



## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
September 30, 2021	119,831	34,385	28.4
December 31, 2020	110,230	31,368	28.2

Reference: Equity As of September 30, 2021: 33,989 million yen

As of December 31, 2020: 31,033 million yen

## 2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2020	–	0.00	–	20.00	20.00
Fiscal year ending December 31, 2021	–	0.00	–		
Fiscal year ending December 31, 2021 (Forecast)				25.00	25.00

Note: Revisions to the dividend forecasts most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year 2021 ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal year ending December 31, 2021	100,000	42.0	3,100	–	2,800	–	2,000	–	68.27

Note: Revisions to the consolidated earnings forecasts most recently announced: None

\* Notes

- (1) Changes in significant subsidiaries during the nine months under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	29,874,179 shares
As of December 31, 2020	29,874,179 shares

- b. Number of treasury shares at the end of the period

As of September 30, 2021	579,344 shares
As of December 31, 2020	578,890 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	29,295,123 shares
Nine months ended September 30, 2020	29,295,345 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Disclaimer regarding forward-looking statements

Forward-looking statements concerning future plans and strategies contained in this report are based on information currently available to JUKI and on certain assumptions deemed to be reasonable. Actual business results and other results may differ materially from the forward-looking statements due to various factors. Significant factors that may have an impact on actual results include, but not limited to, the economic environment surrounding JUKI's business, political situations in key markets, and foreign exchange rate fluctuations.

[Attached Material]

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## 1. Qualitative information regarding consolidated performance for the first nine months

### (1) Explanation regarding operating results

During the nine months ended September 30, 2021, although the effects of the spread of the novel coronavirus disease (COVID-19) continued in emerging countries including those in Asia and Central and South America, the global economy has entered a phase of recovery, with growth in the Chinese economy, which was the first to recover, and revitalization of economic activity in developed countries where vaccine rollouts have progressed, such as those in Europe and North America.

In the business environment surrounding the Company, while certain countries and regions are still being affected by the spread of COVID-19, recovery in demand for capital investment progressed due to the rise in capacity utilization rates at the sewing factories that make up our customers and the increase in semiconductor-related demand, which has been driven by 5G, etc. In addition, there began to be signs leading to business chances for the Company such as responding to customers' supply chain fragmentation (decentralization of production areas), leading results to improve greatly year on year.

Furthermore, amid the acceleration in the technological revolution in the form of AI/IoT/5G, etc., the response to the new-normal environment including changes in markets and customers, and the demand for stronger "sustainable development goal (SDGs)" initiatives, the Company revised the Medium-Term Management Plan Phase II, which runs from 2020 to 2022, and is working to make a qualitative change and return to a trajectory of growth by vigorously promoting our added-value structural reforms and our cost structural reforms, as well as reforms in our business strategy and structural strategy through our "6 Reforms (6 X)."

\*6 Reforms = (i) Developing markets and customers with potential for growth, (ii) Expanding business areas for increasing profitability, (iii) Realizing management "aimed at the sustainable development goals (SDGs)", (iv) Expanding innovative technical areas using cutting-edge technology, (v) Constructing a production organization and administrative (indirect) work organization centered on the management 5Ss (Simple, Slim, Speedy, Seamless and Smart) and (vi) Strengthening equity and improve asset efficiency through the enhancement of financial strength.

In the nine months ended September 30, 2021, the Company encountered adverse effects that included delays in procuring some parts and logistical postponements, yet engaged in company-wide sales activities such as capturing demand during market recoveries in each business and expanding its share in growth fields, given the above revitalization of the economic environment. As a result, net sales were 73,122 million yen (up by 56.3% from the same period of the previous fiscal year).

In terms of profits, in addition to increased sales and a rise in capacity utilization rates at factories, by continuously working to cut fixed costs controlled by our cost structural reforms, operating profit stood at 3,004 million yen (compared to an operating loss of 4,647 million yen for the previous fiscal year), ordinary profit stood at 2,748 million yen (compared to an ordinary loss of 4,220 million yen for the previous fiscal year), and profit attributable to owners of parent stood at 1,657 million yen (compared to loss attributable to owners of parent of 4,895 million yen for the previous fiscal year).

In the fourth quarter onward, while COVID-19 may continue to spread in certain countries and regions, we will work to increase sales and profits through a strong expansion in demand for semiconductors driven by 5G, etc., and robots, etc., the revitalization of the economy in each country, and steady sales efforts that capture the growth in emerging country markets, etc., while continuing cost structural reforms.

