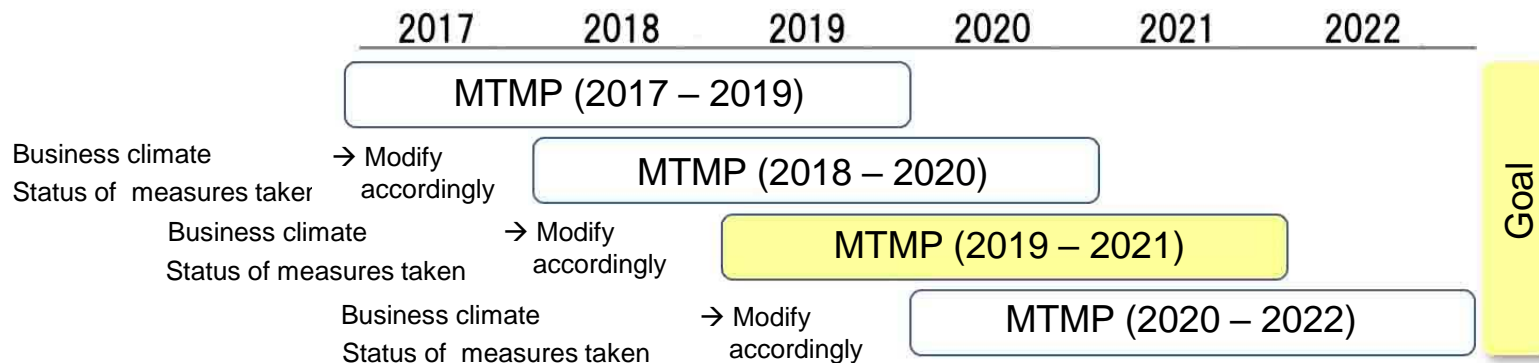
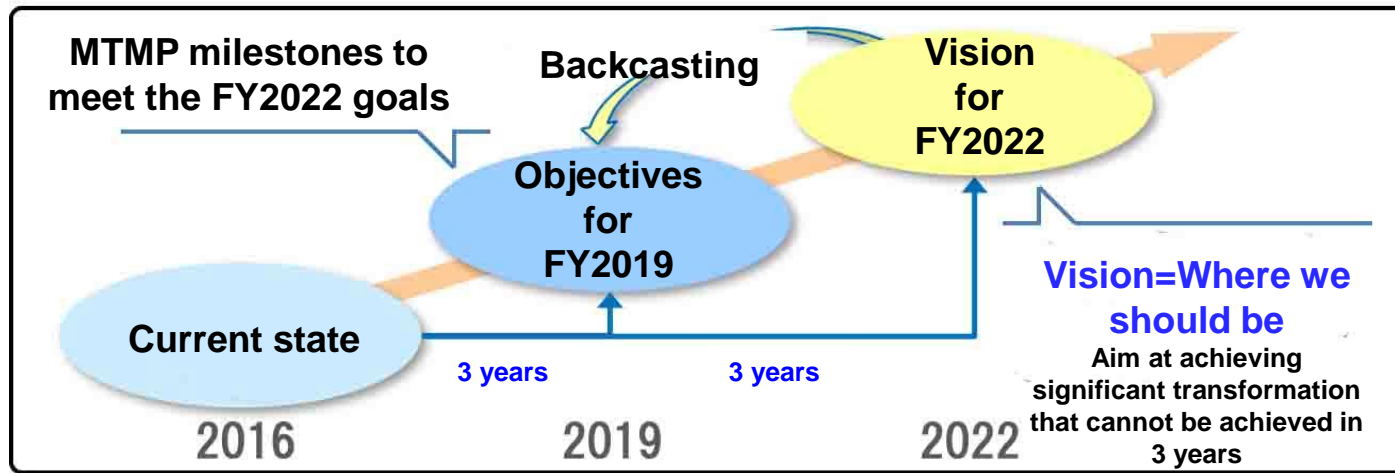




Measures for Achieving the Medium-Term Management Plan (2019 – 2021) and Key Initiatives for FY2019

2-1-1 Measures for Achieving the Medium-Term Management Plan: Rolling Method

Embarking on the 3rd year of the Medium-Term Management Plan “Value Up 2022”



- (1) Regular review and update of the three-year plan in order to meet the FY2022 goals
- (2) Management that constantly monitors changes in business climate for the following three years
- (3) Review of the following year's business plan based on the roll-out status of each year's business plan

2-1-2 Measures for Achieving the Medium-Term Management Plan: Business Climate

The Economy

- Risks of economic slowdown are rising, as instability of global economy increases
 - e.g., China-U.S. trade war, Brexit, geopolitical risks, strong yen
- Technological innovation trend (from MONO [goods] manufacturing to KOTO [value] creation) accelerating
 - Mounting interest in AI, robotics, and cloud-technology applications
- Competition with other industries, other operational styles intensifying
 - e.g., China's growing sewing machinery manufacturers, other industries entering the factory automation market

Customer Needs

- Aggressive investment in smart company/smart factory concepts
 - Introduction of digitization, systematization, and factory automation solutions

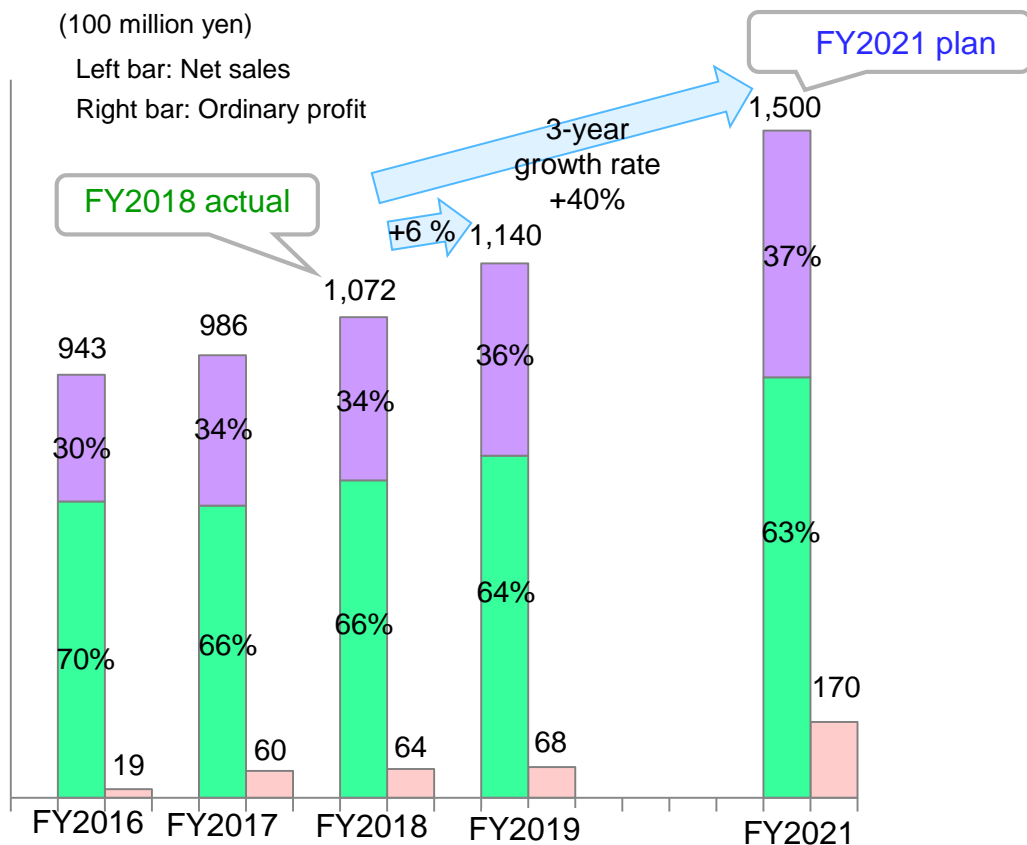
In response, companies are called to:

- Build a progressive management structure
 - Accommodate labor shortages, work style reform, productivity improvement. Implement the "Corporate Initiatives for Improving the Environment, Society, and Governance" (ESG Initiatives)
- Promote profit-oriented business management
 - Annual sales and profits growth, stabilization of dividends, increases in equity

2-1-3 Measures for Achieving the Medium-Term Management Plan: Progress Status

Net Sales, Ordinary Profit (Target: annual growth rate of 9%)

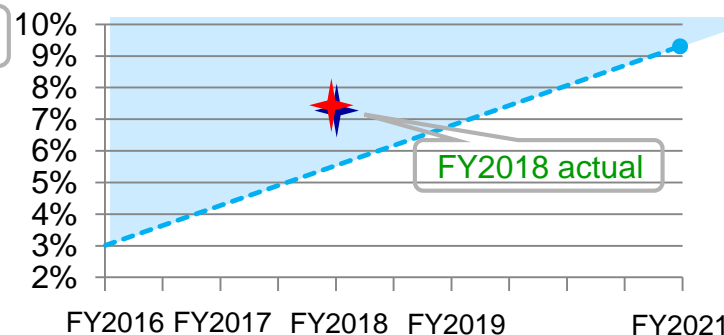
FY2018 actual: 112.0 billion yen



Industrial Equipment & Systems Business
Sewing Machinery & Systems Business

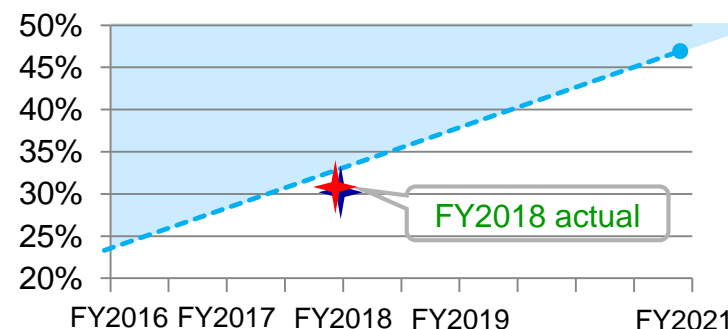
Rate of Ordinary Profit to Net Sales (Target: 9.2% or higher by FY2021)

FY2018 actual 7.5%



Equity Ratio (Target: 47% or higher by FY2021 year-end)

FY2018 actual 30.7%



Exchange rate used for figures through FY2018 (actual), during FY2019 (plan), and after FY2019 (plan): 1US\$ = ¥105

2-1-4 Measures for Achieving the Medium-Term Management Plan: Vision and Five Basic Policies

Vision

To be an enterprise that consistently provides customer-preferred, high-quality products and services

- Let's provide customers around the globe with excitement as well as reliability!



Business Strategies

- (1) Strengthen our value-creation capabilities through solution sales
 - Bolster our capability for developing advanced technologies, utilizing open innovation, and promoting plant sales
- (2) Strengthen the future customer base through market development
- (3) Create and strengthen business categories fitting our vision of the future
 - Bolster Group Business and service solution business, and develop non-mounter markets

Basic Policies

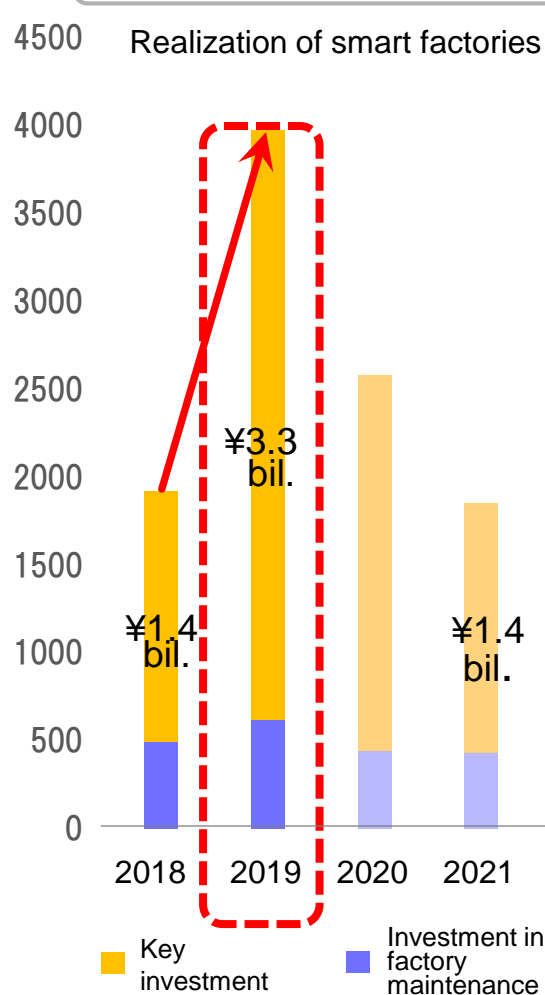
Organizational Strategies

- (4) Develop and deploy globally-competent and innovation-minded personnel ready to realize our vision
- (5) Construct a smart business foundation (Introduce Smart and Connected processes)
 - Reform supply chain management, reduce product costs, promote work style reforms, and implement strategic investment in environmental initiatives

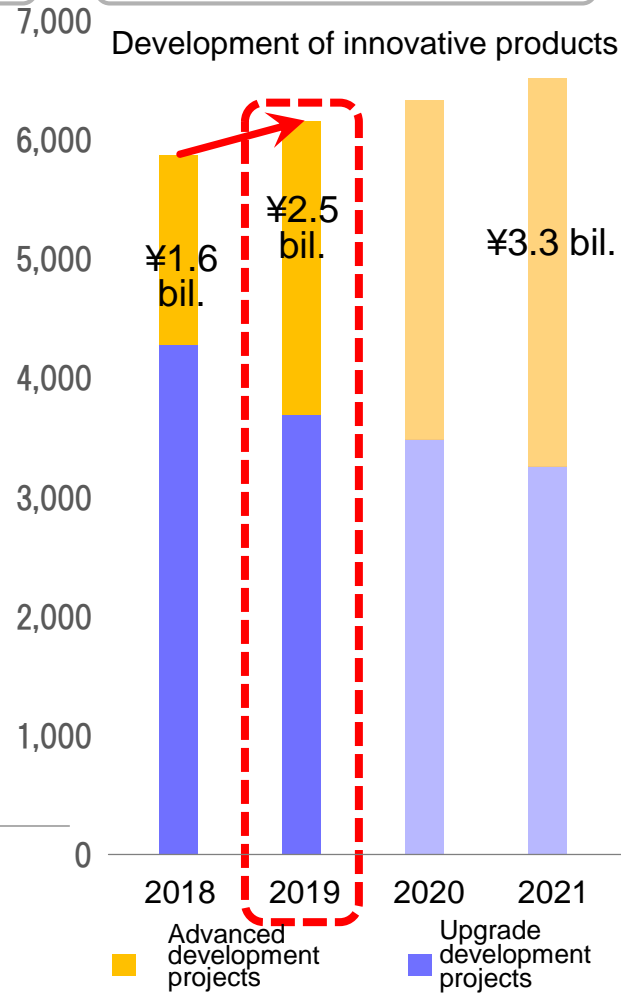
2-1-5 Measures for Achieving the Medium-Term Management Plan: Investment Plan

