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Securities code: 6440
March 4, 2022

To All Shareholders:

Shinsuke Uchinashi
Representative Director
JUKI CORPORATION
2-11-1, Tsurumaki, Tama-shi,
Tokyo, Japan

**CONVOCAION NOTICE OF
THE 107TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce the 107th Ordinary General Meeting of Shareholders (the “Meeting”) of JUKI CORPORATION (the “Company”) to be held as indicated below.

As COVID-19 is spreading, if you are considering physically attending the General Meeting of Shareholders, we would like to ask you not to if it is somewhat difficult to attend. You may exercise your voting right in writing or via the internet. Please consider using one of those methods as well. In the event that you exercise your voting rights in writing or by electronic method (Internet), the voting deadline is, as stated on the next page, 6:00 p.m. on Friday, March 25, 2022 (Japan Standard Time).

Thank you very much for your cooperation.

- 1. Date and Time:** Monday, March 28, 2022, 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 107th Fiscal Year (January 1, 2021 to December 31, 2021), 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 107th Fiscal Year (January 1, 2021 to December 31, 2021)

Resolution matters:

- First proposal:** Appropriation of Surplus
- Second proposal:** Partial Amendment to the Articles of Incorporation
- Third proposal:** Election of 5 Directors
- Fourth proposal:** Election of 2 Substitute Audit & Supervisory Board Members
- Fifth proposal:** Determination of remuneration to grant restricted stocks to Directors (excluding Outside Directors)

- 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 36 to 48) and exercise your voting rights.

To exercise your voting rights, please follow one of the methods 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.

Please also bring this Notice with you.

Date and time of the Meeting: 10:00 a.m. on Monday, March 28, 2022

Exercise of voting rights when not attending the Meeting

Exercise of voting rights in writing

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Right Exercise Form and mail it to us so that it arrives no later than the deadline.

Deadline: To be received no later than 6:00 p.m. on Friday, March 25, 2022

Exercise of voting rights via the Internet using the “Smart Voting” method

Please scan the QR code for “Smart Voting” printed on the bottom right of the Vote Right Exercise Form with your smartphone or tablet, and enter your approval or disapproval of each of the proposals.

Deadline: No later than 6:00 p.m. on Friday, March 25, 2022

Please refer to the next page for details.

Exercise of voting rights via the Internet by accessing the website

Please access Exercise of Voting Rights Website designated by the Company and enter your approval or disapproval of each of the proposals in accordance with the instructions on the screen.

Deadline: No later than 6:00 p.m. on Friday, March 25, 2022

Please refer to the next page for details.

Instructions on Exercise of Voting Rights via the Internet

Smart Voting Scanning the QR Code

You can simply log in to the voting website without entering the Exercise of Voting Rights Code and the Password.

1. Please scan the QR Code printed on the right-hand side of the Voting Right Exercise Form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
This requires installation of an application or functionality that enables a device to read QR Codes.
2. Please enter your approval or disapproval in accordance with the instructions on the screen.

Note that your voting rights can be exercised only once by using the “Smart Voting” method.

If you need to make a correction to your approval/disapproval after you have exercised your voting rights, please access the website in accordance with “Entering Exercise of Voting Rights Code and Password” written on the right, and exercise your voting rights again.

- * If you scan the QR code again, you will be transferred to the Exercise of Voting Rights Website.

Exercise by Accessing the Website Entering Exercise of Voting Rights Code and Password

Exercise of Voting Rights Website:
<https://soukai.mizuho-tb.co.jp/>

1. Please access the Exercise of Voting Rights Website.
2. Please enter the Exercise of Voting Rights Code (ID) printed on the right-hand side of the back of the Voting Right Exercise Form.
3. Please enter the password printed on the Voting Right Exercise Form. It is necessary for you to change your password when you log in for the first time.
4. Please enter information in accordance with the instructions on the screen.

- * 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.
- * 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.
- * You shall bear your own expenses for connection to the Internet.

If you have any questions on how to exercise your voting rights via the Internet using a personal computer or a smartphone, please contact the contact information stated on the right.

Stock Transfer Agency Department,
Mizuho Trust & Banking Co., Ltd.
0120-768-524 (toll free within Japan only)
(9:00 a.m. to 9:00 p.m. on weekdays)

(Attached materials)

Business Report
(January 1, 2021 to December 31, 2021)

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

(1) Business Progress and Results

In the fiscal year ended December 31, 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. However, supply shortages for some parts and logistics disruptions continue mainly for industrial sewing machines.

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 have worked 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

- 1) Borderless X: The Company has developed markets and customers in an emerging market (middle market) and those implementing the relocation of production facilities that are expected to grow.
- 2) Business Model X: The Company has further expanded business areas that will increase profitability, such as non-apparel, inspection equipment and automated warehousing.
- 3) SDGs Management X: The Company has realized “sustainable” management by solving social issues such as by creating employment opportunities in emerging countries through our business and reducing clothing waste loss by supporting the introduction of smart technologies into sewing factories.
- 4) R&D Model X: The Company has strengthened the Network/Platform Business and the Robot Business through the utilization of cutting-edge technologies, and expanded innovative technical areas such as by developing convenient products and services that have a high level of value.
- 5) Workstyle Reform X: The Company has constructed a production organization and administrative (indirect) work organization centered on the management 5Ss, such as by introducing smart technologies into factories, streamlining indirect operations, and introducing a job-style employment system that focuses on duties and results.
- 6) Financial Strength X: The Company has strengthened equity and improved asset efficiency through the enhancement of financial strength, such as by shrinking the cash conversion cycle by optimizing the turnover period of notes and accounts receivable - trade and inventories.