(Business overview by primary segment)

#### a. Sewing Machinery and Systems Business

Sales of industrial sewing machines grew in major markets with improved capacity utilization rates at sewing factories due to a revitalization of activity in the European, North American, Chinese and other markets, and despite factors that included delays in procuring some parts and adverse effects of lockdowns imposed due to the spread of COVID-19 in Asia. As a result, net sales for the Sewing Machinery and Systems Business as a whole were 45,026 million yen (up by 59.4% from the same period of the previous fiscal year). In terms of profits, increased sales, the rise in capacity utilization

rates at factories, and continued cost cutting led to segment profit (ordinary profit) of 1,675 million yen (compared to segment loss of 2,222 million yen for the previous fiscal year).

In the fourth quarter onward, amid a real recovery in demand, we will work to capture demand recovery in emerging countries and to expand business areas with high added value such as smart solutions proposals.

#### b. Industrial Equipment and Systems Business

With respect to the Electric Assembly Systems Businesses, in which there were effects caused by logistical postponements and other such factors, by capturing capital investment demand in relation to 5G, etc., primarily in China and other countries and strategically expanding sales of mostly high-speed machines, sales recovered, rising 88.5% year-on-year. Moreover, sales took an upward turn in Group Businesses such as contract manufacturing, mainly in Japan. As a result, net sales for the Industrial Equipment and Systems Business as a whole rose by 52.1% year-on-year to 27,916 million yen. In terms of profits, increased sales, the rise in capacity utilization rates at factories, and continued cost cutting led to segment profit (ordinary profit) of 2,017 million yen (compared to segment loss of 598 million yen for the previous fiscal year).

In the fourth quarter onward, while strengthening initiatives to capture high-speed machine demand enlisting a new type of mounter and line proposals, we will work to increase sales and profit by more strongly promoting the expansion of business areas with high added value such as the non-SMT field.

### **(2) Explanation regarding financial position**

#### Assets, liabilities and net assets

Total assets as of September 30, 2021 were 119,831 million yen, an increase of 9,601 million yen compared to the previous fiscal year-end. This was mainly due to increases in accounts receivable - trade and inventories associated with higher sales, and despite having allocated deposits to repayment of borrowings from the perspective of improving capital efficiency. Liabilities were 85,446 million yen, an increase of 6,584 million yen compared to the previous fiscal year-end. This mainly reflected an increase in accounts payable - trade, and was despite a decrease in borrowings. Net assets were 34,385 million yen, an increase of 3,016 million yen compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings and a lower negative value in foreign currency translation adjustment.

### **(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts**

The Company has not changed the consolidated earnings forecasts for the fiscal year ending December 31, 2021, from the previously announced figures (announced on February 12, 2021) as there is much uncertainty surrounding the business environment of the emerging countries, considering the lockdowns being carried out in Asia's emerging countries, despite the steady recovery from the impact of COVID-19 in Europe, North America, and China. The Company plans to closely examine the situation going forward, giving consideration to the impact on the Company's business results, etc.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheet

(million yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	13,831	6,537
Notes and accounts receivable - trade	23,326	31,087
Inventories	36,709	45,414
Other	2,653	3,095
Allowance for doubtful accounts	(530)	(411)
Total current assets	75,990	85,722
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,213	10,818
Land	6,322	6,322
Other, net	5,948	5,543
Total property, plant and equipment	23,484	22,684
Intangible assets	1,922	1,897
Investments and other assets		
Other	10,172	10,800
Allowance for doubtful accounts	(1,338)	(1,272)
Total investments and other assets	8,833	9,528
Total non-current assets	34,240	34,109
Total assets	110,230	119,831
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,124	11,624
Electronically recorded obligations - operating	3,004	5,403
Short-term borrowings	34,053	34,014
Income taxes payable	337	643
Provision for bonuses	29	441
Other	5,403	7,006
Total current liabilities	49,952	59,133
Non-current liabilities		
Long-term borrowings	21,989	19,513
Provision for retirement benefits for directors (and other officers)	63	27
Retirement benefit liability	5,253	5,315
Other	1,603	1,455
Total non-current liabilities	28,909	26,312
Total liabilities	78,861	85,446

(million yen)

	As of December 31, 2020	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	18,044	18,044
Capital surplus	1,990	1,990
Retained earnings	15,073	16,145
Treasury shares	(607)	(607)
Total shareholders' equity	34,501	35,573
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	579
Foreign currency translation adjustment	(4,063)	(2,268)
Remeasurements of defined benefit plans	116	103
Total accumulated other comprehensive income	(3,468)	(1,584)
Non-controlling interests	335	396
Total net assets	31,368	34,385
Total liabilities and net assets	110,230	119,831

