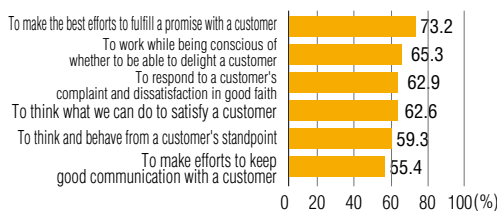
## Attitude toward the CS as the Juki Group

The CS mind (consciousness) survey was conducted to the employee of Juki and the Juki Group companies.

### "Degree of knowledge" of the CS terms



### How far does your CS mind lead to your behavior?



To embody the "Thoroughness in the Customer Creed" and the "Strengthening of the market-oriented management system," the "People's mind" supporting the activities is requested to be oriented to the CS. Therefore, to enhance the CS mind in fiscal year 2010, we conducted the "CS mind survey" intended for all employees of the Juki Group all over the world by questionnaire of about ten questions from three aspects: the recognition degree concerning CS (knowledge), the daily practice (action), and consequent performance (result). We received the responses from 4,855 people who accounts for 70% of all employees of the Juki Group all over the world.

As a result, the realities "'Knowledge" was a little low but "Action" that is an expression of the mind was comparatively excellent. However, "Result" of the action is not necessarily clear.' became visible. Based on this result, we will advance the spread or enlightening activity to orient the employee's mind toward the CS for a further improvement of CS in fiscal year 2011.

## Efforts for the CS by the sewing machinery business unit

We will positively relate with customers, and aim at building a good relationship with them.

We will try to build a good relationship with lots of customers where we can keep communication channel open as the deeper customers' bonds with Juki are, the more dissatisfactory or satisfactory customers' comments are though there are differences in countries or cultures.

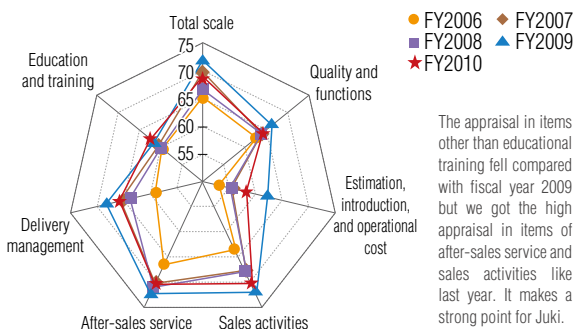
We have caught the customer's comment immediately after new product release in a special management system different from the normal products. To collect product information on how is customer's satisfaction rating and how the aimed quality are caught, we have conducted the "S1 survey" positively related with the customer.

Moreover, if we find a problem in lots of information during the above survey, we have a system to provide a reassuring and safe product constantly by fixing the problem in the management system to take measures with all sections, and enhancing the primary intervention.

## Efforts for the CS by the Electronic Assembly Systems Business Unit

We conducted to offer customers the steady running of machine (mounter) and the operation of efficient machine.

### Results of the Customer Satisfaction Measurement



We at Electronic Assembly Test Systems Business Unit have been doing planning, sales, and maintenance of the chip mounter that places electronic components on boards.

We have analyzed the customer satisfaction measurement by the overall judgment of six items as "Quality and function" and "After-sales service", etc. in the CS questionnaire survey that has been conducted since fiscal year 2004 to aim at the enhancement of the service quality continuously.

Among them, Customer Support Dept. conducted an activity to offer customers the steady running of machine (mounter) and the operation of efficient machine as main efforts in fiscal year 2010. Especially, they focused on the improvements of regular preventive check, training, and solution.

We will enhance various service menus and continue providing the service suitable for customer's needs this year to satisfy customers.

## Quality assurance

### We executed "Re-maintenance of the common rule on product making among the Group companies" etc.

The main activities in fiscal year 2010

- "Re-maintenance of the common rule on product making among the Group companies"
- "Setup of liaison conference of person responsible for quality"
- "Implementation of in-house quality education"
- "Promotion to take the QC exam"

We wish to form a strong bond with the customer by continuing to supply products and services that delight and satisfy the customer. To realize this wish, we will continuously promote total quality management (TQM). In fiscal year 2010, we spent most of our activities on "Re-maintenance of the common rule on product making among the Group companies" aiming at sharing accumulated know-how of product making/knowledge, "Setup of liaison conference of person responsible for quality" aiming at sharing quality information/task and cooperating with each other, "Implementation of in-house quality education" aiming at uplift of quality consciousness and enhancement of ability, and "Promotion to take the QC exam."