During the fiscal year, the Company 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. However, there were adverse effects that included delays in procuring some parts and logistical postponements. As a result, net sales were 101,292 million yen (up by 43.9% from the previous fiscal year).

In terms of profits, increased sales, a rise in capacity utilization rates at factories, continuously working to cut fixed costs controlled by our cost structural reforms, and a trend of yen depreciation in the foreign exchange market led to an increase in our profit ratio, but the costs of parts and logistics also increased. As a result, operating profit stood at 3,868 million yen (compared to operating loss of 4,469 million yen for the previous fiscal year), ordinary profit stood at 3,439 million yen (compared to ordinary loss of 3,957 million yen for the previous fiscal year), and profit attributable to owners of

parent stood at 2,154 million yen (compared to loss attributable to owners of parent of 4,688 million yen for the previous fiscal year).

Business results by major segment are as follows:

1) Sewing Machinery and Systems Business Segment

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, but were impacted by the effects of lockdowns in Vietnam on our customers, delays in procuring parts, and logistics delays, etc. As a result, net sales for the Sewing Machinery and Systems Business as a whole were 63,213 million yen (up by 47.9% from the previous fiscal year).

In terms of profits, increased sales, the rise in capacity utilization rates at factories, and continued cost cutting led to an increase in our profit ratio, but the costs of parts and logistics also increased. As a result, segment profit (ordinary profit) stood at 1,517 million yen (compared to segment loss of 2,201 million yen for the previous fiscal year).

2) Industrial Equipment and Systems Business Segment

With respect to the Electric Assembly Systems Businesses, 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 rose 55.6% year-on-year, exceeding the strong sales seen in 2018. 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 37.8% year-on-year to 37,834 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 2,865 million yen (compared to segment loss of 42 million yen for the previous fiscal year).

(2) Capital Investments

Capital investment totaling 1,111 million yen was disbursed in FY 2021, including 399 million yen for machinery, equipment and vehicles, and 262 million yen for tools, furniture and fixtures.

(3) Financing

Financing for FY 2021 was arranged using the Group's own funds and borrowings from financial institutions, etc.

(4) Issues to Address

With respect to the business environment surrounding the Company, while the Company assumes that there will be an economic slowdown due to disruptions in logistics and supply chains caused by the lingering spread of COVID-19 and prolonged trade friction between the U.S. and China, as well as intensified competition with competitors, the developments of new businesses are progressing due to acceleration of technological innovation for AI, the IoT, 5G, etc., and changes in the market and customers looking ahead to the post-coronavirus era. It is necessary to create new business models and management foundations that can respond to such a new normal environment. In addition, society as a whole has seen accelerated efforts to create a sustainable society from a long-term perspective in the view of the Sustainable Development Goals (SDGs).

Based on these kinds of changes in the business environment, first, the Company will reconstruct supply chains that address pressing issues of part shortages and logistic disruptions. At the same time, in the final year of Medium-Term Management Plan 2021-2022, the duration of which is from 2020 to 2022, looking at 2025 three years ahead from 2022, the Company will clarify investment and its return in each business. In addition, the Company will introduce ROIC management that allows active investment in focused areas from mid- to long-term perspectives to maximize profit through cost structural reforms, expansion of business domains, reinforcement of high value-added areas, including cultivation of new customers. In addition, the Company will make qualitative transformations while getting back on a track for growth by enhancing reorganization to business strategies and organizational strategies with the "6 Reforms."

The entire Group is working on these issues and endeavoring to respond to shareholders' expectations. We kindly ask you for your further encouragement and support.

(5) Changes in Assets and Profit (Loss)

1) Group

(million yen, except for per share amounts)

Item	The 104th fiscal year ended December 31, 2018	The 105th fiscal year ended December 31, 2019	The 106th fiscal year ended December 31, 2020	The 107th fiscal year ended December 31, 2021
Net sales	112,064	99,169	70,401	101,292
Ordinary profit (loss)	8,385	2,941	(3,957)	3,439
Profit (loss) attributable to owners of parent	6,640	1,763	(4,688)	2,154
Basic earnings (loss) per share	¥226.68	¥60.20	¥(160.04)	¥73.55
Total assets	119,121	114,715	110,230	129,114
Net assets	37,241	37,752	31,368	35,672
Net assets per share	¥1,246.93	¥1,264.28	¥1,059.32	¥1,203.14

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

2) Company

(million yen, except for per share amounts)

Item	The 104th fiscal year ended December 31, 2018	The 105th fiscal year ended December 31, 2019	The 106th fiscal year ended December 31, 2020	The 107th fiscal year ended December 31, 2021
Net sales	59,696	50,988	28,326	49,474
Ordinary profit (loss)	3,941	1,430	(2,914)	738
Profit (loss)	3,657	1,202	(2,806)	446
Basic earnings (loss) per share	¥124.84	¥41.05	¥(95.81)	¥15.24
Total assets	94,571	89,045	86,531	96,765
Net assets	31,337	31,670	28,135	28,009
Net assets per share	¥1,069.69	¥1,081.06	¥960.41	¥956.12

(Note) Basic earnings (loss) per share is calculated using the average number of outstanding shares during the fiscal year (excluding treasury shares). Net assets per share is calculated using the number of outstanding shares 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.	RMB239,025 thousand	21.3%	78.7%	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 (VIETNAM) CO., LTD.	U.S.\$5,000 thousand	100%	–	Manufacture and sales of industrial sewing machines, precision casting parts and others
JUKI (LANGFANG) INDUSTRIAL CO., LTD.	RMB160,000 thousand	–	100%	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, 2021)

