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Securities code: 6440
March 4, 2020

To All Shareholders:

Akira Kiyohara
Representative Director
JUKI CORPORATION
2-11-1, Tsurumaki, Tama-shi,
Tokyo, Japan

**CONVOCATION NOTICE OF
THE 105TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 105th Ordinary General Meeting of Shareholders (the “Meeting”) of JUKI CORPORATION (the “Company”) to be held as indicated below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached “Reference Materials for the Ordinary General Meeting of Shareholders” and exercise your voting rights no later than 6:00 p.m., Wednesday, March 25, 2020 (Japan Standard Time) in accordance with “Instructions on Exercise of Voting Rights”.

Thank you very much for your cooperation.

- 1. Date and Time:** March 26, 2020 (Thursday) at 10:00 a.m.
- 2. Place:** Multi-purpose hall, 3rd floor of the East Tower of the Company’s Head Office, 2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan
- 3. Meeting Agenda:**
 - Report matters:**
 1. The Business Report and the Consolidated Financial Statements for the 105th Fiscal Year (January 1, 2019 to December 31, 2019), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 105th Fiscal Year (January 1, 2019 to December 31, 2019)

Resolution matters:

- First proposal:** Appropriation of Surplus
- Second proposal:** Election of 6 Directors
- Third proposal:** Election of 2 Audit & Supervisory Board Members
- Fourth proposal:** Election of 2 Substitute Audit & Supervisory Board Members

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- If you plan to attend the Meeting, please submit the enclosed Voting Right Exercise Form to the receptionist at the Meeting.
 - Any amendments to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements will be posted on the Company’s website (URL: <https://www.juki.co.jp>).
 - Pursuant to relevant laws and regulations and Article 16 of the Articles of Incorporation, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are not included in the documents attached to this convocation notice since they have been made accessible on the Company’s website instead. The Consolidated Financial Statements or the Non-consolidated Financial

Statements stated in the documents attached to this convocation notice are a part of the Consolidated Financial Statements or the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Member in preparing their respective audit reports.

Instructions on Exercise of Voting Rights

Please review the Reference Materials for the Ordinary General Meeting of Shareholders (pages 35 to 44) and exercise your voting rights.

There are three ways to exercise your voting rights as described below.

Exercise of voting rights by attending the Meeting in person

Please bring the enclosed Voting Right Exercise Form and submit the form to the receptionist.

* If you intend to attend the Meeting, voting in writing or via the Internet is not necessary.

Date and time of the Meeting: March 26, 2020 (Thursday) at 10:00 a.m.

Exercise of voting rights in writing

Please indicate your approval or disapproval of the proposals in the enclosed Voting Right Exercise Form, and mail the form to us as early as possible so that it arrives before the voting deadline.

Voting deadline: March 25, 2020 (Wednesday) at 6:00 p.m.

Instructions on Method to Complete the Voting Right Exercise Form

Indicate your approval or disapproval of each proposal in the enclosed Voting Right Exercise Form.

- ▶ To mark your approval: Please circle “Approval”.
- ▶ To mark your disapproval: Please circle “Disapproval”.

Exercise of voting rights via the Internet

Please access Exercise of Voting Rights Website designated by the Company and exercise your voting rights in accordance with the instructions on the screen.

(<https://soukai.mizuho-tb.co.jp/>)

Voting deadline: March 25, 2020 (Wednesday) at 6:00 p.m.

Please refer to the next page for details.

Instructions on Exercise of Voting Rights via the Internet

1. Regarding Exercise of Voting Rights via the Internet

- (1) Instead of voting in writing, you may vote via the Internet by accessing the “Exercise of Voting Rights Website” designated by the Company (refer to the URL below). To use this website, you need to log in with the Exercise of Voting Rights Code and the Password printed on the right-hand side of the enclosed Voting Right Exercise Form, and enter information in accordance with the instructions on the screen. For security reasons, it is necessary for you to change your password when you log in for the first time.
<https://soukai.mizuho-tb.co.jp/>
- (2) The voting deadline is March 25, 2020 (Wednesday) at 6:00 p.m. However, shareholders are kindly requested to exercise your voting rights as early as possible.
- (3) If you exercise your voting rights both in writing and via the Internet, only your vote via the Internet shall be deemed effective. If you exercise your voting rights several times via the Internet, only your final vote shall be deemed effective.
- (4) Your password (including the password after you have changed it) shall be effective only for this Ordinary General Meeting of Shareholders. At the time of the next Ordinary General Meeting of Shareholders, a new password will be issued.
- (5) You shall bear your own expenses for connection to the Internet.

(Notes)

- The password is a means to confirm that the person voting is the relevant shareholder. The Company will not contact you to ask for your password.
- If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the instructions on the screen.
- Although operational checks have been carried out for the Exercise of Voting Rights Website for common Internet connection equipment, there is a possibility that you may be unable to use the site due to the equipment you are using.

2. For your inquiries

If you have any inquiries, please contact **Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.**, which is the Company’s shareholder registry administrator, as shown below.

- 1) Inquiries regarding operation of the Exercise of Voting Rights Website:
Tel: **0120-768-524** (toll free within Japan only) (9 a.m. to 9 p.m. excluding Saturdays, Sundays, and public holidays)
- 2) Inquiries regarding share procedures other than the above:
Tel: **0120-288-324** (toll free within Japan only) (9 a.m. to 5 p.m. excluding Saturdays, Sundays, and public holidays)

*** Electronic Voting Platform for Institutional Investors**

The shareholders in the name of administration trust banks, etc., (including standing proxy) who have applied in advance for the use of the Electronic Voting Platform operated by ICJ Inc., founded by the Tokyo Stock Exchange and others, may exercise their voting rights on the platform other than the above-mentioned exercising voting rights via the Internet.

(Attached materials)

Business Report
(January 1, 2019 to December 31, 2019)

1. Overview of the JUKI Group (the “Group”)

(1) Business Progress and Results

In the fiscal year ended December 31, 2019, the business environment showed increasing global economic instability due to an economic slowdown in China, the prolongation of trade friction between the U.S. and China, and the withdrawal of Britain from the EU. Meanwhile, trends in technological innovation are increasingly accelerating for AI, IoT, 5G, and other technologies, and customers face a growing need to strategically invest in digitization, the application of systemization, and smart companies and factories.

Based on a recognition of this environment, during the fiscal year ended December 31, 2019, the Company worked to realize the vision of the current Medium-Term Management Plan to become an “enterprise that consistently provides customer-preferred, high-quality products and services” and convert from a “*Monodzukuri* (manufacturing)” enterprise to one based on “*Kotodzukuri* (value creation)”. Specifically, the Company promoted solution sales activities, offering products and services that match customers’ needs for labor saving and proposing smart factories to boost factory-wide production efficiency. At the same time, it worked to build a stable customer base for the future by developing a middle market centered on the Asian market and undertaking the creation of business categories, such as the Group Businesses, in anticipation of the future of such categories.

Under these circumstances, for the fiscal year ended December 31, 2019, there was a pronounced fall in sales primarily in China and Europe, especially due to the slowdown in customer demand of capital investment in the second half of FY 2019 caused in turn by trade friction between the U.S. and China, resulting in total net sales of 99,169 million yen (down by 11.5% from the previous fiscal year).

With respect to profits, we worked to reduce costs to improve profitability, but the impact of the decline in sales and lower capacity utilization rates at factories, in addition to an increase in expenses for proceeding with solution sales activities, resulted in operating profit of 3,838 million yen (down by 58.0% from the previous fiscal year). Ordinary profit stood at 2,941 million yen (down by 64.9% from the previous fiscal year), and profit attributable to owners of parent stood at 1,763 million yen (down by 73.4% from the previous fiscal year).

Business results by major segment are as follows:

1) Sewing Machinery and Systems Business Segment

By market, sales in the Asian non-apparel sector were steady, but declined primarily in China and Europe, resulting in net sales for the Sewing Machinery and Systems Business Segment as a whole of 64,260 million yen (down by 12.7% from the previous fiscal year). With respect to profits, the impact of the decline in sales and lower capacity utilization rates at factories resulted in segment profit (ordinary profit) of 2,680 million yen (down by 48.3% from the previous fiscal year).

2) Industrial Equipment and Systems Business Segment

With respect to Electronic Assembly Systems Businesses, sales in the U.S. were steady, with an increase in sales of automated warehousing, inspection equipment and other labor-saving devices tied to smart factory proposals. However, sales declined, primarily in China, so that net sales of the Industrial Equipment and Systems Business Segment as a whole stood at 34,671 million yen (down by 9.2% from the previous fiscal year). With respect to profits, the impact of the decline in sales and lower capacity utilization rates at factories, in addition to the increase in expenses for proceeding with solution sales activities, resulted in segment profit (ordinary profit) of 1,853 million yen (down by 55.4% from the previous fiscal year).