## Product safety

### We conducted the education and enlightening activity aggressively to design the product safety.

The main activities in fiscal year 2010

- How to promote the product safety
- How to use the product safety check list
- Understanding of safety standards

To deliver the safer and reliable products to the customer continuously, the Juki Group has been continuously promoting the activities to build a corporate culture giving top priority to the customer's safety, to disclose the product safety information positively, to elaborate the product safety based on the product safety risk assessment, and to persist in preventing a recurrence of the product safety problem or preventing the product safety problem before it occurs, to say nothing of compliance with the laws and rules applied to the product safety.

## Measures against an occurrence of quality problem

### We executed the risk assessment, and implemented the information disclosure based on the product accident information report and disclosure system.

#### ■ Risk assessment table

		Influence level when problem occurs		
		1	2	3
Occurrence frequency	1	1	3	7
	2	2	5	8
	3	4	6	9

\* The figure in the table shows a ranking of "Importance of the result." The lower the numerical value is, the higher the risk becomes.

Fair quality is premised 100% on the products that the Juki Group manufactures and sells, but when a problem occurs in the quality, we have dealt with the problem promptly and surely and advanced the activity to suppress customer's trouble level to the minimum by preventing the problem from diffusing. Out of them, we have positively promoted the "Risk assessment activity" evaluating the risk of the quality problem that has occurred from both sides of the influence level and frequency and the "Prompt information disclosure to the customer" based on the serious product accident information report and the reporting system when the problem related to the product safety has occurred and others.

## Case in which the customer's comment is reflected

### We have conveyed the customer's true opinions to a related section through product development, or request for a customization, etc.

Sales Engineering Section in Sewing Machinery Business Unit have conducted a core activity to offer customers in all countries of the world the after-sales services such as the repair service, the measures against complaints, or technical guidance to operators or persons in charge of maintenance.

We have aimed at an improvement of the working efficiency and effective use of functions through the guidance of how to cope with a technical seminar and the difficult material/the difficulty process that introduce the customer's request at the customer's visit to our factory and proposed the energy saving and the enhancement of working efficiency. Moreover, we have conveyed the demand and proposal we received from the customer to a related section by the new product development/request for a customization or the technical measures document, etc. We will continue strengthening efforts against the after-sales service activity to quickly respond to customers' demands.

## VOICE

### We received the assistance requests for the equipment recovery from the affected customers and responded to their requests from 15 companies.

Domestic Sales Group and Customer Support Dept. in Electronic Assembly Test Systems Business Unit keep up the communication with the customer to confirm the situation, and send the service staff to the customer on request basis according to the "Standard of response to the customer at an occurrence of an earthquake" when the earthquake with intensity 5 lower or more occurs. In this Great East Japan Earthquake, we posted the notice of the method for the area devastated by the earthquake district on a home page of the Electric Assembly Test Systems Business Unit or contacted 157 companies from Kanto to Tohoku regions by March 14. As a result, we received the assistance request for the equipment

recovery from the customers of 16 companies. The Customer Support Dept. saw the picture of traffic situation and local situation, started the activity on March 17 and ended it on March 31 for 15 companies. In this period, total nine people responded locally to their request. Moreover, they keep up the communication with the offices in West Japan and Central Japan to supplement the man-hour of the routine work, responded to the customer calls in the middle of the night or holidays, and assisted the affected customers with the entire Electronic Assembly Systems Business Unit. In the future, we will conduct the activity that leads to the CS improvement while securing the safety of employees at the earthquake.

# Relationship with Employees

The Juki Group is building a business rotation system to make better use of human resources and is improving its workplace and system to help employees make their work and home lives more compatible. We also believe it important to give psychological support to employees for their overall health.