Segment	Number of employees	Change from previous fiscal year-end
Sewing Machinery and Systems Business Unit	3,138	23
Industrial Equipment and Systems Business Unit	1,786	(45)
Other business	101	5
Corporate headquarters (common)	230	(15)
Total	5,255	(32)

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

2) Company

(As of December 31, 2021)

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
830	79 persons decreased	45.3 years old	19 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, 2021)

Creditor	Balance of borrowings (million yen)
Mizuho Bank, Ltd.	15,957
Sumitomo Mitsui Trust Bank, Limited	6,714
Development Bank of Japan Inc.	5,503
The Hiroshima Bank, Ltd.	5,327
Mizuho Trust & Banking Co., Ltd.	4,920
The Shoko Chukin Bank, Ltd.	3,721

2. Status of Shares (As of December 31, 2021)

- (1) Total Number of Authorized Shares 80,000,000 shares
- (2) Total Number of Issued Shares 29,874,179 shares
(including 579,433 treasury shares)
- (3) Number of Shareholders 12,530 persons

(4) Major Shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,517	12.00
Custody Bank of Japan, Ltd. (Trust Account)	1,109	3.78
Mizuho Bank, Ltd.	938	3.20
Nippon Life Insurance Company	732	2.49
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	684	2.33
Asahi Mutual Life Insurance Company	569	1.94
MSCO CUSTOMER SECURITIES	525	1.79
JPMorgan Securities Japan Co., Ltd.	515	1.75
The Dai-ichi Life Insurance Company, Limited	511	1.74
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	466	1.59

(Note) The shareholding ratio is calculated by means of deducting treasury shares (579,433 shares) from the number of the issued shares.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2021)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Representative Director Chairman & CEO	Akira Kiyohara		Representative Director Chairman & CEO of JUKI AUTOMATION SYSTEMS CORPORATION
Representative Director President & COO	Shinsuke Uchinashi	“In charge of Sewing Machinery and Systems Business Unit,” Executive Unit Officer of Sewing Machinery and Systems Business Unit, “In charge of the Global Cooperate Center (Corporate Planning Department, Finance & Accounting Department, Human Resources & General Affairs Department, Business Process Innovation Department)” and “in charge of the Secretary’s office”	Director of JUKI AUTOMATION SYSTEMS CORPORATION
Director and Senior Managing Officer	Hirokazu Nagashima	President of Electronics Assembly & Systems Company	Representative Director President & COO of JUKI AUTOMATION SYSTEMS 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
Audit & Supervisory Board Member	Junko Watanabe		Managing Director of Joban Kosan Co., Ltd.,

- (Notes) 1. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are Outside Directors as defined in Article 2, item (xv) of the Companies Act.
2. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are such independent officers as specified by the Tokyo Stock Exchange.
3. Audit & Supervisory Board Members, Mr. Masato Tanaka and Ms. Junko Watanabe, are Outside Audit & Supervisory Board Members as defined in Article 2, item (xvi) of the Companies Act.
4. Masato Tanaka had not been designated as an independent officer as specified by the Tokyo Stock Exchange in accordance with the policy of the office that he belonged to. However, since he resigned from the office, the notification has been filed as of January 1, 2022.
5. Audit & Supervisory Board Member Ms. Junko Watanabe is an independent officer as specified by the Tokyo Stock Exchange.
6. Audit & Supervisory Board Members, Mr. Masahiko Suzuki and Ms. Junko Watanabe, have many years of financial- and accounting-related experience, etc. and have sufficient financial and accounting knowledge.

(2) 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 Ms. Junko Watanabe, to limit their liability as stipulated in Article 423, paragraph (1) of the Companies Act up to the total sum stipulated in Article 425, paragraph (1) of the Companies Act.

(3) Summary of contract for a directors and officers liability insurance policy

The Company concluded a directors and officers liability insurance policy stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insureds under the insurance agreement covers the Company's officers (Directors, Audit & Supervisory Board Members, Managing Officers and Corporate Officers), and all of the insurance premiums are borne by the Company.

The insurance agreement will cover legal damages and costs incurred by the insureds for a claim for damages attributable to the execution of their duties.

However, by excluding the damage, etc., arising from any criminal acts and illegal acts that the insureds benefited personally or received favorable treatment, the Company has put in place measures to maintain the appropriateness of the execution of duties by the insured.

(4) Amount of Remuneration, etc. to Directors and Audit & Supervisory Board Members

- 1) Matters related to the policy for determining the details of individual remuneration for Directors

The Company resolved a policy to determine the details of individual remuneration for Directors at the Board of Directors, as follows.

(Basic policy)

The remuneration, etc., for Directors of the Company, is provided under a remuneration system whereby incentives function to enhance the company's sustainable growth and corporate value.

The remuneration, etc., for Directors, is monetary remuneration that consists of monthly compensation (fixed compensation) and performance-linked remuneration (bonus), which varies depending on the level of achieving consolidated business performance targets. Directors' monthly remuneration is determined based on the evaluation of the Director's responsibilities every fiscal year. Performance-linked remuneration (bonus) is determined based on the evaluation of individual performance and achievement and paid at a determined point in time every fiscal year by taking into account comprehensive factors, including the status of achieving company business performance and dividends and calculating the total payment amount using consolidated ordinary profit as a key indicator, which reflects the level of earning power of the Company Group. Consolidated ordinary profit of the fiscal year stood at 3,439 million yen.

Remuneration, etc., for Outside Directors consists of only monthly remuneration from the viewpoint of their role of overseeing and supervising management and their independence.