(2) Capital Investments

Capital investment totaling 2,907 million yen was disbursed in FY 2019, including 1,039 million yen for machinery, equipment and vehicles, and 482 million yen for tools, furniture and fixtures.

(3) Financing

Financing for FY 2019 was arranged using the Group's own funds and borrowings from financial institutions, etc.

(4) Issues to Address

Based on the long-term vision, "To thrive in the 21st century as a global, innovative *Mono-Koto dzukuri* (manufacturing-value creation) enterprise", in 2017 the Company formulated the Medium-Term Management Plan "Value Up 2022", aiming to achieve continuous growth for the Group in the future. In its 2022 Vision, the Company aims to be a "*Mono-Koto dzukuri*(*manufacturing-value creation*) enterprise, capable of elevating the corporate value of both JUKI and its customers through JUKI products and services" in six years' time.

In the business environment surrounding the Company, the global economy faces uncertainty in the outlook as an economic slowdown resulting from the U.S. and China trade friction, etc., and geopolitical risks, etc. remain unresolved. However, the need for labor-saving solutions and the like have continued to be robust in the background of labor shortages and increased labor costs. Furthermore, society as a whole has accelerated efforts to create a sustainable society from a long-term perspective as the United Nations Summit has adopted "Sustainable Development Goals (SDGs)".

Based on this business environment, the Company identifies the following six points as its basic policy for the upcoming three years in order to steadily achieve its goals in its new Medium-Term Management Plan.

- 1) Improving sales "power" = Strengthening customer base through borderless initiatives
 - We will make efforts to build our customer base by strengthening borderless sales capabilities, such as acquiring new customers in the middle market, strengthening the relationship with global customers, and strengthening relationships with agencies.
- 2) Strengthening revenue "power" = Strengthening revenue base by expanding business area
 - We will make efforts to further strengthen our revenue base by expanding our business areas, such as strengthening our non-apparel businesses, expanding our non-mounter/non-SMT fields, developing new businesses through the Group Business, promoting the parts business, and strengthening alliances.
- 3) Upgrading development "power" = Strengthening development of new products and services
 - We will make efforts to strengthen the development of new products and services with a strong market position by utilizing new technology (digital/networks, AI, etc.), incorporating use case of customers and markets, and other efforts.
- 4) Building foundation of production "power" = Strengthening *Monodzukuri* (manufacturing)
 - We will make efforts to strength the base of our *Monodzukuri* (manufacturing) by constructing a smart production structure, reforming supply chain management, improving production quality, and other efforts.
- 5) Reconstructing management "power" = Reconstructing a smart and streamlined management control system
 - We will make efforts to construct a progressive management control system by cutting administrative costs through restructuring, improving operational efficiency through implementing RPA and strengthening information systems, enhancing corporate value through ESG investment efforts, and other efforts.
- 6) Raising the standard of personnel "power" = Strengthening personnel to generate the above five powers
 - We will make efforts to strengthen personnel by constructing a personnel system which fits employee responsibilities and results, rearranging personnel to important areas, hiring and developing strategic personnel, promoting diversity and health management, and other efforts.

The growth engines for a new JUKI which accelerate the initiatives of the basic policy described above will be the "5 Xs*" (Borderless X, Business Model X, R&D Model X, Workstyle Reform X, SDGs Management X). Through these engines, we will create a "revenue-generating business model". We will especially focus more on initiatives to achieve "SDGs" and construct a business foundation

which generates sustainable growth and produces new business opportunities by conducting business aimed at solving societal problems. (*X: Transformation)

(5) Changes in Assets and Profit (Loss)

1) Group

(million yen, except for per share amounts)

Item	The 102nd fiscal year ended December 31, 2016	The 103rd fiscal year ended December 31, 2017	The 104th fiscal year ended December 31, 2018	The 105th fiscal year ended December 31, 2019
Net sales	97,724	103,659	112,064	99,169
Ordinary profit	3,022	7,839	8,385	2,941
Profit attributable to owners of parent	1,883	5,642	6,640	1,763
Basic earnings per share	¥63.94	¥192.61	¥226.68	¥60.20
Total assets	111,365	110,554	119,121	114,715
Net assets	27,582	33,343	37,241	37,752
Net assets per share	¥921.78	¥1,117.07	¥1,246.93	¥1,264.28

(Note) Basic earnings per share is calculated using the average number of shares issued during the fiscal year (excluding treasury shares). Net assets per share is calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).

2) Company

(million yen, except for per share amounts)

Item	The 102nd fiscal year ended December 31, 2016	The 103rd fiscal year ended December 31, 2017	The 104th fiscal year ended December 31, 2018	The 105th fiscal year ended December 31, 2019
Net sales	54,128	49,487	59,696	50,988
Ordinary profit	2,531	2,793	3,941	1,430
Profit (loss)	(722)	2,157	3,657	1,202
Basic earnings (loss) per share	¥(24.53)	¥73.66	¥124.84	¥41.05
Total assets	90,381	89,903	94,571	89,045
Net assets	27,513	29,172	31,337	31,670
Net assets per share	¥939.14	¥995.75	¥1,069.69	¥1,081.06

(Note) Basic earnings (loss) per share is calculated using the average number of shares issued during the fiscal year (excluding treasury shares). Net assets per share is calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).

(6) Principal Subsidiaries

1) Principal Subsidiaries

Company name	Capital	The Company's percentage of voting rights		Main business
		Direct	Indirect	
JUKI AUTOMATION SYSTEMS CORPORATION	(million yen) 2,618	91.8%	–	Sales of mounters, inspection equipment, printing equipment and others
JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	300	100%	–	Manufacture and sales of mounters, inspection equipment, printing equipment and others
JUKI SALES (JAPAN) CORPORATION	86	100%	–	Sales of sewing machinery in Japan
JUKI SINGAPORE PTE. LTD.	U.S.\$29,435 thousand	100%	–	Sales of sewing machinery in Asian regions
JUKI (CHINA) CO., LTD.	RMB358,365 thousand	100%	–	Administration of subsidiaries in China and sales of sewing machinery
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	RMB196,148 thousand	27.5%	72.5%	Manufacture and sales of industrial sewing machines
JUKI AMERICA, INC.	U.S.\$26,346 thousand	100%	–	Sales of sewing machinery in the Americas
TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	RMB5,001 thousand	100%	–	Sales of mounters, inspection equipment, printing equipment and others in China
JUKI CENTRAL EUROPE SP. ZO.O.	PLN50 thousand	100%	–	Sales of sewing machinery in European regions
JUKI (NINGBO) PRECISION CO., LTD.	RMB42,876 thousand	–	100%	Manufacture and sales of sewing machinery parts
JUKI (VIETNAM) CO., LTD.	U.S.\$5,000 thousand	100%	–	Manufacture and sales of industrial sewing machines, precision casting parts and others
JUKI XINXING INDUSTRY CO., LTD.	RMB160,000 thousand	–	89.9%	Manufacture and sales of industrial sewing machines

2) Status of Specified Wholly Owned Subsidiaries
No items to report.

(7) Principal Businesses

Segment	Summary of business
Sewing Machinery and Systems Business Unit	Manufacture and sales of industrial sewing machines and household sewing machines
Industrial Equipment and Systems Business Unit	Manufacture and sales of electronics assembly & systems (mounters, inspection equipment and others), sales of parts, maintenance services and commissioned processing business

(8) Principal Offices and Plants

Company name	Office or plant	Location
JUKI CORPORATION	Head Office	Tokyo
	Ohtawara Plant	Tochigi
JUKI AUTOMATION SYSTEMS CORPORATION	Head Office	Tokyo
JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	Head Office and Plant	Akita
JUKI SALES (JAPAN) CORPORATION	Head Office	Tokyo
JUKI SINGAPORE PTE. LTD.	Head Office	Singapore
JUKI (CHINA) CO., LTD.	Head Office	Shanghai, China
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Head Office and Plant	Shanghai, China
JUKI AMERICA, INC.	Head Office	Florida, U.S.A.
TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Head Office	Shanghai, China
JUKI CENTRAL EUROPE SP. ZO.O.	Head Office	Warsaw, Poland

(9) Employees

1) Group

(As of December 31, 2019)

Segment	Number of employees	Change from previous fiscal year-end
Sewing Machinery and Systems Business Unit	3,560	(15)
Industrial Equipment and Systems Business Unit	1,856	(88)
Other business	96	(21)
Corporate headquarters (common)	250	(5)
Total	5,762	(129)

(Note) The above figures include contract employees and part-timers and exclude dispatched employees.