## Attitudes towards of Human Resources Development

**The Juki Group thinks it a strong human resources base that supports a global business.**

We have tried for the exhibition and cultivation of each and every employee's ability at various training chances etc.

Workshop scene



The Juki Group has recruited human resources who are the supporter of the business from all over the world to aim at the management of bringing up and making the best use of human resources who can compete enough in each field of sales, production, development, and administration.

We have positively appointed local employees as directors of the overseas group companies, exchanged the employees among the group companies who always exceeds 150 people on loan or on a long-term business trip, etc., and implemented special commendations for the year intended for overseas employees every year.

Juki Corporation thinks We think that extending the chance of various types of experiences and learning to each of the companies of the Juki Group leads to the growth of each employee, the development of the Juki Group, and the contribution to society in the world.

## Employing Disabled Persons

**About 40 disabled persons took an active part in Juki Corporation and the Juki Group companies in Japan in 2010.**

We have tried to offer job opportunities to the disabled as much as possible regardless of the change in the business environment as an important contribution to society. We have also worked to maintain equipment environment, assign to an appropriate workplace, devise a job content so that the employees may work while exhibiting their capabilities to the maximum regardless of existence of a disability.

## Mental health and Physical health

**We have done working managements through the regular physical checkups including the diagnosis of the mind, approach to the lifestyle-related diseases prevention, and an individual medical examination for the long working hours people etc.**

We think the employee's health maintenance and enhancement of both the mind and the body important, and aim at implement appropriate prevention and measures all the time. We have implemented the regular physical checkups including the diagnosis of the mind, and worked on an approach to the lifestyle-related diseases prevention and necessary working limitation measures, etc. in cooperation with corporate health insurance society.

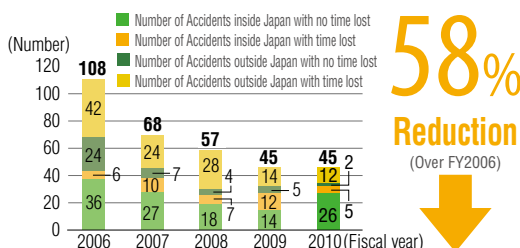
## Human resources development system

**We make an effort to foster employees who can fulfill a social responsibility and embody corporate philosophy, and leaders who can participate actively on a global scale with the enhancement of a special skill and knowledge.**

We have prepared the wide-ranging courses of business administration, sales, development, manufacturing, quality control, and materials purchase, etc., for collective training, individual training, and self-development by correspondence in addition to OJT by the supervising instructor system, and assisted the engineers and the skilled persons in the qualification acquisition and the certification exam pass.

## Occupational Health and Safety

**We have worked on the activity to exterminate an industrial accident.**



The Juki Group works on the workers' accident compensation extermination activity in the entire Juki Group to maintain a comfortable and safe workplace, and execute the strengthening of the risk assessment across the Group so that the manufacturing companies of the Group might understand the disaster risk and decrease the expected risk beforehand from the preventive viewpoint, to say nothing of recurrence prevention measures against disaster that has occurred. The Juki Group has also worked on the activity to decrease a risk and exterminate an industrial accident by doing a circle activity: by extracting a risk ➡ by evaluating the risk ➡ by planning the risk decrease plan and performing it ➡ by checking the effect of the performance.



# Relationship with Shareholders and Investors

The Juki Group will enhance the management transparency through accurate information disclosure to stockholders and investors at the right time. We have received many opinions and comments from shareholders and investors, and we are striving to meet their requirements.

## Investor Relations (IR)

### Results briefing is held twice a year.



Briefing session held in May 2010

In order for investors to deepen understanding of Juki, and to increase the number of stable shareholders who can have the stocks at a long term, we have held the biannual results briefing and complied with individual coverage to the security analyst and the fund manager. Moreover, we have positively disclosed information for them to promote greater understanding such as the managerial policy and business activities in addition to materials related to the closing of accounts such as the brief announcement of the most recent financial statement following the end of the fiscal year, financial statements, and the business report (To shareholders), etc. in the homepage.