Make **advance** investments in 2019 to implement **smartization initiatives** and develop **differentiated products**

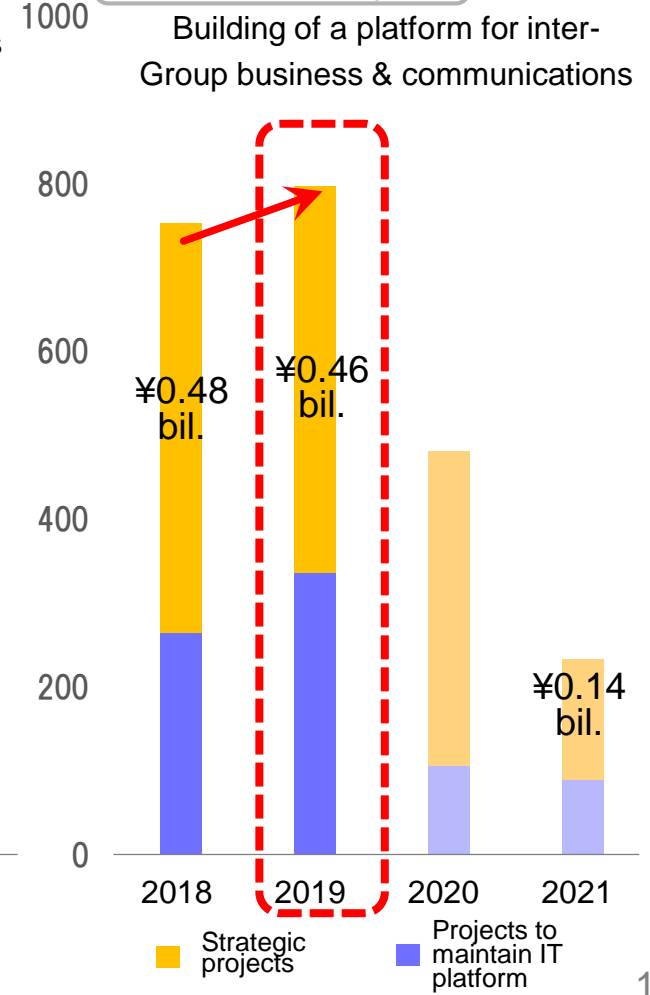
2019 investment in production facilities
Total: 4.0 billion yen