2) Company

(As of December 31, 2019)

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
907	29 persons increased	45.1 years old	19.7 years

(Note) The above figures include contract employees and part-timers and exclude dispatched employees.

(10) Major Creditors and Balance of Borrowings

(As of December 31, 2019)

Creditor	Balance of borrowings (million yen)
Mizuho Bank, Ltd.	16,643
Sumitomo Mitsui Trust Bank, Limited	6,988
Mizuho Trust & Banking Co., Ltd.	4,465
The Hiroshima Bank, Ltd.	4,430
Development Bank of Japan Inc.	3,977
The Hokuto Bank, Ltd.	2,700

2. Status of Shares (As of December 31, 2019)

- (1) Total Number of Authorized Shares 80,000,000 shares
- (2) Total Number of Issued Shares 29,874,179 shares
(including 578,789 treasury shares)
- (3) Number of Shareholders 11,349 persons
- (4) Major Shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	2,303	7.86
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,707	5.82
GOVERNMENT OF NORWAY	1,194	4.07
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	980	3.34
Mizuho Bank, Ltd.	938	3.20
Nippon Life Insurance Company	732	2.49
Asahi Mutual Life Insurance Company	569	1.94
Japan Trustee Services Bank, Ltd. (Trust Account 5)	560	1.91
The Dai-ichi Life Insurance Company, Limited	511	1.74
JP MORGAN CHASE BANK 385151	463	1.58

(Note) The shareholding ratio is calculated by means of deducting treasury shares (578,789 shares) from the number of the issued shares.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2019)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Representative Director and President	Akira Kiyohara		President of JUKI AUTOMATION SYSTEMS CORPORATION
Director and Senior Managing Officer	Shinsuke Uchinashi	“In charge of Global Cooperate Center (Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center”	
Director and Managing Officer	Toshimasa Miura	“In charge of Global Cooperate Center (Human Resources Dept. and General Affairs Dept.)”, “In charge of Secretariat”, “In charge of Group Internal Auditing Dept.”, “In charge of Group Quality Assurance Dept.” and “In charge of Internal Control and Compliance”	
Director and Managing Officer	Takeshige Hamasoto	“In charge of Business Operation Center (Sewing Machinery and Systems Business Unit)”, Executive Unit Officer of Sewing Machinery and Systems Business Unit and “In charge of Business Operation Center (Customer Business Company)”	Director of JUKI (CHINA) CO., LTD. and Director of JUKI SALES (JAPAN) CORPORATION
Director	Kazumi Nagasaki		
Director	Yutaka Hori		Attorney Executive and Vice President, National University Corporation Chiba University Outside Director of FIDEA Holdings Co. Ltd.
Audit & Supervisory Board Member (Full-time)	Masahiko Suzuki		Audit & Supervisory Board Member of JUKI AUTOMATION SYSTEMS CORPORATION, Audit & Supervisory Board Member of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION, Auditor of JUKI (CHINA) CO., LTD. and Auditor of TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Audit & Supervisory Board Member	Masato Tanaka		Attorney Appeal Examination Counselor of the Japan Patent Office Ad Hoc Member, the Industrial Structure Council Professor of Law, Waseda Law School (with Fixed-term of office)
Audit & Supervisory Board Member	Yasuaki Isobe		

- (Notes) 1. Director Mr. Takeshige Hamasoto and Audit & Supervisory Board Member Mr. Masahiko Suzuki were newly elected and assumed their respective positions at the 104th Ordinary General Meeting of Shareholders held on March 27, 2019.
2. Audit & Supervisory Board Member Mr. Hirofumi Gotoh resigned at the conclusion of the 104th Ordinary General Meeting of Shareholders held on March 27, 2019.
3. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are Outside Directors as defined in Item 15 of Article 2 of the Companies Act.
4. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are such independent officers as specified by the Tokyo Stock Exchange.
5. Audit & Supervisory Board Members, Mr. Masato Tanaka and Mr. Yasuaki Isobe, are Outside Audit & Supervisory Board Members as defined in Item 16 of Article 2 of the Companies Act.
6. Audit & Supervisory Board Member Mr. Yasuaki Isobe is an independent officer as specified by the Tokyo Stock Exchange.
7. Audit & Supervisory Board Members, Mr. Masahiko Suzuki and Mr. Yasuaki Isobe, have many years of financial- and accounting-related experience and have sufficient financial and accounting knowledge.

(2) Total Amount of Remuneration, etc. to Directors and Audit & Supervisory Board Members for FY 2019

Title	Number of payees	Amount of remuneration, etc. (million yen)
Director	7	168
Audit & Supervisory Board Member	4	26
Total	11	195

(Note) The above number of payees and amount of remuneration, etc. include one Director and one Audit & Supervisory Board Member who retired during FY 2019.

(3) Outside Officers

1) Significant concurrent positions

Significant concurrent positions held by outside officers are as described on pages 12 to 13. There are no specific relationships between the Company and the organizations where the concurrent positions are held.

2) Main activities

Title	Name	Main activities
Director	Kazumi Nagasaki	Participated in all 12 Board of Directors' meetings held in FY 2019, and provided expert opinions, mainly as an experienced corporate manager, as necessary.
	Yutaka Hori	Participated in 11/12 Board of Directors' meetings held in FY 2019, and provided expert opinions, mainly as an attorney, as necessary.
Audit & Supervisory Board Member	Masato Tanaka	Participated in all 12 Board of Directors' meetings and in all 13 Audit & Supervisory Board meetings held in FY 2019; provided expert opinions, mainly as an attorney, as necessary.
	Yasuaki Isobe	Participated in all 12 Board of Directors' meetings and in all 13 Audit & Supervisory Board meetings held in FY 2019; provided expert opinions, mainly as an experienced corporate manager, as necessary.

3) Summary of contract for limitation of liability

The Company has concluded contracts for limitation of liability with Outside Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, and Outside Audit & Supervisory Board Members, Mr. Masato Tanaka and Mr. Yasuaki Isobe, to limit their liability as stipulated in Paragraph 1 of Article 423 of the Companies Act up to the total sum stipulated in Paragraph 1 of Article 425 of the Companies Act.

4) Total amount of remuneration, etc. to outside officers for FY 2019

	Number of payees	Amount of remuneration, etc. (million yen)
Total amount of remuneration, etc.	4	26

(Note) No bonuses for outside officers have been paid and are payable.

(For reference) Corporate Officers

The Company has introduced the corporate officer system. In addition to all of the Directors (excluding Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori) who are concurrently assuming the positions of the corporate officers, the following persons have been appointed as full-time Corporate Officers:

(As of December 31, 2019)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Managing Officer	Hirofumi Gotoh		Chairman and General Manager of Head Office of JUKI (CHINA) CO., LTD.
Managing Officer	Yutaka Abe	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit)”	Managing Director of JUKI SINGAPORE PTE. LTD. and Chairman of the Board of JUKI (HONG KONG) LTD.
Managing Officer	Jirou Ishibashi	“In charge of Development Center”	Managing Officer “In charge of Development Center (deputy) and in charge of Technology Planning Dept.” of JUKI AUTOMATION SYSTEMS CORPORATION
Corporate Officer	Katsumi Nihei	Deputy Executive Unit Officer of Sewing Machinery and Systems Business Unit	President of JUKI INDIA PVT. LTD.

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Corporate Officer ("In charge of Group Companies")	Satohiro Hama	Company President of Electronic Assembly Systems Company	Director and Senior Managing Officer of JUKI AUTOMATION SYSTEMS CORPORATION
Corporate Officer	Hiroki Konishi	"In charge of SCM Reform" and "In charge of Order Placement and Acceptance Management for Sewing Machinery and Systems Business Unit"	
Corporate Officer	Minoru Nitta		President of JUKI AMERICA, INC.
Corporate Officer	Kiyoshi Matsumoto		Representative Director and President of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION
Corporate Officer	Kunio Nukui	Company President of Group Business Company, General Manager of Group Business Control Dept. and General Manager of Business & Product Planning Section	
Corporate Officer	Kenji Nakao	"In charge of Production Center (deputy)" and General Manager of Production Planning Dept.	
Corporate Officer	Takashi Nittou	General Manager of <i>Monodzukuri</i> Technology Dept.	
Corporate Officer	Hiroshi Anzai	"In charge of Global Cooperate Center (Corporate Planning Dept., Information System Dept.)", General Manager of Corporate Planning Dept., and General Manager of Information System Dept.	