## (2) Consolidated statement of income and consolidated statement of comprehensive income

### Consolidated statement of income (cumulative)

(million yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	46,777	73,122
Cost of sales	36,716	53,105
Gross profit	10,060	20,016
Selling, general and administrative expenses	14,708	17,011
Operating profit (loss)	(4,647)	3,004
Non-operating income		
Interest income	32	39
Dividend income	94	97
Commission income	103	99
Reversal of allowance for doubtful accounts	34	22
Subsidy income	1,084	213
Other	204	359
Total non-operating income	1,553	831
Non-operating expenses		
Interest expenses	625	479
Foreign exchange losses	401	478
Other	99	128
Total non-operating expenses	1,126	1,086
Ordinary profit (loss)	(4,220)	2,748
Extraordinary income		
Gain on sales of non-current assets	33	17
Total extraordinary income	33	17
Extraordinary losses		
Loss on sales and retirement of non-current assets	164	24
Loss on valuation of investment securities	152	–
Extra retirement payments	238	–
Loss on COVID-19	–	* 81
Total extraordinary losses	554	105
Profit (loss) before income taxes	(4,742)	2,660
Income taxes	229	941
Profit (loss)	(4,971)	1,718
Profit (loss) attributable to non-controlling interests	(75)	60
Profit (loss) attributable to owners of parent	(4,895)	1,657

**Consolidated statement of comprehensive income (cumulative)**

(million yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit (loss)	(4,971)	1,718
Other comprehensive income		
Valuation difference on available-for-sale securities	51	101
Foreign currency translation adjustment	(616)	1,795
Remeasurements of defined benefit plans, net of tax	(17)	(12)
Total other comprehensive income	(583)	1,884
Comprehensive income	(5,554)	3,603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,475)	3,542
Comprehensive income attributable to non-controlling interests	(78)	60

**(3) Notes to quarterly consolidated financial statements  
(Notes to premise of going concern)**

No items to report.

**(Notes to significant changes in the amount of shareholders' equity)**

No items to report.

**(Application of special accounting for preparing quarterly consolidated financial statements)**

**Calculation of taxes**

Taxes are calculated by reasonably estimating the effective tax rate after application of tax effect accounting to profit before income taxes for the fiscal year, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.

It should be noted that income taxes-deferred are included in income taxes.

**(Additional information)**

**(Accounting estimates following the spread of COVID-19)**

With regard to the effects of the spread of COVID-19, it is currently difficult to estimate these impacts, but based on external information we assume that the effects of the spread of COVID-19 will continue for the certain period of the fiscal year ending December 31, 2021, on which basis we have created accounting estimates related to such matters as judgments on impairment losses for non-current assets, and the recoverability of deferred tax assets.

However, this assumption is highly uncertain, and future results may differ from these estimates and assumptions.

**(Consolidated statement of income)**

**\* Loss on COVID-19**

Nine months ended September 30, 2021 (January 1, 2021 to September 30, 2021)

The Company recorded an extraordinary loss of 81 million yen in emergency countermeasure expense incurred due to lockdown imposed in Vietnam to prevent the spread of COVID-19.

**(Segment information, etc.)**

1. Information regarding the amounts of net sales and profit/loss by reportable segment

Nine months ended September 30, 2020 (January 1, 2020 to September 30, 2020) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	28,253	18,357	46,610	166	46,777	–	46,777
Inter-segment sales or transfers	537	40	578	293	872	(872)	–
Total	28,791	18,397	47,189	460	47,649	(872)	46,777
Segment profit (loss)	(2,222)	(598)	(2,820)	62	(2,757)	(1,462)	(4,220)

- (Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.
2. Included in the 1,462 million yen deducted from segment profit (loss) as adjustment are a deduction of 60 million yen in inter-segment eliminations and a deduction of 1,522 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.
3. Segment profit (loss) is adjusted with ordinary loss in the quarterly consolidated statement of income.

Nine months ended September 30, 2021 (January 1, 2021 to September 30, 2021) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	45,026	27,916	72,942	179	73,122	–	73,122
Inter-segment sales or transfers	586	99	686	323	1,009	(1,009)	–
Total	45,612	28,016	73,629	502	74,131	(1,009)	73,122
Segment profit	1,675	2,017	3,692	56	3,749	(1,000)	2,748

- (Notes) 1. The “Other Businesses” category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.
2. Included in the 1,000 million yen deducted from segment profit as adjustment are a deduction of 0 million yen in inter-segment eliminations and a deduction of 1,000 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.
3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

2. Information regarding impairment loss of non-current assets and goodwill by reportable segment

No items to report.