2019 investment in development
Total: 6.2 billion yen

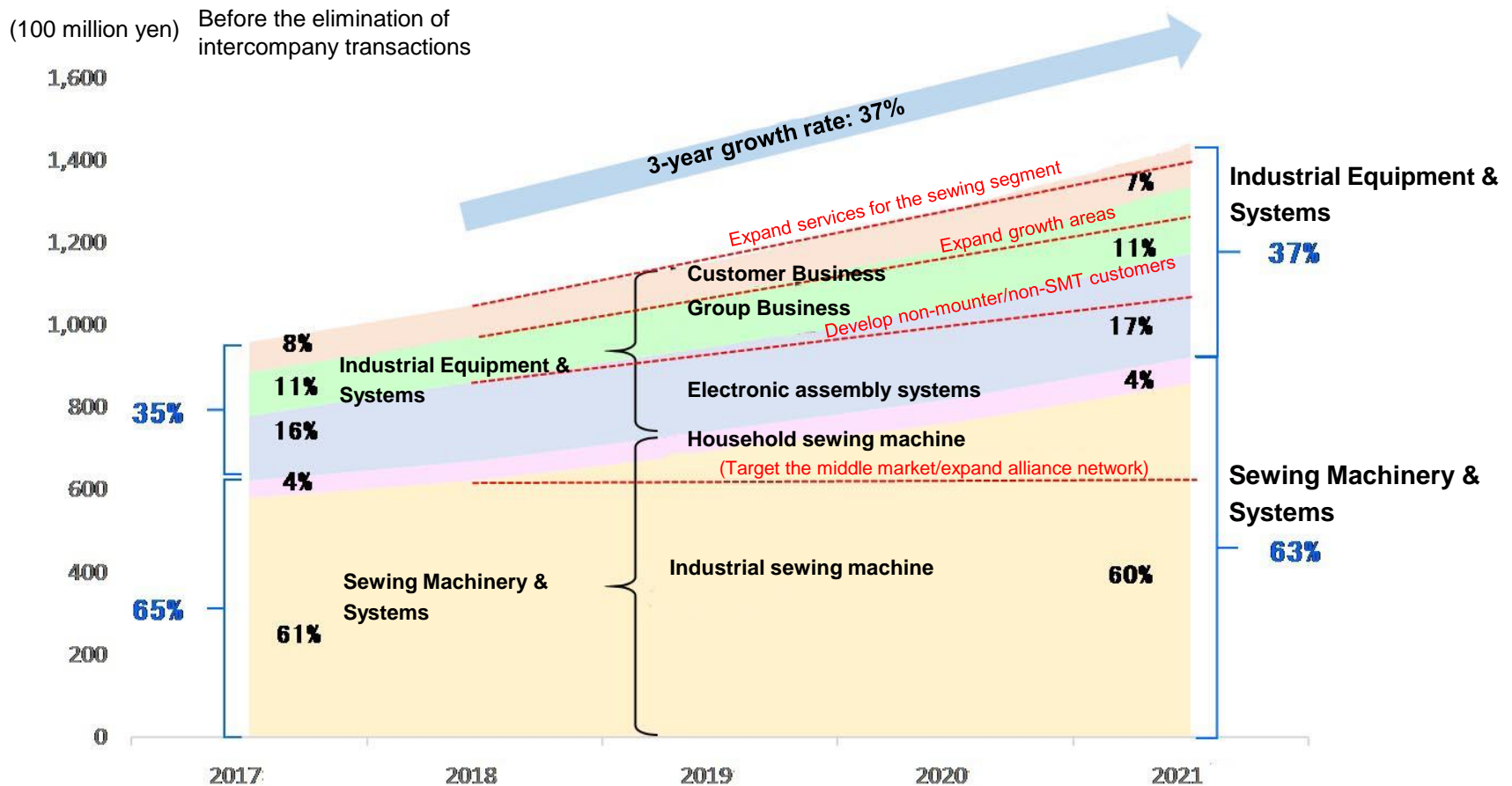


2019 investment in IT
Total: 0.8 billion yen



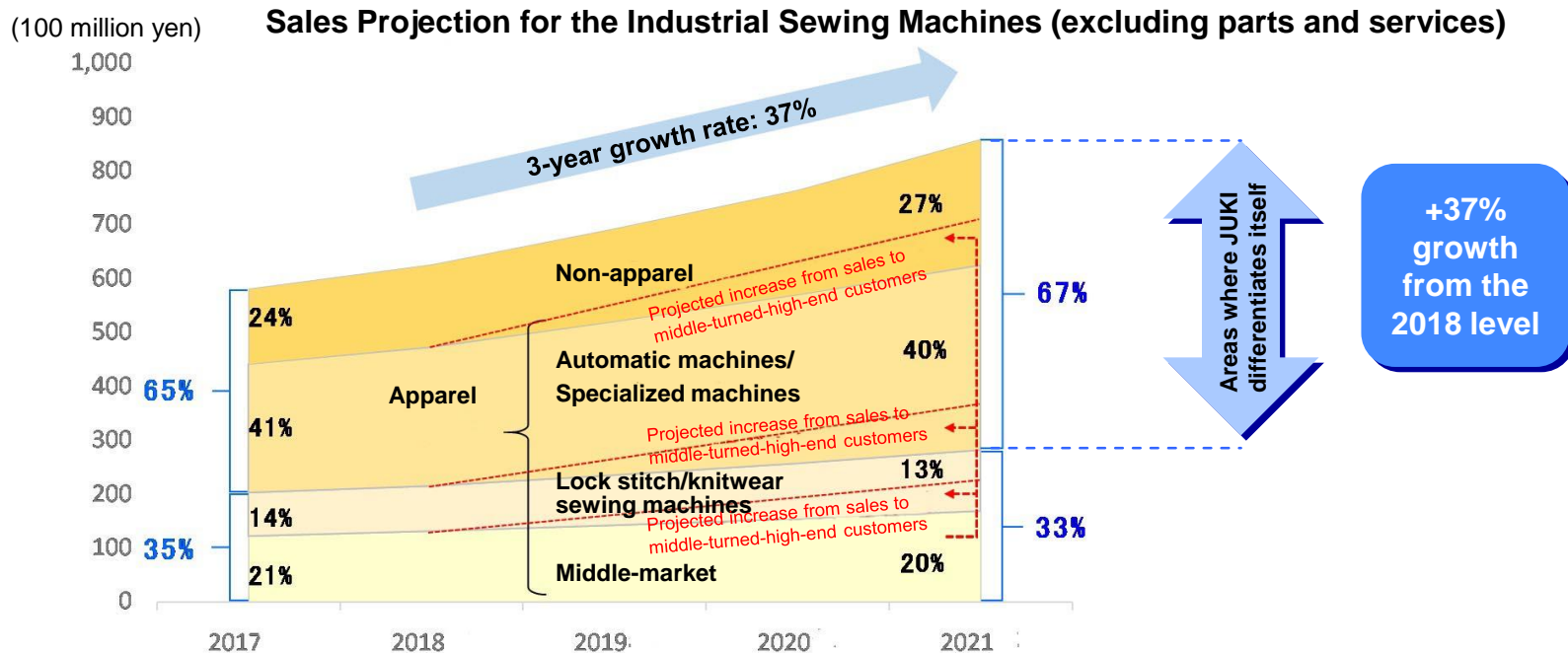
2-1-6 Measures for Achieving the Medium-Term Management Plan: Business Portfolio

Expand business portfolio by devoting managerial resources to each business segment's areas of growth and to fields in which JUKI can differentiate itself



2-2-1-1 Key Initiatives for FY2019: Sewing Machinery & Systems Business (Industrial Sewing Machines)

Vision	Contribute to customer innovation through innovative technology and system proposals based on JUKI Smart Solutions
Basic Policy	<p>Build a customer base for the future by developing customers in the middle market and bringing them into the high-end market</p> <ol style="list-style-type: none"> 1. Target the middle market; 2. Increase sales involving proposals for plants; 3. Utilize our alliance network
Key Initiatives	<ul style="list-style-type: none"> - Increase business with the growing middle-market user segment - Strengthen relationships with major users and win mid- and long-term capital investment projects - Further expand the non-apparel business - Utilize our alliance network to expand our scope of business

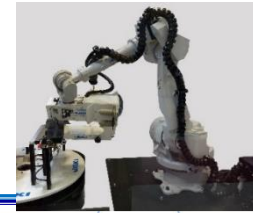


2-2-1-2 Key Initiatives for FY2019: Sewing Machinery & Systems Business (Industrial Sewing Machines)

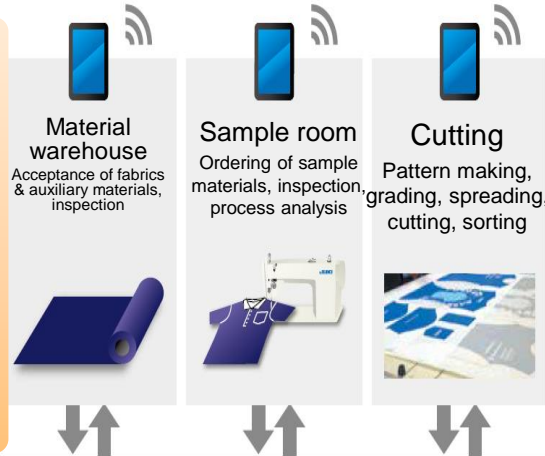
《High-end offerings》
“Digital Series”-
centered line solutions



《Productivity improving / Labor-saving》
Automatic machines Sewing robotics Automated guided vehicles



《Proposals for plants》



JaNets

Sewing line

Production process analysis, coordination, facility arrangement, layout revisions



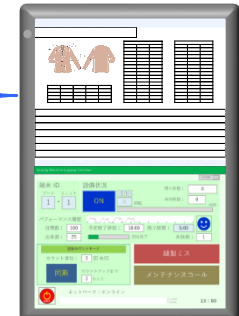
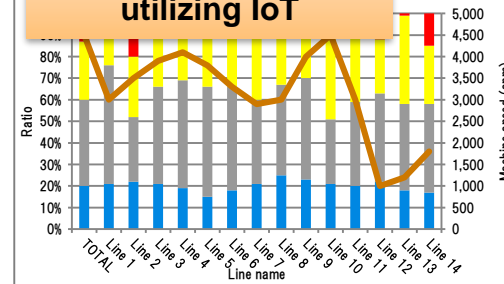
AGV
Automated guided vehicle