Assuming that the matters related to determining remuneration to grant restricted stock to Directors (excluding Outside Directors) will be approved at the 107th Ordinary General Meeting of Shareholders scheduled for March 28, 2022, the Company will establish a remuneration system linked to shareholders' interests in order to provide part of remuneration as "restricted stock-based remuneration". Accordingly, the system of Directors' remuneration, etc., will consist of monthly remuneration (fixed remuneration), performance-linked remuneration (bonus), and restricted stock-based remuneration.

The overview of restricted stock-based remuneration is as follows:

- Maximum amount of restricted stock-based remuneration: 50 million yen in total (per year)
- Maximum number of restricted stocks granted: 100,000 (per year)
- Transfer restriction period: Until the day of resignation

(Determination process)

As for the process of determining Directors' remuneration, etc., to reinforce the independence and objectivity of the function related to the determination of remuneration for Directors, the Designation and reward Advisory Committee, which is comprised of three Directors, including two Independent Outside Directors, deliberates a remuneration plan proposed by the Representative Director, Chairman and CEO, and reports to the Board of Directors. The Board of Directors deliberates the appropriateness of the details of the report submitted by the committee.

In the fiscal year, the Board of Directors has judged that the report of the Designation and reward Advisory Committee is in line with the Company's determination policy.

The remuneration, etc. of Audit & Supervisory Board Members consists of only monthly remuneration by taking into account their roles.

2) Matters related to the resolution of the Board of Directors concerning remuneration, etc.

The 92nd Ordinary General Meeting of Shareholders held on June 28, 2007, resolved that the maximum amount of the remuneration, etc. for the Directors (excluding employee salary for employees concurrently assuming a position as a Director) and Audit & Supervisory Board Members of the Company would be 480 million yen and 80 million yen per year, respectively.

As of the conclusion of the General Meeting of Shareholders, the number of Directors was nine, and the number of Audit & Supervisory Board Members was four.

3) Total Amount of Remuneration, etc.

Classification	Total Amount of Remuneration (million yen)	Total amount of remuneration, etc. by type (million yen)		The number of target officers
		Monthly remuneration (fixed remuneration)	Performance-linked remuneration (bonus)	
Director (Outside Director)	138 (14)	128 (14)	9 (-)	7 (2)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	25 (12)	25 (12)	- (-)	3 (2)

(Note) The above number of payees and amount of remuneration, etc. include two Directors who retired during FY 2021.

(5) 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 such outside officers/the organizations where their concurrent positions are held.

2) Main activities

Title	Name	The status of main activities and the outline of duties conducted in relation to expected roles by Outside Directors
Director	Kazumi Nagasaki	Participated in all 12 Board of Directors' meetings held in FY 2021, and actively provided objective and appropriate advice on and proposals for the management of the Company and its group companies by sharing his specific stories based on his actual experiences given his abundant experience and knowledge as a corporate manager in the manufacturing industry, his deep insight into company management, and his supervising capability.
	Yutaka Hori	Participated in all 12 Board of Directors' meetings held in FY 2021. Actively provided objective and appropriate advice on and proposals for the management of the Company and its group companies by drawing on his legal expertise as a lawyer accumulated over many years and his experience as a director of other companies in the business world.
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 2021; provided expert opinions, mainly as an attorney, as necessary.
	Junko Watanabe	Participated in all 12 Board of Directors' meetings and in all 13 Audit & Supervisory Board meetings held in FY 2021; provided expert opinions, mainly as an experienced corporate manager, as necessary.

3) Total amount of remuneration, etc. to outside officers for FY 2021

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

(Reference) Managing Officers and Corporate Officers

(As of December 31, 2021)

Position	Name	Responsibilities and significant concurrent positions
Managing Officer	Hirofumi Gotoh	Executive Director 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), (Responsible for China, Southeast Asia and Oceania area)”, [Resident in Shanghai] President (Sales) of JUKI (CHINA) CO., LTD.
Managing Officer	Jirou Ishibashi	“In charge of Business Operation Center (Value-added structure reform for Sewing Machinery and Systems Business Unit) and General Manager of Sales Promotion Dept., Sewing Machinery and Systems Business Unit
Managing Officer	Katsumi Nihei	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit), (Responsible for Southwest Asia, Middle East and South-Central Africa area)”, [Resident in India] Chairman of JUKI INDIA PVT. LTD.
Managing Officer	Kiyoshi Matsumoto	“In charge of Production Center” and “In charge of Business Operation Center (Group Business Company)”
Managing Officer	Hiroshi Anzai	“In charge of Development Center” and “in charge of the Global Cooperate Center (Corporate Planning Dept. (Alliance), Information System Dept.)”
Corporate Officer (“In charge of Group Companies”)	Minoru Nitta	President of JUKI AMERICA, INC. Deputy Executive Unit Officer of Sewing Machinery and Systems Business Unit, (Responsible for North America and Latin America area)
Corporate Officer	Kunio Nukui	Company President of Group Business Company, General Manager of Development Dept., Group Business Company
Corporate Officer	Kenji Nakao	“In charge of Production Center (deputy)” and General Manager of <i>Monodzukuri</i> Technology Dept.
Corporate Officer	Keiichi Uekusa	Company President of Customer Business Company
Corporate Officer (“In charge of Group Companies”)	Masanori Suzuki	President and CEO of JUKI AIZU CORPORATION Representative Director and Chairman the Boards of SUZUTAMI PRECISION INDUSTRY CO., LTD.
Corporate Officer	Yasuyuki Suzuki	General Manager of Sewing Machinery Development Dept.
Corporate Officer (“In charge of Group Companies”)	Toshiyuki Yamanaka	Managing Director of JUKI SINGAPORE PTE. LTD., (Responsible for Vietnam, Indonesia, Thailand area) Managing Director of JUKI (THAILAND) CO., LTD. Managing Director of JUKI MACHINERY VIETNAM CO., LTD., [Resident in Ho Chi Minh]
Corporate Officer	Daizo Minami	General Manager of Finance & Accounting Dept.
Corporate Officer (“In charge of Group Companies”)	Shuichi Nozaki	President of JUKI (VIETNAM) CO., LTD.
Corporate Officer	Akira Tsukano	General Manager of Human Resources & General Affairs 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 Article 2, paragraph (1) of the Certified Public Accountants Act of Japan | 71 million yen |
| 2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to Accounting Auditor | 81 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 Article 399, paragraph (1) of the Companies Act.
3. The Company has paid remuneration to the Accounting Auditor for services other than those stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act which include advice and guidance concerning the review of accounting policies for the application of "Accounting Standard for Revenue Recognition," and that amount is included in the total amount of remuneration mentioned in 2) above.
4. 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 (VIETNAM) CO., LTD., and JUKI (LANGFANG) INDUSTRIAL CO., LTD. are audited by audit corporations other than the Company's Accounting Auditor.