## General Meeting of Shareholders

**"The 95th General Meeting of Shareholders" is held in June 2010. The general stockholders more than in the previous year attended the meeting.**

We make a study tour of the core products after the general meeting of shareholders ends to keep communications with shareholders, and in order for them to deepen further understanding of our businesses. We also exercise our various ingenuities in avoiding the date when the meeting is concentrated to make it to become an open meeting in the future.

# Relationship with Business Partners

As a global corporate entity, the Juki Group is promoting green procurement in corporation with its business partners. We are committed to fair and unbiased trading with suppliers and improving our technological capabilities for coexistence and co-prosperity with our business partners. We are also enhancing communication with them through briefings and training sessions.

## Procurement Policy

**"Guarantee delivery recognition certificate" was delivered to the customers in conformity with the screening criterion.**



We choose business partners in a fair manner using our "business partners examination table." Both within and outside Japan, partners to the Juki Group need to meet the Group's quality, cost, and delivery requirements as a basic premise. In addition, when we choose partners, we evaluate them on their compliance with laws, regulations, and social norms, respect for basic human rights, compliance with the "Juki Group Green Procurement Activity Guideline," measures to ensure occupational health and safety, and protection of intellectual property rights.

## Exchanges with Business Partners

**The exchange association with the business partner is held.**



Exchange association with business partner

We invited lots of customers and held the New Year's party for the first time in the head office in Tama City in January 2011. We were able to build a further trustworthy relationship with them through New Year's greetings by Juki's top and parties concerned, and showing the gratitude for their usual cooperation and support.

Overseas too, we are strengthening our partnership with business partners. In China, Juki (Ningbo) Precision Industrial Co., Ltd. invited its local Chinese partners to a congress, at which it explained its procurement policies and commended partners for the excellent performances over the past year.

# Relationship with Communities

The Juki Group has been dealing with customers in about 170 countries through the sales network that extends to the world. We all have made efforts to build a good relationship with customers in each region.

## Acceptance of social studies field trip

**The Juki Group has accepted the plant tour etc. as part of the class of social studies.**

Juki Matsue Corporation has accepted the plant tour as a support of the educational research activity concerning the resource and the social infrastructure maintenance. In fiscal year 2010, they invited 69 students of Shimane University Interdisciplinary Faculty of Science and Engineering to have a friendly talk about whether they can connect technical challenges from the current state of production of an industrial sewing machine to their research theme etc.

Ohtawara plant has accepted the field trip from nearby schools to the industrial sewing machine manufacturing process and the showroom. Afterwards, they get a miscellany containing impressions or thanks from the schools and feel such candid opinions encouraging.

Juki head office also invited 43 students in the fifth grade of nearby elementary school, and executed the excursion of the company facilities and the product showroom at head office. After they visited the central monitoring station where the security in the entire building etc. is managed, and also the eco-friendly roof garden, they actually experienced a treadle sewing machine that is the first household sewing machine and the button sewing with the industrial sewing machine. They learnt a familiar life and relations with the JUKI product at the same time when they were surprised at such momentary button sewing.



They experience to button a cloth with the industrial sewing machine.



They look at a checkout system at the company cafeteria seriously.

## Internship

**The Juki Group has executed the internship program intended for the university student and the high school student in the vicinity every year to offer the place of practice to them.**

Juki Aizu Corporation has offered an internship program to the intellectually disabled from the school for the disabled. Many employees joined this company through this program.

Juki Matsue Corporation employed the school students from the Matsue school for the disabled in April 2011 after the job assistance from them in an entrusted training etc. In January, the intellectually disabled experienced the world of work in paint process. They will continue to accept the practice work etc. for a future employment of the disabled.

Suzutami Precision Industry Co., Ltd. accepted an internship by four students in the third grade at Niigata Institute of Technology for two weeks, who practiced the packing work and the heat-treatment preparation work, etc.

Ohtawara plant accepted three students from a nearby high school. They communicated little by little with the leader etc., and did the assembly assistance work though they seemed to have been strained on the first day. We think that they were able to learn from this system how hard or important the working is.

Juki Head office also accepted two technical university students and one high school student who experienced the world of work related to human resources and general affairs.