《Middle-market offerings》
“Simple Series”-
centered line solutions

Simple Series
Standard for Lockstitch Machine

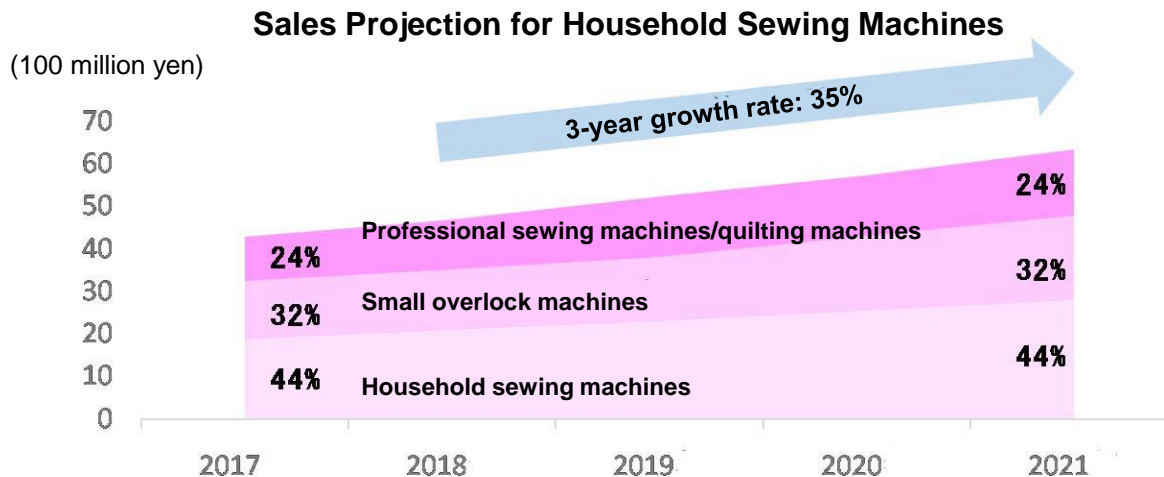


《JaNets》
Improvement of
manufacturing sites
utilizing IoT



2-2-2-1 Key Initiatives for FY2019: Sewing Machinery & Systems Business (Household Sewing Machines)

Vision	Create new ways to enjoy handicraft-making, in collaboration with customers (home sewers) who have excellent handicraft capabilities
Basic Policy	Develop solid business based on strengths in <u>high-end household sewing machines, small overlock machines, sewing machines for professionals, and quilting machines</u>
Key Initiatives	<ul style="list-style-type: none">- Target hobby and craft markets with product development that makes the most of JUKI's strengths- Increase sales and improve profits with a focus on three key large-scale markets (Japan, the U.S., and Europe) that contain high-end markets- Strengthen marketing capabilities and competitiveness of the JUKI brand- Win over and secure new users by identifying user needs and strengthening our capability to disseminate information- Expand the accessories and parts businesses



2-2-2-2 Key Initiatives for FY2019: Sewing Machinery & Systems Business (Household Sewing Machines)

Expand product lineup to better meet each market's characteristics

《Japan》
Overlock machines

MO-1000ML



Live Events & Digital Marketing

↓
Customer development

《Japan》
High-end sewing machines for professionals

SL-700EX



《Europe》
High-end household sewing machines

HZL-NX7



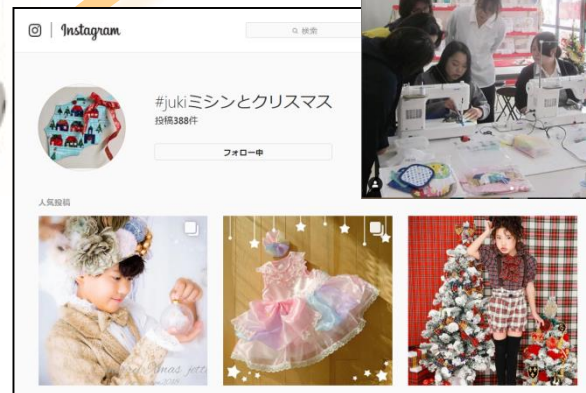
QVP

(Manufactured by Tajima Industries, Ltd.)



《U.S.》
High-end household sewing machines
Quilting machines
Embroidery machines

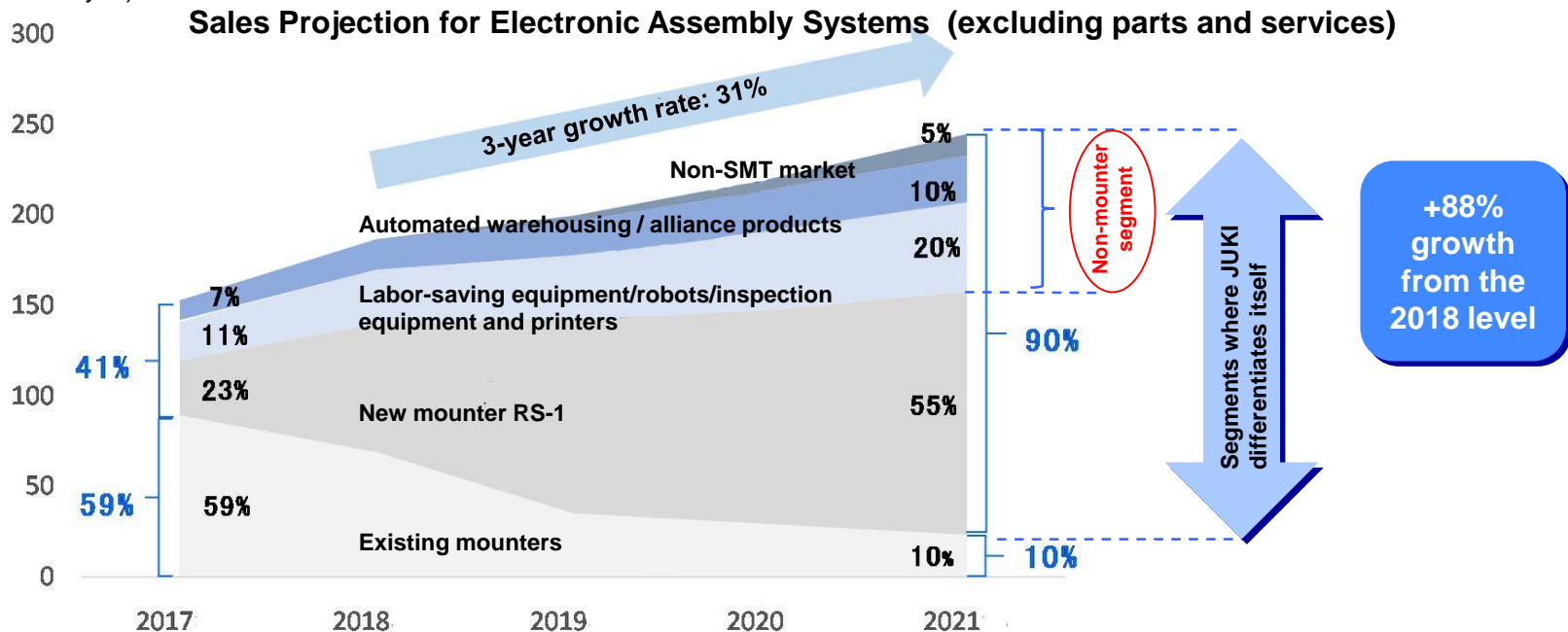
J-350QVP



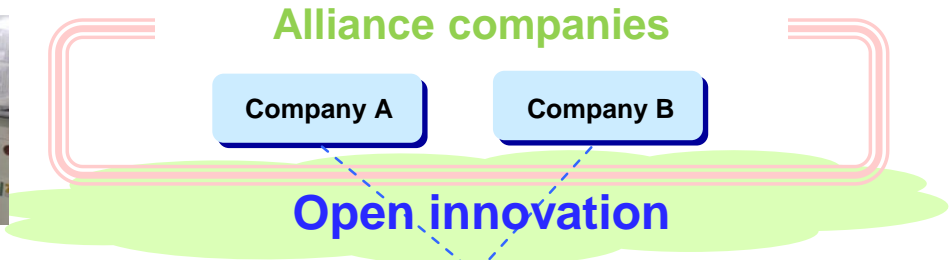
2-2-3-1 Key Initiatives for FY2019: Industrial Equipment & Systems Business (Electronic Assembly Systems)