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

If any of the reasons provided in the Article 340, paragraph (1) 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

Details of the systems for ensuring appropriate business operations resolved on February 12, 2021 and confirmed on February 9, 2022 by the Board of Directors of the Company, are as follows.

(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 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 Employees’ 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 Committee” 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 Control Headquarters” or the “Crisis-Management Task Force” shall take prompt actions against any materialized risks depending on the scale of the risks.

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

- 1) The Company is striving to facilitate the prompt execution of duties by Directors by adopting a Managing Officer and Corporate Officer system (Corporate officers are Managing Officers who are not Directors) under which the Managing Officers and 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 “Board of Directors Rules” and “Authorization Rules”, for the purpose of efficient decision making.
- 3) Important decision-making matters shall be discussed at the “Management Strategy Committee” 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 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 Employees’ 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 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 Committee, Group Management Conference, Risk Management Committee, 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 2021 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 Employees’ Code of Conduct” has been enacted, the contents of which is made simple and universal so that the group employees can easily understand, and has 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 Committee meetings once every quarter in principle to identify, evaluate and take measures to risks including those at group companies.
- The Company improved the system by establishing the “Crisis Control Headquarters” and the “Crisis-Management Task Force” to address risks depending on the regions, scale, and content of the emerged risks, and carry out deliberation and reports to the Board of Directors.

(3) System for Directors to execute their duties

- Under the “Board of Directors Rules”, “Director and Managing Officer 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 Committee 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 the Company and its 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, 2021 - December 31, 2021)

Consolidated Balance Sheet
(As of December 31, 2021)

(million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	94,806	Current liabilities	67,120
Cash and deposits	6,594	Notes and accounts payable - trade	13,917
Notes and accounts receivable - trade	34,099	Electronically recorded obligations - operating	5,913
Merchandise and finished goods	34,140	Short-term borrowings	38,287
Work in process	4,939	Lease obligations	84
Raw materials and supplies	12,009	Accounts payable - other	1,103
Other	3,341	Accrued expenses	4,154
Allowance for doubtful accounts	(319)	Income taxes payable	806
Non-current assets	34,308	Provision for bonuses	34
Property, plant and equipment	22,770	Notes payable - facilities	68
Buildings and structures, net	10,726	Forward exchange contracts	798
Machinery, equipment and vehicles, net	3,265	Other	1,950
Tools, furniture and fixtures, net	951	Non-current liabilities	26,322
Land	6,322	Long-term borrowings	19,386
Leased assets, net	268	Lease obligations	188
Construction in progress	176	Provision for retirement benefits for directors (and other officers)	36
Other	1,060	Retirement benefit liability	5,273
Intangible assets	1,889	Other	1,436
Investments and other assets	9,649	Total liabilities	93,442
Investment securities	3,831	(Net assets)	
Long-term loans receivable	119	Shareholders' equity	36,070
Long-term prepaid expenses	224	Share capital	18,044
Deferred tax assets	2,976	Capital surplus	1,990
Retirement benefit asset	1,542	Retained earnings	16,642
Other	2,268	Treasury shares	(607)
Allowance for doubtful accounts	(1,312)	Accumulated other comprehensive income	(824)
		Valuation difference on available-for-sale securities	496
		Foreign currency translation adjustment	(1,484)
		Remeasurements of defined benefit plans	163
		Non-controlling interests	426
Total assets	129,114	Total net assets	35,672
		Total liabilities and net assets	129,114

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

Consolidated Statement of Income
(January 1, 2021 - December 31, 2021)

(million yen)

Description	Amount	
Net sales		101,292
Cost of sales		73,281
Gross profit		28,011
Selling, general and administrative expenses		24,143
Operating profit		3,868
Non-operating income		
Interest income	55	
Dividend income	134	
Commission income	195	
Reversal of allowance for loan losses	64	
Subsidy income	226	
Income from recycling	117	
Other	324	1,117
Non-operating expenses		
Interest expenses	655	
Share of loss of entities accounted for using equity method	3	
Foreign exchange losses	765	
Other	122	1,546
Ordinary income		3,439
Extraordinary income		
Gain on sales of non-current assets	18	18
Extraordinary losses		
Loss on sales and retirement of non-current assets	29	
Loss on COVID-19	82	112
Profit before income taxes		3,345
Income taxes – current	1,362	
Income taxes – deferred	(264)	1,098
Profit		2,247
Profit attributable to non-controlling interests		92
Profit attributable to owners of parent		2,154