4. Accounting Auditor

(1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

(2) Accounting Auditor's Remuneration, etc.

- | | |
|--|----------------|
| 1) Remuneration to Accounting Auditor as provided in Paragraph 1 of Article 2 of the Certified Public Accountants Act of Japan | 60 million yen |
| 2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to Accounting Auditor | 65 million yen |

- (Notes) 1. The audit contract between the Company and Accounting Auditor does not clearly distinguish between remuneration, etc. paid for the audit conducted in accordance with the Companies Act and remuneration, etc. paid for the audit conducted in accordance with Financial Instruments and Exchange Act. It is practically impossible to make such a distinction. Accordingly, the amount specified in 1) above is the aggregate amount of remuneration, etc. for these two types of audits.
2. The Audit & Supervisory Board has checked and reviewed the audit plan, the status of the execution of duties of the Accounting Auditor and the grounds for calculation of remuneration estimates. As a result of this review, the Audit & Supervisory Board consents to the remuneration for the Accounting Auditor in accordance with Paragraph 1 of Article 399 of the Companies Act.
3. Among the principal subsidiaries, JUKI SINGAPORE PTE. LTD., JUKI (CHINA) CO., LTD., JUKI (SHANGHAI) INDUSTRIAL CO., LTD., TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD., JUKI CENTRAL EUROPE SP. ZO.O., JUKI (NINGBO) PRECISION CO., LTD., JUKI (VIETNAM) CO., LTD., and JUKI XINXING INDUSTRY CO., LTD. are audited by audit corporations other than the Company's Accounting Auditor.

(3) Non-audit Operation

No items to report.

(4) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditors

If any of the reasons provided in the Paragraph 1 of Article 340 of the Companies Act applies to the Accounting Auditor, the Audit & Supervisory Board shall terminate the appointment of the Accounting Auditor with the full consensus of the Audit & Supervisory Board Members. In such cases, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board shall report on the termination and the reason for it at the first General Meeting of the Shareholders of the Company to be convened following the termination.

Moreover, the Audit & Supervisory Board shall determine the content of proposals for submission to the General Meeting of Shareholders of the Company relating to the termination or nonrenewal of Accounting Auditors if it judges that it is difficult for the Accounting Auditor to carry out its duties appropriately.

5. Systems to ensure that business is conducted properly

The Company adopted a resolution on the “Basic policy to construct internal control system” at the Board of Directors’ meeting held on May 17, 2006. The final amendment was made on May 11, 2015, in conjunction with the amendment to the Companies Act and the Regulation for Enforcement of the Companies Act, which went into effect on May 1, 2015.

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

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

(2) System to store and control information related to Directors’ execution of duties

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

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

- 1) The Company shall establish the “Risk Management Rules” to manage risks of the Company and all group companies.
- 2) The Company shall establish the “Risk Management Council” to examine significant risks the Company faces and prepare preventive measures against such risks, and shall manage each division’s and each department’s preventive measures activities against risks.
- 3) The “Crisis-Management Task Force” shall take prompt actions against any realized risks.

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

- 1) In order to enable Directors to facilitate the prompt execution of their duties, the Company shall adopt a Corporate Officer system under which the Corporate Officers may be given some of the authority required for executing Directors’ duties.
- 2) Employees may be given some of the authority required for executing Directors’ duties in accordance with the “Authorization Rules”, for the purpose of efficient decision making.
- 3) Important decision-making matters shall be discussed at the “Management Strategy Council” and shall be decided by the President after such discussion.
- 4) Rules for executing Directors’ duties shall be provided in the “Organization Rules”, and Directors shall make efforts to efficiently execute their duties in accordance with the said Rules.

(5) System to ensure that employees of the Company, and Directors, etc. and employees of group companies execute their duties in compliance with relevant laws and regulations and the Articles of Incorporation of the Company

- 1) The Company shall establish the “JUKI Corporation Code of Conduct”, which shall provide the principles of the JUKI corporate philosophy as a legal entity, in order to make clear its positive attitude towards legal compliance.
- 2) The Company shall establish the “JUKI Group Code of Conduct”, a set of specific guidelines for the execution of duties, in order to make employees proactively acknowledge the importance of compliance with laws and regulations.
- 3) The department in charge of handling legal affairs shall conduct activities to spread compliance education and compliance management for enhanced legal compliance.
- 4) The position of Corporate Officer in charge of Internal Control & Compliance shall be established, and this Officer shall be responsible for legal compliance and shall bear the duties of supervision of relevant organizations and their activities.
- 5) The system for compliance and compliance management of the Company and all group companies shall be provided in the “Compliance Rules”.
- 6) The Company shall establish a “Compliance Helpline” available for direct access by employees, for the purpose of making such Helpline available to respond to questions related to compliance raised by employees.

(6) System to report to the Company of matters related to the execution of duties of Directors, etc. of group companies

- 1) The group companies shall report the management policies and management plans to the Company at the “Group Management Conference”, and check and adjust them.
- 2) The group companies shall report to the Company regularly and as required, in accordance with the “Group companies management rules”.
- 3) The Directors, etc. of the group companies shall promptly report to the Corporate Officer in charge of Internal Control & Compliance of the Company on any event likely to cause significant damage to their group companies, any sign of fraudulence in the Directors’ execution of duties, any serious event in violation of laws and regulations or the Articles of Incorporation, and other events equivalent thereto.

(7) Other systems to ensure the propriety of the business operations of the business group consisting of the Company and group companies

- 1) The Company shall determine the management control system according to functional organization in its “Organization Rules” and “Group companies management rules”.
- 2) Decision making on the allocation of management resources in group companies shall be provided in the “Authorization Rules”.
- 3) The Group Internal Auditing Department of the Company shall conduct internal audits, as needed, on group companies.

(8) Employees to be assigned at the request of Audit & Supervisory Board Members for their assistance

- 1) The “Audit & Supervisory Board Members Section” directly reporting to the Audit & Supervisory Board Members shall be established as an organization to assist the Audit & Supervisory Board Members.

(9) Independence from Directors of such employees as specified in the preceding item (8) and matters related to ensuring the effectiveness of instructions of Audit & Supervisory Board Members of the Company to such employees

- 1) The Audit & Supervisory Board Members may express opinions on the personnel transfer and performance evaluation of the employees belonging to the “Audit & Supervisory Board Members Section”.
- 2) Employees belonging to the “Audit & Supervisory Board Members Section” shall follow the directions and instructions of the Audit & Supervisory Board Members and collect information necessary for the Audit & Supervisory Board Members’ audit promptly.

(10) System for Directors, etc. and employees of the Company and group companies to report to Audit & Supervisory Board Members of the Company

- 1) Full-time Audit & Supervisory Board Members shall attend the Board of Directors’ meetings, Management Strategy Council, Group Management Conference, Risk Management Council, and other important meetings, and collect necessary information by themselves.
- 2) Directors, etc. and employees of the Company and group companies shall promptly report to the Audit & Supervisory Board Members on any event likely to cause significant damage to the Company or group companies, any sign of fraudulence in the Directors’ execution of duties, any serious event in violation of laws and regulations or the Articles of Incorporation, and other events equivalent thereto.
- 3) Audit & Supervisory Board Members shall request the relevant departments of the Company and Directors, etc. and employees of group companies to directly report to them on any information the Audit & Supervisory Board Members deem to be necessary.

(11) System to ensure that the reporting person of the preceding item (10) does not receive unfavorable treatment for making such report

- 1) The Company shall state in the “Compliance Rules” that a person who has made a report to an Audit & Supervisory Board Member shall not receive unfavorable treatment for making such a report, and it shall give the widest possible publicity of this rule to Directors, etc. and employees of the Company and group companies.

(12) Procedures for prepayment or reimbursement of costs arising from the execution of duties of the Audit & Supervisory Board Members and policy related to the handling of costs and liabilities arising from the execution of other duties

- 1) The Company shall ensure the availability of funds to meet costs, etc. arising from the execution of duties of Audit & Supervisory Board Members by including a planned budget for Audit & Supervisory Board Members in annual budgeting.
- 2) The Company shall respond appropriately in the event of the expectation of the occurrence of costs judged by the Audit & Supervisory Board Member as necessary to ensure the effectiveness of audits, regardless of whether it was included in the budgeting of the previous sub-item.