Vision	<p>Become an essential business partner for customers through devoting resources to our areas of strength and by proposing and providing automation and labor-saving solutions</p> <ul style="list-style-type: none"> - Expand sales of JM + robot, and automated warehousing and peripheral equipment
Basic Policy	<p><u>Expand business base by increasing solution sales in the non-mounter segment</u> and line solution sales in the mounter segment</p>
Key Initiatives	<ul style="list-style-type: none"> - Promote customer segment-specific sales strategy and product strategy - Expand sales and improve gross margin by launching new products - Expand sales of labor-saving equipment, automated warehousing, and alliance products through solution sales activities

(100 million yen)

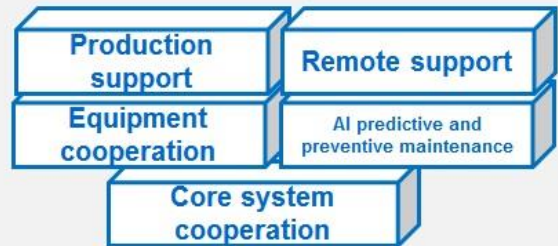


JUKI Smart Solutions



実装統合システムソフトウェア

JaNets
Juki Advanced Network system



Storage system solutions

High-speed mounter system solutions

Measurement system solutions

Robotic insertion system solutions



2-2-4-1 Key Initiatives for FY2019: Industrial Equipment & Systems Business (Group Business)

Vision

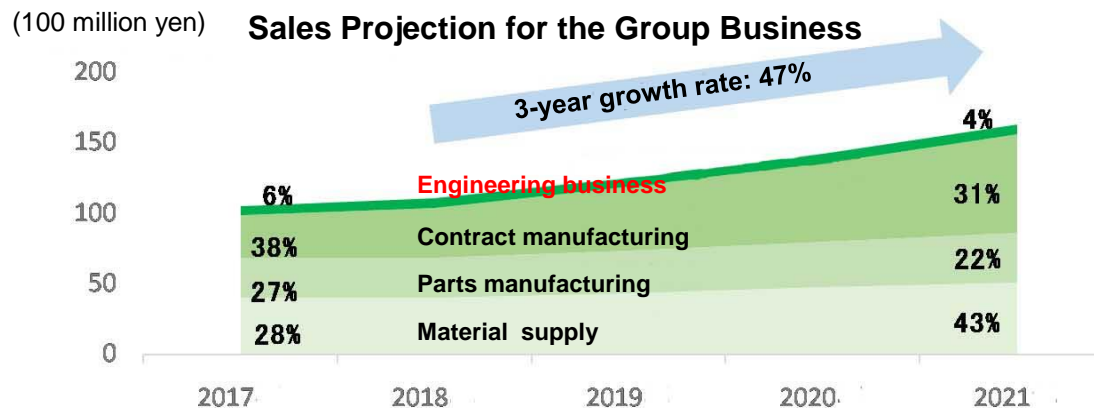
Grow into JUKI's third pillar business leveraging JUKI Group management resources (including manufacturing technologies)

Basic Policy

Increase sales to create the third pillar business by acquiring new customers and expanding scope of business with important business customers
- Achieve sales target of 16.0 billion yen in 2021

Key Initiatives

- Increase sales by expanding scope of business with important business customers
- Utilize JUKI and its Group companies' technologies to promote support services for customers' products and plant facilities

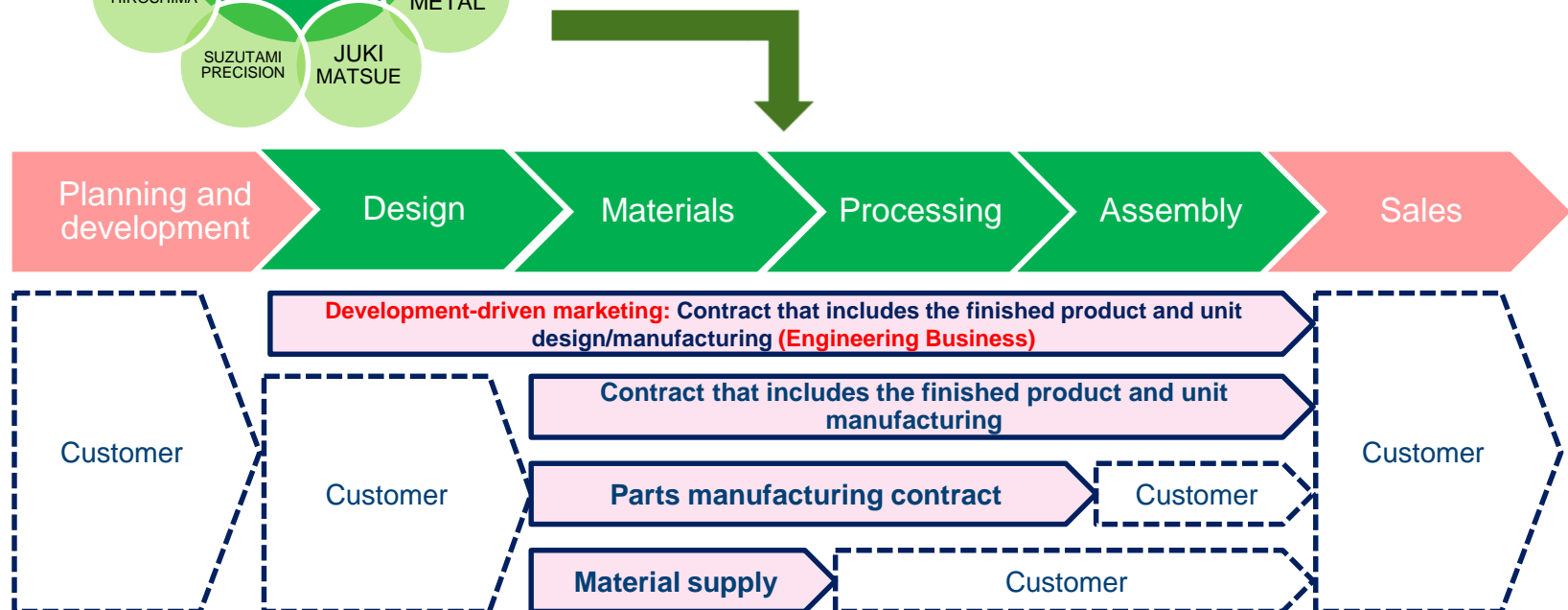


JUKI Contract Business Model

Use of accumulated leverage of JUKI's manufacturing capabilities and global network, utilizing the Group's manufacturing companies (7 companies in Japan, 1 company overseas) and alliance companies



- ★ For needs of external customers,
- ★ by expanding contract range through Group's collaboration,
- ★ support the manufacturing of customers' products and customers' production facilities, and the streamlining of customers' production lines



2-2-5-1 Key Initiatives for FY2019: Industrial Equipment & Systems Business (Customer Business)