High-school student who practices at internship

## Scholarship to the Ho Chi Minh City University of Technology

**The scholarship is presented to 33 excellent students.**

Juki presented the scholarship to 33 excellent students at the Ho Chi Minh City Institute of Technology in October 2010. This is based on the "Agreement concerning the mutual cooperation program" between Juki and the Ho Chi Minh City Institute of Technology. It is fourth in this year and deepened a close relationship between both parties further.

In the ceremony, the memorandum was signed by and between the executive vice-president of Juki and the vice-president of the Ho Chi Minh City Institute of Technology, and a catalog of the scholarship was presented to each and every student one afterwards. The five pointer has joined Juki (Vietnam) Co., Ltd. from the Ho Chi Minh City Institute of Technology by continuing such an activity every year.



Students who receive a catalog of the scholarship

# Third-Party Opinion

Recently we asked Ms. Yuko Sakita to provide a third party opinion on the content of the "JUKI Environmental Report 2011." We will make the best use of her opinions and suggestions as we plan out improved activities for the next fiscal year.



Journalist, Environmental Counselor

## Yuko Sakita

Ms. Sakita is an Environmental Counselor registered with Japan's Ministry of the Environment. Through her wide engagements in environmental education, she views society from a consumer's perspective and lectures and writes on environmental problems, especially on the challenges to creating an environment-conscious society

## Comprehensive opinion

I express my heartfelt sympathies to the people who have been stricken by the Great East Japan Earthquake, a national calamity that has taken thousands of precious lives, homes, and workplaces.

The Juki Group operates many production sites in the Tohoku and Kanto regions and much effort will have to go into their reconstruction. It has been a great relief to see how far you progressed in your responses to the affected customers. Through optimal use of your risk management system, you set up a highly effective "emergency task force" and succeeded in making prompt restorations.

The Top Message in your report touts "Mind & Technology" and the "Customer Creed" as guiding principles for Juki. You are clearly enlightened about your role as a social entity. On these counts, I applaud your company.

In the feature on the "JUKI Sewing Research Institute," your report describes how you make optimally effective use of the products to ensure that your sewing production and product development systems operate with high efficiency and high environmental performance.

For a large enterprise like Juki, the production of products with high environmental performance has tangible benefits for the environment. JUKI operates worldwide and holds the top global share in products and services centering on industrial sewing machines, as well as strong shares in markets for SMT systems and household sewing machines. Any reduction of environmental load by Juki has immense value for the planet.

Moreover, your thorough work on new plant design and technical seminars on the assurance of maximal performance and production efficiency in the regions and countries that introduce these products points the way forward to science and technology in Japan as enterprises grapple with the challenge of "enhancing their total power with technology and a customer support service." I hope that investors, people in the industry, consumers, and others in various fields will read this report and learn from it.

## Environmental aspect

Good results have been steadily achieved by the AMS series, a lineup of machines designed to consume 30% less power. This has been another success made possible by JUKI's commitment to contribute to the creation of a sustainable society in its primary businesses with a view to achieving a harmonious coexistence between the environment and human economies. In addition, all of the active businesses of the Juki Group have acquired ISO14001 certification, and

Juki reduced CO<sub>2</sub> emission by 37% year-on-year in terms of sales unit requirements. I give high marks to Juki for these achievements.

There is still room for improvement, however. Though Juki managed to develop high-performance products in developing countries and attained its long-sought "Revival" in management in 2010, the overall targets for the Group in CO<sub>2</sub>, waste, and so on were not achieved.

To help readers of this environmental report understand this situation and the momentous changes over the last few years, Juki should consider illustrating its reduction efforts visually in the section presenting environmental targets and results. Specifically, I recommend that Juki provide diagrams illustrating the changes in its "sales unit requirements" to supplement its diagrams for "total amount targets" and results.

It will also be important, of course, to reduce the total amount connected with electricity saving. Because urgent energy-saving efforts face limits, Juki must deploy longer-term strategies to switch from the fossil fuel to the natural gas with less CO<sub>2</sub> emission, or to introduce renewable energy into the private power generation.