(13) Other systems to ensure that the Audit & Supervisory Board Members conduct audits effectively

- 1) In addition to expressing their opinions at the Board of Directors’ meetings, the Audit & Supervisory Board Members shall exchange opinions with Representative Directors as needed in order to enhance the effectiveness of the Audit & Supervisory Board Members’ audits.
- 2) Audit & Supervisory Board Members shall conduct the Audit & Supervisory Board Members’ audit in cooperation with the Group Internal Auditing Department, as needed.
- 3) Audit & Supervisory Board Members shall conduct the Audit & Supervisory Board Members’ audit in cooperation with corporate attorneys and certified public accountants, as needed.

(14) System to ensure the reliability of financial reporting

- 1) The Company shall develop and manage systems for effective internal control over financial reporting, in order to ensure reliable financial reporting.

6. Overview of operation status of system to ensure that business is conducted properly

An overview of the operation status of the system to ensure that business is conducted properly in FY 2019 is as follows.

(1) Compliance System

- In accordance with the “Compliance Rules”, the Company and its group companies have been rigorously applying the system to ensure compliance.
- The “JUKI Group Code of Conduct” has been enacted, the contents of which is made simple and universal so that the group employees overseas can easily understand. The Japanese version and Chinese and English translations have been distributed to ensure that each group employee has a thorough understanding of compliance.
- The Company has made a “Declaration with Regard to Antisocial Forces”, which is reflected in clauses of contracts.

(2) Risk management system

- In accordance with the “Risk Management Rules”, the Company held the Risk Management Council once every quarter in principle to identify, evaluate and take measures to risks including those at group companies.
- The Crisis-Management Task Force takes prompt actions against any realized risk.

(3) System for Directors to execute their duties

- Under the “Board of Directors Rules”, “Corporate Officer Rules”, “Authorization Rules”, and “Organization Rules”, the Company strives to ensure that duties are executed promptly and efficiently by Directors.
- The Management Strategy Council is held twice a month in principle, and decisions on important matters are made promptly.

(4) System for management of group companies

- The Company has determined the reporting system, and the management control system by functional organization in its “Organization Rules” and “Group Companies Management Rules”. The Group Management Conference was held once every half-year to report on management policies and management plans of group companies, and to check and adjust their implementation.

(5) Internal audits

- Internal audits of group companies were conducted in accordance with an internal audit plan.
- Self-assessments centered on key matters and individual topics were carried out, targeting group companies and sites, and guidance for improvement was given based on the outcomes of these self-assessments.

(6) System relating to activities of the Audit & Supervisory Board Members

- The “Audit & Supervisory Board Members Section” has been established as an organization to assist the Audit & Supervisory Board Members, and has been collecting necessary information.
- The Audit & Supervisory Board Members have been exchanging opinions with Representative Director once every three months.
- The Audit & Supervisory Board Members have been regularly exchanging information with certified public accountants regarding accounting audits, to ensure the effectiveness of the audits.

Consolidated Financial Statements
(January 1, 2019 - December 31, 2019)

Consolidated Balance Sheet
(As of December 31, 2019)

		(million yen)	
Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	80,210	Current liabilities	54,769
Cash and deposits	5,987	Notes and accounts payable - trade	7,120
Notes and accounts receivable - trade	30,461	Electronically recorded obligations - operating	2,877
Merchandise and finished goods	29,299	Short-term loans payable	37,211
Work in process	3,798	Lease obligations	123
Raw materials and supplies	8,363	Accounts payable - other	1,239
Other	2,684	Accrued expenses	3,279
Allowance for doubtful accounts	(383)	Income taxes payable	452
Non-current assets	34,505	Provision for bonuses	28
Property, plant and equipment	24,154	Notes payable - facilities	527
Buildings and structures, net	11,514	Forward exchange contracts	240
Machinery, equipment and vehicles, net	3,610	Other	1,667
Tools, furniture and fixtures, net	1,079	Non-current liabilities	22,194
Land	6,362	Long-term loans payable	15,400
Leased assets, net	381	Lease obligations	264
Construction in progress	329	Provision for directors' retirement benefits	61
Other	878	Net defined benefit liability	5,251
Intangible assets	2,096	Other	1,216
Investments and other assets	8,254	Total liabilities	76,963
Investment securities	3,888	(Net assets)	
Long-term loans receivable	0	Shareholders' equity	39,966
Long-term prepaid expenses	226	Capital stock	18,044
Deferred tax assets	2,356	Capital surplus	2,035
Net defined benefit asset	1,133	Retained earnings	20,494
Other	2,006	Treasury shares	(607)
Allowance for doubtful accounts	(1,357)	Accumulated other comprehensive income	(2,929)
		Valuation difference on available-for-sale securities	468
		Foreign currency translation adjustment	(3,437)
		Remeasurements of defined benefit plans	40
		Non-controlling interests	714
		Total net assets	37,752
Total assets	114,715	Total liabilities and net assets	114,715

(Note) Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Income
(January 1, 2019 - December 31, 2019)

(million yen)

Description	Amount	
Net sales		99,169
Cost of sales		70,300
Gross profit		28,869
Selling, general and administrative expenses		25,030
Operating profit		3,838
Non-operating income		
Interest income	45	
Dividend income	154	
Commission fee	195	
Reversal of allowance for doubtful accounts	79	
Other	376	852
Non-operating expenses		
Interest expenses	796	
Foreign exchange losses	874	
Other	77	1,749
Ordinary profit		2,941
Extraordinary income		
Gain on sales of non-current assets	11	11
Extraordinary losses		
Loss on sales and retirement of non-current assets	16	
Loss on valuation of investments in capital	5	22
Profit before income taxes		2,930
Income taxes - current	977	
Income taxes - deferred	164	1,141
Profit		1,789
Profit attributable to non-controlling interests		25
Profit attributable to owners of parent		1,763

(Note) Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Changes in Equity
(January 1, 2019 - December 31, 2019)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,044	2,035	19,610	(607)	39,082
Changes of items during period					
Dividends of surplus			(878)		(878)
Profit attributable to owners of parent			1,763		1,763
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Transfer of loss on disposal of treasury shares			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	884	(0)	884
Balance at end of current period	18,044	2,035	20,494	(607)	39,966

(million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	458	(2,973)	(38)	(2,552)	711	37,241
Changes of items during period						
Dividends of surplus						(878)
Profit attributable to owners of parent						1,763
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Transfer of loss on disposal of treasury shares						(0)
Net changes of items other than shareholders' equity	9	(464)	78	(376)	3	(373)
Total changes of items during period	9	(464)	78	(376)	3	510
Balance at end of current period	468	(3,437)	40	(2,929)	714	37,752

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Financial Statements
(January 1, 2019 - December 31, 2019)

Non-consolidated Balance Sheet
(As of December 31, 2019)

(million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	40,977	Current liabilities	40,661
Cash and deposits	75	Notes payable - trade	472
Notes receivable - trade	334	Electronically recorded obligations - operating	1,053
Accounts receivable - trade	19,851	Accounts payable - trade	4,410
Merchandise and finished goods	2,671	Short-term loans payable	19,936
Work in process	1,139	Short-term loans payable to subsidiaries and associates	1,494
Raw materials and supplies	90	Lease obligations	65
Accrued income	665	Accounts payable - other	11,250
Short-term loans receivable	6,476	Accrued expenses	1,273
Accounts receivable - other	7,432	Income taxes payable	33
Other	2,239	Deposits received	151
Non-current assets	48,067	Notes payable - facilities	205
Property, plant and equipment	13,120	Forward exchange contracts	240
Buildings, net	7,916	Other	73
Structures, net	99	Non-current liabilities	16,713
Machinery and equipment, net	302	Long-term loans payable	13,492
Vehicles, net	0	Lease obligations	182
Tools, furniture and fixtures, net	245	Provision for retirement benefits	2,918
Land	4,266	Other	120
Leased assets, net	242	Total liabilities	57,374
Construction in progress	46	(Net assets)	
Intangible assets	1,503	Shareholders' equity	31,191
Patent right	384	Capital stock	18,044
Software	1,101	Capital surplus	2,094
Leased assets	3	Legal capital surplus	2,094
Other	14	Retained earnings	11,659
Investments and other assets	33,443	Legal retained earnings	490
Investment securities	2,168	Other retained earnings	11,168
Shares of subsidiaries and associates	20,977	Retained earnings brought forward	11,168
Investments in capital of subsidiaries and associates	8,416	Treasury shares	(607)
Investments in capital	352	Valuation and translation adjustments	478
Long-term accounts receivable from subsidiaries and associates	2,507	Valuation difference on available-for-sale securities	478
Claims provable in bankruptcy, claims provable in rehabilitation and other	146	Total net assets	31,670
Long-term prepaid expenses	21	Total liabilities and net assets	89,045
Deferred tax assets	739		
Other	113		
Allowance for doubtful accounts	(1,999)		
Total assets	89,045		