Vision

JUKI's parts can be received the day after they're ordered

Basic Policy

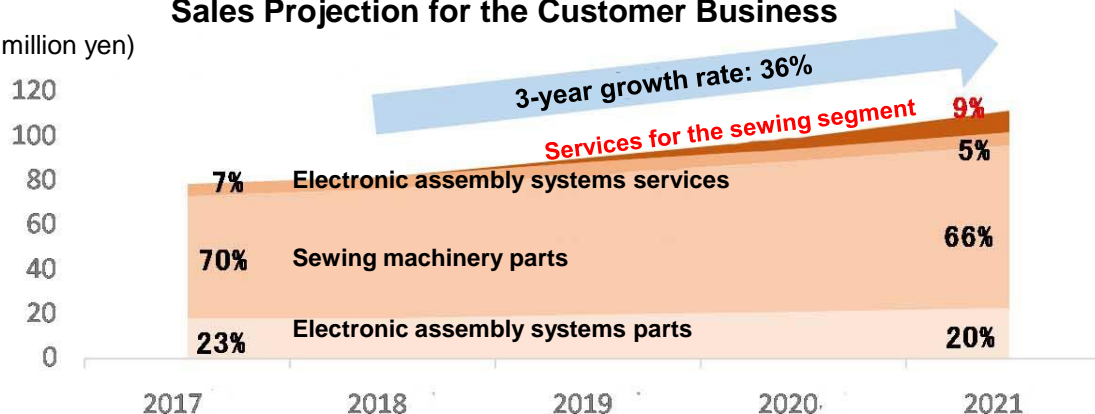
Expand parts business, utilizing system support/remote maintenance/diagnostic monitoring of production facilities, and launch services for the sewing segment

Key Initiatives

- Introduce more new products and services
- Establish a service business in the sewing segment, utilizing diagnosis of production facilities
- Continue to expand market and product portfolio, and improve sales systems (logistics)
- Rebuild the pre-owned products business

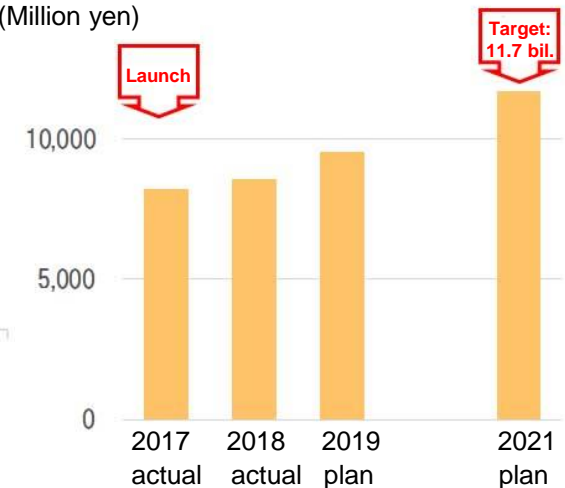
Sales Projection for the Customer Business

(100 million yen)



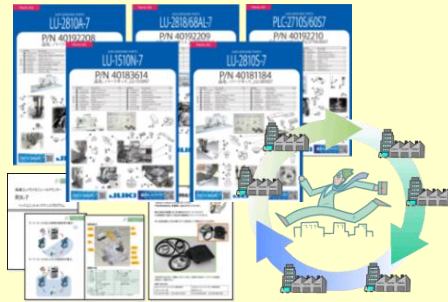
Customer Business Sales

(Million yen)



2-2-5-2 Key Initiatives for FY2019: Industrial Equipment & Systems Business (Customer Business)

EXPAND PARTS/SERVICE BUSINESS



- Sewing machinery: Conduct machinery diagnoses based on maintenance records
- Electronic assembly systems: Rebuild the pre-owned products business

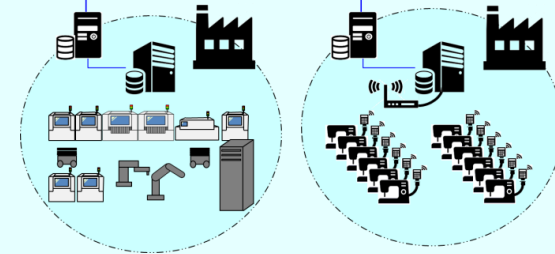
EXPAND AFTER SALES SERVICE BUSINESS IN INTRODUCING SMART LINES



Technical support

Remote Maintenance

JaNets
Juki advanced Network system



Support for Smart Solution

CONNECTED



Parts supply system
Parts center/sales company's warehouse

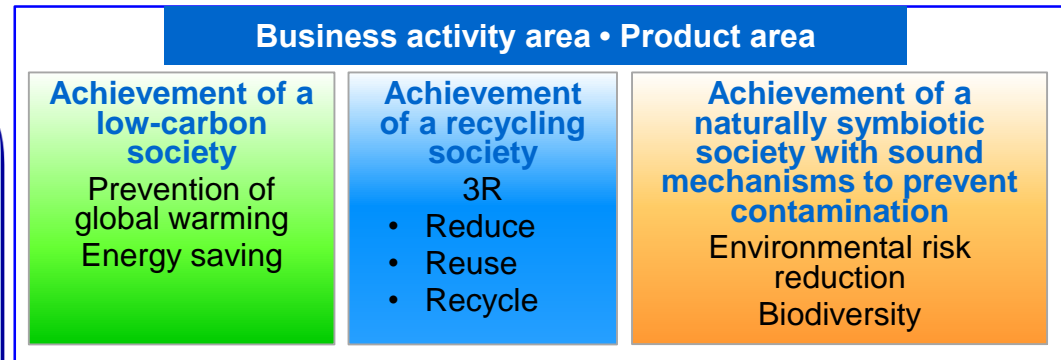


Network system to share and disseminate information

PROVIDE LOGISTICAL SUPPORT FOR ACTIVITIES

JUKI's Vision for Environmental Conservation

The JUKI Group's stance toward environmental conservation activities



Environmental management base

Toward the achievement of a sustainable society

ECO MIND Management

Environmental Philosophy

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

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

Environmental Action Policy

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

2-3-2 Corporate Initiatives for Improving the Environment, Society, and Governance (ESG Initiatives) 《E: Environment》



Test the volume of noise and vibration level of industrial sewing machine



Achieve more efficient production using automated guided vehicle systems in between production procedures



Provide maintenance service for electronic assembly systems at customer sites

Development/Design

Develop and design products that are people- and eco-friendly (energy-saving, low-noise, low-vibration, reduced heat generation, etc.). Conduct research on optimal sewing line layout and improve materials for products.

Production

Improve production efficiency, reduce costs, implement 5S's, and achieve reduction of CO₂ and waste emissions. Quantify energy use and achieve energy savings, utilizing more inverters.