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

Consolidated Statement of Changes in Equity
(January 1, 2021 - December 31, 2021)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,044	1,990	15,073	(607)	34,501
Changes of items during period					
Dividends of surplus			(585)		(585)
Profit attributable to owners of parent			2,154		2,154
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,568	(0)	1,568
Balance at end of period	18,044	1,990	16,642	(607)	36,070

(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 period	478	(4,063)	116	(3,468)	335	31,368
Changes of items during period						
Dividends of surplus						(585)
Profit attributable to owners of parent						2,154
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	17	2,579	47	2,644	91	2,735
Total changes during period	17	2,579	47	2,644	91	4,303
Balance at end of period	496	(1,484)	163	(824)	426	35,672

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

Non-consolidated Financial Statements
(January 1, 2021 - December 31, 2021)

Non-consolidated Balance Sheet
(As of December 31, 2021)

(million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	49,072	Current liabilities	51,050
Cash and deposits	812	Notes payable - trade	519
Notes receivable - trade	402	Electronically recorded obligations - operating	1,116
Accounts receivable - trade	21,093	Accounts payable - trade	7,599
Merchandise and finished goods	2,644	Short-term borrowings	23,040
Work in process	1,734	Short-term borrowings from subsidiaries and associates	1,973
Raw materials and supplies	96	Lease obligations	41
Accrued income	654	Accounts payable - other	13,807
Short-term loans receivable	9,040	Accrued expenses	1,746
Accounts receivable - other	10,379	Income taxes payable	109
Other	2,215	Deposits received	137
Non-current assets	47,692	Electronically recorded obligations - facilities	17
Property, plant and equipment	12,176	Forward exchange contracts	798
Buildings, net	7,221	Other	142
Structures, net	87	Non-current liabilities	17,705
Machinery and equipment, net	263	Long-term borrowings	14,613
Vehicles, net	0	Lease obligations	107
Tools, furniture and fixtures, net	156	Provision for retirement benefits	2,969
Land	4,226	Other	15
Leased assets, net	148	Total liabilities	68,755
Construction in progress	72	(Net assets)	
Intangible assets	1,347	Shareholders' equity	27,511
Patent right	387	Share capital	18,044
Software	945	Capital surplus	2,094
Leased assets, net	0	Legal capital surplus	2,094
Other	14	Retained earnings	7,980
Investments and other assets	34,168	Legal retained earnings	622
Investment securities	2,253	Other retained earnings	7,358
Shares of subsidiaries and associates	20,968	Retained earnings brought forward	7,358
Investments in capital of subsidiaries and associates	8,416	Treasury shares	(607)
Investments in capital	352	Valuation and translation adjustments	497
Long-term accounts receivable from subsidiaries and associates - other	2,606	Valuation difference on available-for-sale securities	497
Distressed receivables	18	Total net assets	28,009
Long-term prepaid expenses	10	Total liabilities and net assets	96,765
Deferred tax assets	1,113		
Other	356		
Allowance for doubtful accounts	(1,928)		
Total assets	96,765		

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

Non-consolidated Statement of Income
(January 1, 2021 - December 31, 2021)

(million yen)

Description	Amount	
Net sales		49,474
Cost of sales		43,762
Gross profit		5,711
Selling, general and administrative expenses		7,698
Operating loss		1,986
Non-operating income		
Interest and dividend income	1,637	
Commission income	1,523	
Other	476	3,637
Non-operating expenses		
Interest expenses	366	
Foreign exchange losses	542	
Other	4	913
Ordinary income		738
Extraordinary losses		
Loss on sales and retirement of non-current assets	20	20
Profit before income taxes		717
Income taxes - current	261	
Income taxes - deferred	9	270
Profit		446

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

Non-consolidated Statement of Changes in Equity
(January 1, 2021 - December 31, 2021)

(million yen)

	Shareholders' equity					
	Share capital	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 period	18,044	2,094	2,094	563	7,556	8,120
Changes of items during period						
Provision of legal retained earnings				58	(58)	—
Dividends of surplus					(585)	(585)
Profit					446	446
Purchase of treasury shares						—
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	58	(198)	(139)
Balance at end of period	18,044	2,094	2,094	622	7,358	7,980

(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 period	(607)	27,651	483	483	28,135
Changes of items during period					
Provision of legal retained earnings		—			—
Dividends of surplus		(585)			(585)
Profit		446			446
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			13	13	13
Total changes during period	(0)	(139)	13	13	(126)
Balance at end of period	(607)	27,511	497	497	28,009

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

Independent Auditor's Report

February 9, 2022

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC
Tokyo Office

Kenichiro Okamoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kazutaka Yoshihara, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Audit opinion

Pursuant to Article 444, paragraph (4) 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, 2021 to December 31, 2021.

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.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for 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.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company

Our firm and its engagement partners have no interest in the Group 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 9, 2022

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC
Tokyo Office

Kenichiro Okamoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kazutaka Yoshihara, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Audit opinion

Pursuant to Article 436, paragraph (2), item (i) 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 (collectively, "non-consolidated financial statements, etc.") of JUKI CORPORATION (the "Company") for the 107th fiscal term from January 1, 2021 to December 31, 2021.

In our opinion, the above non-consolidated financial statements, etc. 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.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

The responsibility of management is to prepare non-consolidated financial statements, etc. 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, etc. free of material misstatement due to fraud or error and the presentation of appropriate accounting information.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the non-consolidated financial statements, etc. to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, etc., including the notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company

Our firm and its 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 107th fiscal term from January 1, 2021 to December 31, 2021, 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 Article 100, paragraphs (1) and (3) 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, 2021.