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Statement of Income
(January 1, 2019 - December 31, 2019)

(million yen)

Description	Amount	
Net sales		50,988
Cost of sales		43,702
Gross profit		7,286
Selling, general and administrative expenses		7,577
Operating loss		(291)
Non-operating income		
Interest and dividend income	1,498	
Commission fee	1,160	
Other	410	3,069
Non-operating expenses		
Interest expenses	499	
Foreign exchange losses	846	
Other	1	1,347
Ordinary profit		1,430
Extraordinary income		
Gain on sales of non-current assets	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	
Loss on valuation of investments in capital	5	8
Profit before income taxes		1,421
Income taxes - current	145	
Income taxes - deferred	73	219
Profit		1,202

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Statement of Changes in Equity
(January 1, 2019 - December 31, 2019)

(million yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of current period	18,044	2,094	2,094	402	10,932	11,335
Changes of items during period						
Provision of legal retained earnings				87	(87)	–
Dividends of surplus					(878)	(878)
Profit					1,202	1,202
Purchase of treasury shares						
Disposal of treasury shares						
Transfer of loss on disposal of treasury shares					(0)	(0)
Net changes of items other than shareholders' equity						
Total changes of items during period	–	–	–	87	235	323
Balance at end of current period	18,044	2,094	2,094	490	11,168	11,659

(million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(607)	30,867	469	469	31,337
Changes of items during period					
Provision of legal retained earnings					—
Dividends of surplus		(878)			(878)
Profit		1,202			1,202
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Transfer of loss on disposal of treasury shares		(0)			(0)
Net changes of items other than shareholders' equity			9	9	9
Total changes of items during period	(0)	323	9	9	332
Balance at end of current period	(607)	31,191	478	478	31,670

(Note) Figures less than one million yen are rounded down to the nearest million.

(English Translation)
Certified copy of Accounting Auditor's audit report on the Consolidated Financial Statements

Independent Auditor's Report

February 12, 2020

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Kenichiro Okamoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kentaro Sugimoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Pursuant to Paragraph 4 of Article 444 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements of JUKI CORPORATION (the "Company") for the fiscal term from January 1, 2019 to December 31, 2019.

The responsibility of management concerning the consolidated financial statements

The responsibility of management is to prepare consolidated financial statements in accordance with business accounting standards generally accepted in Japan and present appropriate accounting information. This responsibility includes the establishment and operation of internal controls deemed necessary by management for the preparation of consolidated financial statements free of material misstatement due to fraud or error and the presentation of appropriate accounting information.

The responsibility of independent auditors

Our responsibility is to express an opinion independently on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

In audits, procedures are conducted in order to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. Audit procedures are chosen and applied in accordance with our judgment, based on the risk assessment of material misstatement in the consolidated financial statements due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of internal controls. However, we examine internal controls related to the preparation of consolidated financial statements and the appropriate presentation in the course of conducting risk assessment, in order to plan audit procedures appropriate to the circumstances. An audit includes assessing the accounting policies used, its application method and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Audit opinion

In our opinion, the above consolidated financial statements fairly present, in every material aspect, the financial position and results of operations of the Group consisting of the Company and its consolidated subsidiaries for the relevant term of the consolidated financial statements, in accordance with the business accounting standards generally accepted in Japan.

Interests in the Company

Our firm and engagement partners have no interest in the Company which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Notice to Readers:

The original consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements, are written in Japanese.

(English Translation)

Certified copy of Accounting Auditor's audit report on the Non-consolidated Financial Statements

Independent Auditor's Report

February 12, 2020

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Kenichiro Okamoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kentaro Sugimoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Pursuant to Paragraph 2-Item 1 of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements, and the supplementary schedules of JUKI CORPORATION (the "Company") for the 105th fiscal term from January 1, 2019 to December 31, 2019.

The responsibility of management concerning the non-consolidated financial statements, etc.

The responsibility of management is to prepare non-consolidated financial statements and the supplementary schedules in accordance with business accounting standards generally accepted in Japan and present appropriate accounting information. This responsibility includes the establishment and operation of internal controls deemed necessary by management for the preparation of non-consolidated financial statements, and the supplementary schedules, free of material misstatement due to fraud or error and the presentation of appropriate accounting information.

The responsibility of independent auditors

Our responsibility is to express an opinion independently on the non-consolidated financial statements and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the non-consolidated financial statements and the supplementary schedules are free of material misstatement.

In audits, procedures are conducted in order to obtain audit evidence supporting the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. Audit procedures are chosen and applied in accordance with our judgment, based on the risk assessment of material misstatement in the non-consolidated financial statements, and the supplementary schedules, due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of internal controls. However, we examine internal controls related to the preparation of non-consolidated financial statements, and the supplementary schedules, and the appropriate presentation in the course of conducting risk assessment, in order to plan audit procedures appropriate to the circumstances. An audit includes assessing the accounting policies used, its application method and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Audit opinion

In our opinion, the above non-consolidated financial statements and supplementary schedules fairly present, in every material aspect, the financial position and results of operations of the Company for the relevant term of the non-consolidated financial statements and the supplementary schedules, in accordance with the business accounting standards generally accepted in Japan.

Interests in the Company

Our firm and engagement partners have no interest in the Company which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Notice to Readers:

The original non-consolidated financial statements, which consist of the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to non-consolidated financial statements, and the supplementary schedules thereof, are written in Japanese.

(English Translation)

Certified copy of the Audit & Supervisory Board's audit report

Audit Report

The Audit & Supervisory Board, following review and deliberations on the reports made by each Audit & Supervisory Board Member concerning the execution of duties by Directors for the 105th fiscal term from January 1, 2019 to December 31, 2019, prepared this Audit Report and hereby submits it as follows:

1. Summary of Auditing Methods by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established auditing policies and the division of duties, received reports regarding the status of audits and the results thereof from each Audit & Supervisory Board Member, received reports regarding the status of the execution of duties from Directors and the Accounting Auditor, and requested explanation as necessary.

(2) In accordance with the auditing standards for Audit & Supervisory Board Members determined by the Audit & Supervisory Board, and in compliance with auditing policies and the division of duties, each Audit & Supervisory Board Member made efforts to collect information and establish auditing circumstances through communication with Directors, internal audit staff and other employees, and perform the audit in accordance with the following procedures.

1. Each Audit & Supervisory Board Member attended the Board of Directors' meetings and other important meetings to receive reports regarding execution of duties from Directors and employees, and requested explanations as necessary. Each Audit & Supervisory Board Member also inspected the approved documents and examined the status of operations and conditions of assets at the head office and principal offices. And each Audit & Supervisory Board Member communicated and shared information with the directors, auditors, etc. of the subsidiaries and received from the subsidiaries their business reports as necessary.

2. Each Audit & Supervisory Board Member verified the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors' duties, as stated in the business report, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of the whole business group consisting of a stock company and its subsidiaries set forth in Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act. It also regularly received reports from Directors and employees on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions. With regard to the internal control over financial reporting, Audit & Supervisory Board Members received reports from Directors and Deloitte Touche Tohmatsu LLC on the status of discussion between them and the evaluation of such internal control and the status of audit, and requested explanations as necessary.

3. Audit & Supervisory Board Members monitored and verified that the Accounting Auditor maintains independence and conduct the audits appropriately. Each Audit & Supervisory Board Member also received reports on the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Regulation on Accounting of Companies in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005)) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements), the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements) for the fiscal term ended December 31, 2019.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

1. The business report and supplementary schedules present fairly the financial condition of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
2. Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws and regulations, nor of the Articles of Incorporation of the Company.
3. The resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional comment regarding the contents of the business report on such internal control and the execution of duties by Directors. With regard to the internal control over financial reporting, the Audit & Supervisory Board received reports from Directors and Deloitte Touche Tohmatsu LLC that there were no material defects as of the date this audit report was prepared.

(2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

February 12, 2020

Audit & Supervisory Board, JUKI CORPORATION

Audit & Supervisory Board Member (Full-time)	Masahiko Suzuki
Audit & Supervisory Board Member	Masato Tanaka
Audit & Supervisory Board Member	Yasuaki Isobe

(Note) Audit & Supervisory Board Members Masato Tanaka and Yasuaki Isobe are Outside Audit & Supervisory Board Members who are required to be appointed in accordance with Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.