## Social aspect

According to the CS (customer satisfaction) survey for group employees, the CS principle is ingrained more deeply in people's actual behavior than in their theoretical beliefs. Positive results have sprung from this. In coming years I hope you will do more clarify the CS principle by presenting the tangible results attained through the considerate treatment of stakeholders. The best way to accomplish this will be to continue the CS survey.

This report describes inspection tours, internships, and university scholarships as advanced cases of the valuable collaboration with society. I would like you to expand your coverage on the activities required region by region and country by country, and to do more to contribute to sustainable community building.

Moreover, I recommend that you help the public more clearly visualize the PDCA cycle by publishing the results from the questionnaire attached the environmental report.

## Future expectations

It is important for an eco-friendly company to create a virtuous cycle between the environment and economy, a cycle that both consumers and financial markets will value highly. In saying this, I am fully aware that investment in social responsibility is fairly low in Japan compared to the West. Investors, pension fund managers, and insurance portfolio managers in Japan seem to lack interest in social responsibility. But these are now serious issues. Environmental information is positively disseminated to world markets. Environmental reports are often now required from investment grade corporations. And environmental accounting has a growing role in asset management. We must look at these issues with fresh eyes.

I hope that you ride the tide of the environmental wave and prepare to disseminate your environmental metrics globally, as any global manufacturer should. And more concretely, I hope that you make it a policy to publish your environmental report online from now on.



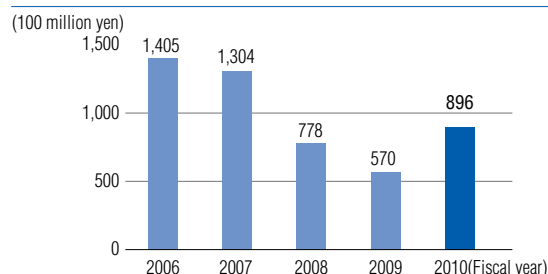
# Outline of the Juki Group

All employees in the entire Juki Group who extend to all over the world are trying to provide the research, development, manufacturing, after-sales service of more excellent products under the Corporate Philosophy, the Basic Management Policy, and the Policies Guiding Employee Activities that the Group declares.

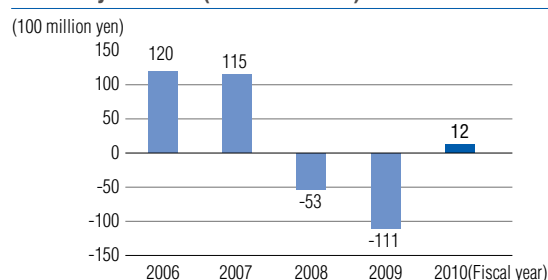
## Juki Corporation Outline

Establishment	December 15, 1938
Paid-in capital	15.95 billion
Shares	Aggregate number of issued shares: 129,371,000 shares Number of shareholders: 13,639 Listed on Tokyo Stock Exchange First Section Fiscal year ending March 31
Net sale	60.1 billion
Major business sites	Head office 2-11-1, Tsurumaki, Tama-Shi, Tokyo 206-8551 Ohtawara plant 1863, Kita-kanemaru, Ohtawara-shi, Tochigi Prefecture 324-0011
Number of employees	1,190

## Net sales (Consolidated)



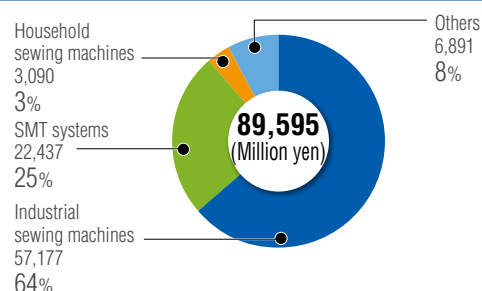
## Ordinary income (Consolidated)