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 9, 2022

Audit & Supervisory Board, JUKI CORPORATION

Audit & Supervisory Board Member (Full-time)	Masahiko Suzuki
Audit & Supervisory Board Member	Masato Tanaka
Audit & Supervisory Board Member	Junko Watanabe

(Note) Audit & Supervisory Board Members Masato Tanaka and Junko Watanabe are Outside Audit & Supervisory Board Members who are required to be appointed in accordance with Article 2, item (xvi) and Article 335, paragraph (3) 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 and after taking into consideration the recovery of results, the Company proposes to pay year-end dividends for the 107th 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: 732,368,650 yen

(3) Effective date of distribution of surplus

March 29, 2022

Second proposal: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

Since the revised provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022, the Company proposes to amend the Articles of Incorporation as follows, to prepare for the introduction of the electronic provision of the materials of the General Meeting of Shareholders.

- (1) The proposed amendment of Article 16, paragraph 1 will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
- (2) The proposed amendment of Article 16, paragraph 2 will establish a rule to limit the scope of items stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Due to the new establishment and deletion stated above, supplementary provisions for the effective date, etc. shall be established.

2. Details

Details of the amendments are as follows:

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<p data-bbox="260 1093 799 1182"><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p data-bbox="260 1211 810 1541"><u>Article 16 When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements and consolidated financial statements via the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p data-bbox="288 1570 504 1599">[Newly established]</p>	<p data-bbox="863 1093 967 1122">[Deleted]</p> <p data-bbox="828 1570 1230 1599"><u>(Electronic Provision Measures, Etc.)</u></p> <p data-bbox="828 1628 938 1657"><u>Article 16</u></p> <p data-bbox="834 1686 1369 1827"><u>1. When the Company convenes a General Meeting of Shareholders, the Company shall electronically provide information that constitutes the content of reference documents for the General Meeting of Shareholders, etc.</u></p> <p data-bbox="834 1843 1385 2018"><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders</u></p>

Current Articles of Incorporation	Proposed amendments
[Newly established]	<p><u>who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>(Supplementary provisions)</p> <p><u>Article 1 The deletion of Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) and the new establishment of amended Article 16 (Electronic Provision Measures, Etc.) will come into force on the effective date of the revised provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) (hereinafter the “Effective Date”).</u></p> <p><u>Article 2 Notwithstanding the provisions of the preceding Article of this Supplementary provisions, Article 16 of the current Articles of Incorporation shall still be effective regarding any General Meeting of Shareholders held on a date within six months from the Effective Date.</u></p> <p><u>Article 3 Supplementary provisions herein shall be deleted on a later date of either a day on which six months elapsed from the Effective Date or a day on which three months elapsed from the date of the General Meeting of Shareholders specified in the preceding Article of this Supplementary provisions.</u></p>

Third proposal: Election of 5 Directors

The term of office of all (5) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 5 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 Representative Director and President</p> <p>August 2013 Representative Director and President, and President of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>January 2021 Representative Director, Chairman and CEO, and Representative Director and President of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>March 2021 Representative Director, Chairman and CEO, and Representative Director, Chairman and CEO of JUKI AUTOMATION SYSTEMS CORPORATION (Present)</p>	49,029 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Akira Kiyohara served as President of the Company from 2010, and since January 2021, he has been serving as Representative Director, Chairman and CEO. 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 CEO. 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)	April 1979 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)	25,790 shares
		August 2004 General Manager of Kamata Branch, Mizuho Bank, Ltd.	
		April 2010 Executive Officer and General Manager of Credit Supervision Division IV, ditto	
		May 2011 Joined the Company, Senior Executive Operating Officer	
		March 2013 Managing Officer “In charge of Administration Center (Corporate Administration Dept. and Finance & Accounting Dept.)”	
		March 2014 Managing Officer “In charge of Administration Center (Finance & Accounting Dept.)” and “In charge of Production Center”	
		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”	
		March 2017 Director and Managing Officer	
		March 2018 Director and Senior Managing Officer	
		March 2020 Representative Director and Senior Managing Officer	
January 2021 Representative Director, President and COO (Present)			
<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. In 2020, he was appointed to be assistant to the President as a Representative Director, and since January 2021, he has been serving as Representative Director, President and COO. The Company determined that he has been able to enhance the executability of the business plan by strengthening business execution capabilities as COO.</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;">Hirokazu Nagashima (February 1, 1958)</p>	<p>April 1978 Joined the Company</p> <p>January 2004 Executive Operating Officer and Deputy Division Manager of Electronic Assembly and Test Systems Div.</p> <p>March 2005 Executive Operating Officer and Division Manager of Electronic Assembly and Test Systems Div.</p> <p>June 2005 Director and Division Manager of Electronic Assembly and Test Systems Div.</p> <p>June 2006 Managing Director and Division Manager of Electronic Assembly and Test Systems Div.</p> <p>April 2011 Managing Director, “In charge of Business Operation Center (Electronic Assembly Systems Business Unit)”, “In charge of Quality Assurance Dept.,” and Executive Unit Officer of Electronic Assembly Systems Business Unit</p> <p>March 2013 Director and Managing Officer “In charge of Business Operation Center (Electronic Assembly Systems Business Unit)”, and Executive Unit Officer of Electronic Assembly Systems Business Unit</p> <p>August 2013 Director, Senior Managing Director of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>March 2014 Director, Director and Senior Managing Officer of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>March 2016 Director and Senior Managing Officer of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>April 2019 Director and Executive Vice President of JUKI AUTOMATION SYSTEMS CORPORATION</p> <p>March 2021 Director and Senior Managing Officer, and Representative Director, President and COO of JUKI AUTOMATION SYSTEMS CORPORATION (Present)</p>	20,963 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Hirokazu Nagashima was appointed as Director and Senior Managing Officer, and Representative Director, President and COO of JUKI AUTOMATION SYSTEMS CORPORATION in 2021. He has applied his wealth of experience and knowledge of marketing and sales in the Electronic Assembly and Test Systems Division, where he has appropriately fulfilled his duties in charge of the Electronic Assembly and Test Systems business. The Company determined that he is capable of contributing to expanding the customer base and business areas through solution sales activities going forward.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Reelection Outside Independent Kazumi Nagasaki (May 28, 1951)	April 1976 Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation) 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)	0 shares
<p>[Reasons for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Kazumi Nagasaki has served as Outside Director of the Company since 2014, and his term of office will have been eight years at the conclusion of this Ordinary General Meeting of Shareholders. He possesses a wealth of experience and knowledge as a manufacturing 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 play a role in providing objective and pertinent advice and making decisions.</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 Yutaka Hori (October 5, 1949)	<p>April 1979 Registered as an attorney (Dai-ichi Tokyo Bar Association)</p> <p>December 1989 Representative attorney of Hori & Associates Law Office (currently Hori & Partners) (Present)</p> <p>June 1999 Lecturer of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>April 2004 Executive and Vice President, National University Corporation Chiba University (Present)</p> <p>April 2010 Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office</p> <p>March 2016 Director of the Company (Present)</p> <p>June 2016 Outside Director of FIDEA Holdings Co. Ltd. (Present)</p> <p>August 2017 Outside Director of Pasona Group Inc.</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Yutaka Hori has served as Outside Director of the Company since 2016, and his term of office will have been six 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 play a role in appropriately providing pertinent advice and making 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.</p>			