Reference Materials for the Ordinary General Meeting of Shareholders

Proposals and Reference Information

First proposal: Appropriation of Surplus

For distribution of profit, we maintain the basic policy of striving to improve the return of profit to our shareholders based on the stable payment of dividends in comprehensive consideration of factors such as the results of the current fiscal year and the internal reserve provided for capital expenditures and proactive development investment in order to build a stable business base for the future.

In accordance with this policy, the Company proposes to pay year-end dividends for the 105th fiscal year as follows.

Year-end dividend

(1) Type of dividend assets

Cash

(2) Distribution of dividend assets to shareholders and the total amount of dividends

Payment of 25.00 yen per share of common shares

Total amount of dividends: 732,384,750 yen

(3) Effective date of distribution of surplus

March 27, 2020

Second proposal: Election of 6 Directors

The term of office of all (6) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 6 Directors (including 2 Outside Directors) is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Reelection Akira Kiyohara (November 26, 1951)	<p>April 1974 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2002 Executive Officer and General Manager of Corporate Planning Dept. of Mizuho Bank, Ltd.</p> <p>March 2003 Managing Executive Officer, ditto</p> <p>March 2007 President of Mizuho Capital Co., Ltd.</p> <p>May 2009 Joined the Company, Advisor</p> <p>June 2009 Senior Managing Director, CAO, and CCO</p> <p>July 2009 Senior Managing Director, CFO, CAO, and CCO</p> <p>June 2010 President</p> <p>August 2013 President, and President of JUKI AUTOMATION SYSTEMS CORPORATION (Present)</p>	36,953 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Akira Kiyohara has served as President of the Company since 2010. He has properly managed the Board of Directors' meetings as Chairman and has appropriately fulfilled his role in decision-making and supervising. He possesses an excellent track record in controlling the overall management of the Group through his wealth of experience and his knowledge as management. The Company determined that he is capable of exercising strong leadership to drive the Company toward its vision of improved corporate value over the medium to long term for the entire Group.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Reelection Shinsuke Uchinashi (March 26, 1957)	<p>April 1979 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>August 2004 General Manager of Kamata Branch, Mizuho Bank, Ltd.</p> <p>April 2010 Executive Officer and General Manager of Credit Supervision Division IV, ditto</p> <p>May 2011 Joined the Company, Senior Executive Operating Officer</p> <p>March 2013 Managing Officer “In charge of Administration Center (Corporate Administration Dept. and Finance & Accounting Dept.)”</p> <p>March 2014 Managing Officer “In charge of Administration Center (Finance & Accounting Dept.)” and “In charge of Production Center”</p> <p>January 2017 Managing Officer “In charge of Global Cooperate Center (Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center”</p> <p>March 2017 Director and Managing Officer</p> <p>March 2018 Director and Senior Managing Officer</p> <p>March 2019 Director and Senior Managing Officer “In charge of Global Cooperate Center (Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center” (Present)</p>	15,897 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Shinsuke Uchinashi has served as Director since 2017. He possesses a wealth of experience and knowledge from taking charge of a wide swath of departments, including Finance & Accounting, Group Business, and Production Center, and has appropriately fulfilled his duties in both administration and business management. The Company determined that he is capable of contributing to strengthening financial foundation, expanding Group Business and promoting introduction of smart technologies into factories.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Toshimasa Miura (December 23, 1955)</p>	<p>December 1983 Joined the Company</p> <p>July 1986 General Manager of Administration Dept. of JUKI AMERICA, INC.</p> <p>October 1998 General Manager of Sales Administration Dept., Marketing and Sales HQ, Industrial Sewing Machine Div.</p> <p>April 2002 HQ General Manager of Planning and Administration HQ, Industrial Sewing Machine Div. and General Manager of Business & Product Planning Dept.</p> <p>November 2004 General Manager of Market Research Dept.</p> <p>October 2007 Corporate Officer and General Manager of Human Resources Dept.</p> <p>February 2016 Corporate Officer, General Manager of Human Resources Dept. and General Manager of Internal Auditing Dept.</p> <p>March 2017 Managing Officer “In charge of Global Cooperate Center (Human Resources Dept.)”, “In charge of Secretariat”, “In charge of Internal Auditing Dept.”, “In charge of Internal Control and Compliance” and General Manager of Human Resources Dept.</p> <p>March 2018 Director and Managing Officer</p> <p>March 2019 Director and Managing Officer “In charge of Global Cooperate Center (Human Resources Dept. and General Affairs Dept.)”, “In charge of Secretariat”, “In charge of Group Internal Auditing Dept.”, “In charge of Group Quality Assurance Dept.” and “In charge of Internal Control and Compliance” (Present)</p>	18,416 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Toshimasa Miura has served as Director since 2018. He possesses expertise and experience in overall management, including management control in group companies and business division, and management of the Human Resources and the Group Internal Auditing Departments at the head office. As an officer in charge of compliance, he has appropriately fulfilled his duties in governance and construction of internal controls. The Company determined that he is capable of contributing to medium- to long-term strengthening of the management control system including CSR and risk management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Takeshige Hamasoto (August 22, 1955)</p>	<p>November 1982 Joined the Company</p> <p>March 2001 President of JUKI (EUROPE) GMBH.</p> <p>April 2005 President of JUKI CENTRAL EUROPE SP. Z.O.O.</p> <p>June 2008 Deputy HQ General Manager of Marketing and Sales HQ, Electronic Assembly and Test Systems Div.</p> <p>January 2014 Corporate Officer and Deputy Executive Unit Officer of Sewing Machinery Business Unit (In charge of Europe and Americas Areas)</p> <p>June 2017 Corporate Officer and Deputy Executive Unit Officer of Sewing Machinery and Systems Business Unit and “In charge of Sewing Machinery and Systems Business Unit (Sales Promotion Dept., Non-apparel Company and Household Sewing Machinery Company)”</p> <p>March 2018 Managing Officer</p> <p>March 2019 Director and Managing Officer</p> <p>February 2020 Director and Managing Officer “In charge of Business Operation Center (Sewing Machinery and Systems Business Unit)”, (Responsible for Europe, CIS, and Northern Africa area), Executive Unit Officer of Sewing Machinery and Systems Business Unit and “In charge of Business Operation Center (Customer Business Company)” (Present)</p>	8,116 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Takeshige Hamasoto has served as Director since 2019. He possesses a wealth of experience and knowledge about marketing and sales in mainstay businesses, including Sewing Machinery and Electronic Assembly Systems. He has appropriately fulfilled his duties, overseeing the business units and business company as an officer in charge of the Sewing Machinery & Systems Business Unit. The Company determined that he is capable of contributing to expanding the customer base and business areas through solution sales activities.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Reelection Outside Independent Kazumi Nagasaki (May 28, 1951)	April 1976	Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)	0 shares
		November 1998	General Manager of Production System Development Dept., ditto	
March 2003	Plant Manager of Kumamoto Plant, ditto			
January 2005	Plant Manager of Yokohama Plant, ditto			
July 2005	Manager of Chemical and Industrial Products Production Div., ditto			
July 2008	President of Bridgestone EMK Co., Ltd.			
January 2014	Director Senior Advisor, ditto			
February 2014	Senior Advisor, ditto			
March 2014	Director of the Company (Present)			
[Reasons for nomination as candidate for Outside Director] Mr. Kazumi Nagasaki has served as Outside Director of the Company since 2014, and his term of office will have been six years at the conclusion of this Ordinary General Meeting of Shareholders. He possesses a wealth of experience and knowledge as a corporate manager, as well as considerable insight and supervisory ability with regard to corporate management. The Company determined that he is an appropriate person to serve as Outside Director because he can be expected to provide pertinent advice and make decisions from an objective and neutral perspective.				
6	Reelection Outside Independent Yutaka Hori (October 5, 1949)	April 1979	Registered as an attorney (Dai-ichi Tokyo Bar Association)	0 shares
		December 1989	Representative attorney of Hori & Associates Law Office (currently Hori & Partners) (Present)	
June 1999	Lecturer of Graduate School of International Corporate Strategy, Hitotsubashi University			
April 2004	Executive and Vice President, National University Corporation Chiba University (Present)			
April 2010	Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office			
March 2016	Director of the Company (Present)			
June 2016	Outside Director of FIDEA Holdings Co. Ltd. (Present)			
August 2017	Outside Director of Pasona Group Inc.			
[Reasons for nomination as candidate for Outside Director] Mr. Yutaka Hori has served as Outside Director of the Company since 2016, and his term of office will have been four years at the conclusion of this Ordinary General Meeting of Shareholders. The Company determined that he is an appropriate person to serve as Outside Director because he can be expected to appropriately provide pertinent advice and make decisions on matters such as compliance based on the legal expertise he has built up as an attorney over many years and his experience serving as director for other companies in the business world.				