## The Juki Group Outline of the Juki Group

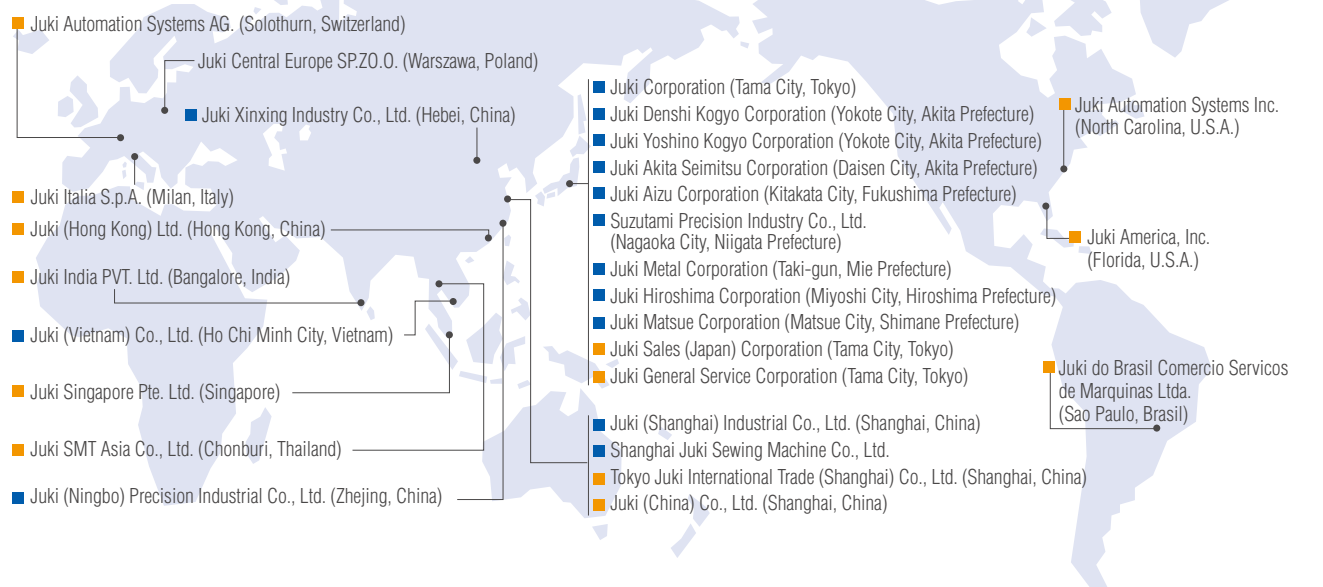
Number of consolidated subsidiaries	32
Net sales	89.6 billion
Number of employees	6,613
Business segments	Industrial sewing machines, SMT (Surface Mount Technology) systems, Household sewing machines, Others

## Net sales by Business Segment (FY2010)



## Major companies of the Group

Manufacturing companies Sales companies etc.



## An introduction to business

### Industrial sewing machines business

An industrial sewing machine is a sewing machine from the apparel product to the interior such as sofas that produces the sewing goods in a wide field efficiently in a short time. It is a special sewing machine that specializes in various special sewing technologies like the straight stitch, the zigzag stitch, and the button sewing, etc. Steady sewing is mostly enabled without good skills owing to an advanced electronically controlled technology.

A solid JUKI sewing machine that defends an important material and achieves the high-quality sewing collects trust from a producer all over the world, and builds an established position in the industrial sewing machine field.



### SMT systems business

The printed circuit board that combines electronic components is built into the manufacturing products that enrich our living such as the personal computer, the cellular phone, and consumer electronics, etc. It is an industrial device that is called a chip mounter that places electronic components on those boards.

JUKI flexibly responds to the electronics industry where the miniaturization, the low-profile, the weight saving, and the multifunctionality are remarkable as a pioneer of the modular mounter to invent the maximum production efficiency with a minimum investment. A high surface mounting technology has been consistently offered even to the large factories in the world from small-scale research and development sites.

### Household sewing machines business

A household sewing machine serves as a foundation of the development of Juki, and it has kept still offering the top-class function to the customer. It also always expands the width of sewing and offers the happiness of sewing home with a superior technology for the embroidery of the illustration taken from the scanner besides the automatic thread guard of the upper (needle) thread or the automatic supplies of the lower (bobbin) thread, and a variegated sewing pattern etc.

The JUKI sewing machine that thoroughly pursues convenience in the living wins warm support widely from the customer owing to the advanced technology and the quality with easy operation for everyone.





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