Use/Maintenance

Improve the service and maintenance system to respond thoroughly to inquiries and requests from customers

JUKI's Monodzukuri (Manufacturing)

Development/Design

Procurement

Production

Logistics/Sales

Use/Maintenance

Procurement

Establish "JUKI Group Green Procurement Guidelines" and promote green (eco-friendly) procurement

Logistics/Sales

Reduce CO₂ emissions by promoting a modal shift to railway transport and joint-logistics system with other companies



Provide testing for harmful substances using X-ray fluorescent (XRF) analyzers



Reduce CO₂ emissions by making a modal shift to railway transport



People-friendliness

- Energy-savings
- Good operability, maintainability

Value generated

Environmental-friendliness



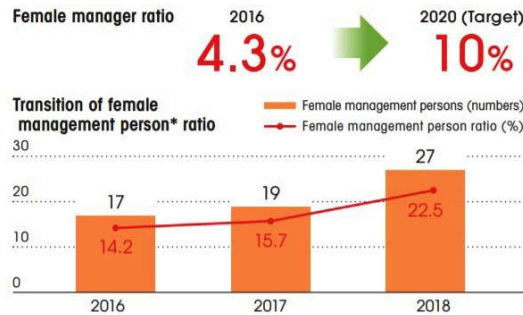
- Reduction of environmental footprint

2-3-3 Corporate Initiatives for Improving the Environment, Society, and Governance (ESG Initiatives) 《S: Society》

Initiatives for promoting diversity

JUKI practices “diversity management” and hires people regardless of their gender, age, or nationality, thereby capitalizing on individuals’ diverse strengths. We also accept various work styles as part of that effort.

Our approach to diversity promotion has three pillars: “Promote the success of female employees,” “Deploy personnel equipped to work on a global scale,” and “Promote outstanding performance of rehired and contract employees,” through which we aim to create an innovative and vibrant organizational culture and maximize our organizational performance.



Initiatives for improving the earth's environment

At “Tama Eco Festa 2018” (a community event featuring eco-oriented presentations made by local companies and organizations), held in January 2018, JUKI was recognized as a company which has made a long-time contribution to environmental beautification with its activities to keep public areas clean.



Initiatives for community education

In 2018, JUKI’s head office in Tama (Tokyo), the Ohtawara Plant, and JUKI Industrial Equipment Technology Corporation invited 260 students from local elementary schools to their campuses to tour the facilities, learn about JUKI’s manufacturing efforts, and experience how much fun manufacturing can be. This is part of JUKI’s effort to develop future personnel for the manufacturing industry.

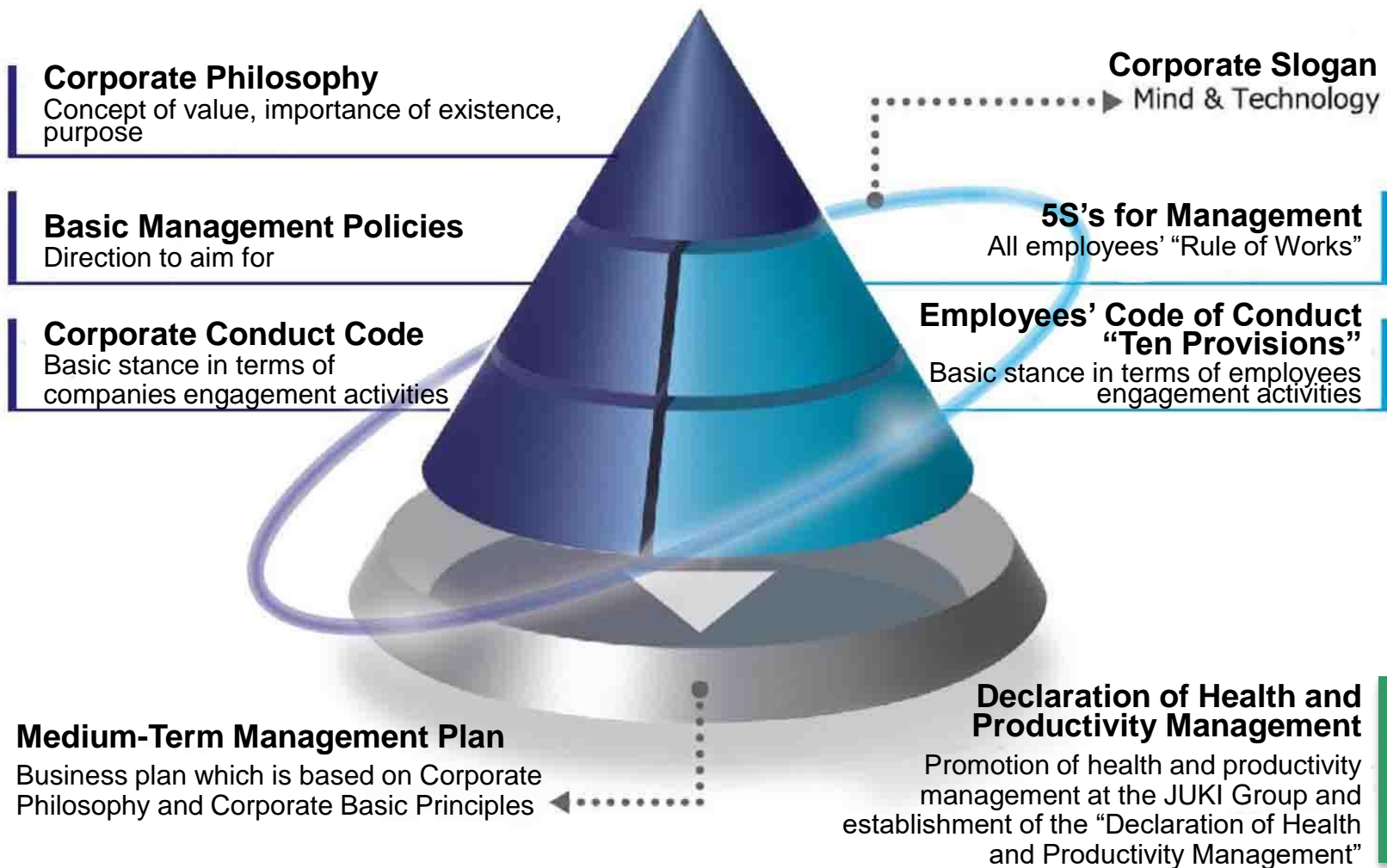


Support for the EcoChic Design Award

By providing sewing machines and technical support, JUKI supports the EcoChic Design Award, a sustainable fashion design competition sponsored by Redress, a non-governmental organization in Hong Kong dedicated to waste reduction in the fashion industry.



Schematic of the Corporate Philosophy and Policies



《Strengthening of relationships》

Showing gratitude to our customers,
business partners, and shareholders

- Anniversary website
- Hold “thank you” meetings: Texprocess Show [U.S.], Jisso Process Technology Exhibition (JISSO PROTEC) [Japan], etc.
- JUKI Sewing Festival, and other events

**80th anniversary
activities**

**As an 80-year-old corporation,
we will continue to be proud of
operating in our main business
and satisfy customers**

《Strengthening of capability to implement MTMP》

Achieving the plan by providing products
and services that contribute to boosting
the competitiveness of our customers

- Establishment of JUKI History Museum
- Installation of smart factory model line at J-TEC CORPORATION (Akita)

《Reforming of employee awareness and corporate culture》

Promoting global and innovative human
resources development and organization
building to lay the foundation for
becoming a 100-year-old company

- Publishing of 80-year history
- Introduction of new groupware, etc.

This material contains forward-looking statements concerning future plans, strategies and assumptions in light of the economic, financial and other data currently available. Furthermore, they are subject to a number of risks and uncertainties. JUKI therefore wishes to caution readers that actual results may differ materially from those projected in such forward-looking statements.

JUKI CORPORATION