- (Notes)
- None of the above candidates for Directors have any special interest with the Company.
 - Mr. Kazumi Nagasaki and Mr. Yutaka Hori are candidates for Outside Directors and are independent officers as specified by the Tokyo Stock Exchange.
 - The Company has concluded a “Contract for Limitation of Liability” with Mr. Kazumi Nagasaki, and Mr. Yutaka Hori for the purpose of limiting their liability, as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 31 of the Company’s Articles of Incorporation. The maximum amount of liability under said contracts is the amount provided for in the applicable laws and regulations. If they are reelected, the Company plans to renew the aforementioned contracts.

Third proposal: Election of 2 Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members, Mr. Masato Tanaka and Mr. Yasuaki Isobe, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board consented to the proposal of this resolution.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	Reelection Outside Masato Tanaka (August 5, 1956)	<p>April 1983 Appointed as judge (Osaka District Court, Judicial Research Official of the Supreme Court, the Tokyo High Court, the Intellectual Property High Court, etc.)</p> <p>April 2006 Retired as judge, Registered as an attorney (Dai-ichi Tokyo Bar Association)</p> <p>April 2006 Partner attorney of Nagashima Ohno & Tsunematsu (Present)</p> <p>March 2008 Appeal Examination Counselor of the Japan Patent Office (Present)</p> <p>October 2008 Ad Hoc Member, the Industrial Structure Council (Present) (Chair of the Experts Committee Working Group for Examination Guidelines of the Patent System Subcommittee under the Intellectual Property Committee, Chair of the Working Group for Trademark Examination Guidelines of the Trademark System Subcommittee under the Intellectual Property Committee)</p> <p>October 2010 Auditor of the National Center for Industrial Property Information and Training (INPIT)</p> <p>June 2011 Audit & Supervisory Board Member of the Company (Present)</p> <p>April 2016 Professor of Law, Waseda Law School (with Fixed-term of office) (Present)</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Masato Tanaka has served as Outside Audit & Supervisory Board Member of the Company since 2011, and his term of office will have been eight years and nine months at the conclusion of this Ordinary General Meeting of Shareholders. The Company determined that he is an appropriate person to serve as Outside Audit & Supervisory Board Member because he can be expected to provide pertinent advice and execute audits on matters such as compliance based on the legal expertise he has built up as an attorney over many years.</p>			
2	New election Outside Independent Junko Watanabe (May 26, 1957)	<p>April 1980 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>June 2003 General Manager of Hiyoshi Branch, Mizuho Bank, Ltd.</p> <p>February 2006 General Manager of Oji Branch, ditto</p> <p>April 2008 General Manager of Diversity Promotion Office, Human Resources Dept., ditto</p> <p>August 2010 Resigned from Mizuho Bank, Ltd.</p> <p>September 2010 Executive Officer of Mizuho Research Institute Ltd.</p> <p>May 2011 Senior Executive Officer, ditto</p> <p>March 2014 Resigned from Mizuho Research Institute Ltd.</p> <p>April 2014 Joined Joban Kosan Co., Ltd., Executive Officer</p> <p>June 2015 Director and Executive Officer, ditto (Present)</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>The Company determined that Ms. Junko Watanabe is an appropriate person as Outside Audit & Supervisory Board Member, because the Company can expect her to be capable of appropriately providing advice and conducting audits based on her wealth of experience of and knowledge about management through business, diversity management, and execution of duties as a director and sufficient financial and accounting.</p>			

- (Notes)
1. None of the above candidates for Audit & Supervisory Board Members have any special interest with the Company.
 2. Mr. Masato Tanaka and Ms. Junko Watanabe are candidates for Outside Audit & Supervisory Board Members. Ms. Junko Watanabe is an independent officer as specified by the Tokyo Stock Exchange and a substitute Audit & Supervisory Board Member of the Company until the start of this Ordinary General Meeting of Shareholders.
 3. The Company has concluded a “Contract for Limitation of Liability” with Mr. Masato Tanaka for the purpose of limiting his liability, as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 43 of the Company’s Articles of Incorporation. The maximum amount of liability under said contract is the amount provided for in the applicable laws and regulations. If he is reelected, the Company plans to renew the aforementioned contract. If the election of Ms. Junko Watanabe is approved, the Company plans to enter into the same “Contract for Limitation of Liability” with her.

Fourth proposal: Election of 2 Substitute Audit & Supervisory Board Members

The resolution by the General Meeting of Shareholders on the election of substitute Audit & Supervisory Board Member, Ms. Junko Watanabe, shall remain in effect until the start of this Ordinary General Meeting of Shareholders. Accordingly, in order to prepare for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, the election of 2 substitute Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board consented to the proposal of this resolution.

The candidates for substitute Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	Hiroshi Nakamura (December 23, 1953)	<p>April 1978 Joined the Company</p> <p>June 2006 Director and CIO, and General Manager of Corporate Planning Dept.</p> <p>June 2010 Managing Director, HQ General Manager of Planning HQ and General Manager of Corporate Planning Dept.</p> <p>June 2011 Senior Executive Operating Officer, “In charge of Administration Center (Human Resources Dept. and General Affairs Dept.)”, “In charge of Business Development Center”, “In charge of Secretariat”, “In charge of Internal Auditing Dept.”, General Manager of General Affairs Dept., and “In charge of Internal Control and Compliance”</p> <p>March 2013 Managing Officer</p> <p>March 2014 Director and Managing Officer</p> <p>March 2016 Senior Corporate Officer</p> <p>April 2019 Advisor “In charge of the liaison with Industry organization”(Present)</p>	27,076 shares
<p>[Reasons for nomination as candidate for substitute Audit & Supervisory Board Member]</p> <p>The Company determined that Mr. Hiroshi Nakamura is an appropriate person because he can be expected to provide pertinent advice and audits on the Company’s overall management based on his wealth of experience serving for many years in critical positions in departments such as Corporate Planning, Financial Planning, Internal Auditing, Internal Control and Compliance, etc.</p>			
2	Hiroko Nihei (August 23, 1976)	<p>April 1999 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>March 2008 Resigned from Mizuho Bank, Ltd.</p> <p>September 2009 Completed the Legal Training and Research Institute of the Supreme Court of Japan, and registered as an attorney (Dai-ichi Tokyo Bar Association)</p> <p>October 2009 Joined O’Melveny & Myers LLP, Associate</p> <p>September 2014 Received Magister Juris (MJur) from University of Oxford</p> <p>January 2016 Counsel of O’Melveny & Myers LLP (Present)</p> <p>March 2019 Received Master of Laws in Studies of Legal Frontiers from Waseda University, Graduate School of Law, LL.M. in Intellectual Property Law</p> <p>June 2019 Outside Auditor of SEED Co., Ltd. (Present)</p> <p>January 2020 Supervisory Director of Invesco Office J-REIT, Inc. (Present)</p>	0 shares
<p>[Reasons for nomination as candidate for substitute Audit & Supervisory Board Member]</p> <p>The Company determined that Ms. Hiroko Nihei is an appropriate person as substitute Outside Audit & Supervisory Board Member, because the Company can expect her to be capable of appropriately providing advice and conducting audits on matters such as compliance based on her vast experience in legal matters such as international commerce, etc. and the legal expertise she has built up as an attorney in addition to the perspective of promotion of diversity.</p>			

(Notes) 1. None of the above candidates for substitute Audit & Supervisory Board Members have any special interest with the Company.

2. Mr. Hiroshi Nakamura is a substitute for Audit & Supervisory Board Member other than Outside Audit & Supervisory Board Member, and Ms. Hiroko Nihei is a substitute for Outside Audit & Supervisory Board Member.
3. Ms. Hiroko Nihei satisfies the requirements for an independent officer specified by the Tokyo Stock Exchange. Upon the approval of the election of Ms. Hiroko Nihei in this proposed resolution and her assuming office as Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.
4. Upon the approval of the election of Ms. Hiroko Nihei in this proposed resolution and her assuming office as Outside Audit & Supervisory Board Member, the Company will conclude a “Contract for Limitation of Liability” with her for the purpose of limiting her liability, as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 43 of the Company’s Articles of Incorporation. The maximum amount of liability under said contract is the amount provided for in the applicable laws and regulations.
5. The Company may cancel the election of substitute Audit & Supervisory Board Members before they assume office as Audit & Supervisory Board Members.
The cancellation shall be resolved by a majority of the Board of Directors and shall require the consent of the Audit & Supervisory Board.