- (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 Article 423, paragraph (1) 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.
 - The Company has entered into a directors and officers liability insurance policy with an insurance agency. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability. The insurance policy was renewed as of February 27, 2022, with the details unchanged, and at the expiry of one year, the Company plans to once again renew this insurance policy with the details unchanged.

(Reference)

The composition of officers and skill matrix if the third proposal is approved

If the third proposal is approved, the structure of the Board of Directors and the specialties of each officer will be as follows:

[Structure of the Board of Directors] Skill matrix of the Company's Directors

Name	Independent Outside Director	Corporate manage- ment	Finance /Accounting	Legal /Compli- ance	Global	Sales /Marketing	Manufactu- ring /Quality control /Research and develop- ment	Environ- ment /Society	Human resources and labor relations /Human resource develop- ment
Akira Kiyohara		○	○	○	○	○		○	○
Shinsuke Uchinashi		○	○	○			○	○	
Hirokazu Nagashima		○			○	○	○		○
Kazumi Nagasaki	○	○	○				○	○	○
Yutaka Hori	○	○		○	○			○	○

(Note) The above list does not show all knowledge and experience of each candidate for Director, but indicates skills that are considered significant.

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 Members, Mr. Hiroshi Nakamura and Ms. Hiroko Nihei, 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	Hirofumi Gotoh (January 9, 1955)	<p>April 1977 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>October 1995 General Manager of Shibakoen Branch, ditto</p> <p>January 2005 Joined the Company</p> <p>April 2005 Division Manager of Household Sewing Machinery Div.</p> <p>June 2009 General Manager of Finance Dept.</p> <p>July 2010 Corporate Officer and Director and General Manager of JUKI (CHINA) CO., LTD.</p> <p>March 2014 Managing Officer and Chairman and General Manager of JUKI (CHINA) CO., LTD.</p> <p>March 2016 Managing Officer “In charge of Global Cooperate Center (Corporate Planning Dept., Human Resources Dept., Business Renovation and Electronic Assembly Systems BPR),” “In charge of Secretariat,” “In charge of Internal Auditing Dept.” and “In charge of Internal Control and Compliance”</p> <p>March 2017 Full-time Audit & Supervisory Board Member</p> <p>March 2019 Managing Officer and Chairman and General Manager of Head Office of JUKI (CHINA) CO., LTD.</p> <p>January 2022 Retired</p>	20,212 shares
<p>[Reasons for nomination as candidate for substitute Audit & Supervisory Board Member]</p> <p>Mr. Hirofumi Gotoh assumed office as Full-time Audit & Supervisory Board Member in 2017. The Company determined that Mr. Hirofumi Gotoh 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 being in charge of departments such as Finance, Corporate Planning, Internal Auditing, and Internal Control, and Compliance.</p>			

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
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)
- None of the above candidates for substitute Audit & Supervisory Board Members have any special interest with the Company.
 - Mr. Hirofumi Gotoh 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.
 - 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.
 - 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 Article 423, paragraph (1) 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.
 - The Company has entered into a directors and officers liability insurance policy with an insurance agency in which the Audit & Supervisory Board Members are listed as the insured persons. If the substitute for Outside Audit & Supervisory Board Member should be appointed as Audit & Supervisory Board Member, this insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability.
 - 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.

Fifth proposal: Determination of remuneration to grant restricted stocks to Directors (excluding Outside Directors)

The Company proposes to provide remuneration to grant restricted stocks to the Company's Directors (excluding Outside Directors; hereinafter the "Eligible Directors") to provide incentives for achieving enhancement in the Company's corporate value and promoting the sharing of values with shareholders.

The 92nd Ordinary General Meeting of Shareholders has approved to set the amount of remuneration, etc., of the Company's Directors at 480 million yen or less per year (excluding employee salary for an employee concurrently assuming a position as a Director).

Based on this proposal, the remuneration provided to grant restricted stocks to the Eligible Directors is a monetary claim, with the total amount within the limit of the remuneration stated above and 50 million yen or less per year (excluding employee salary for an employee concurrently assuming a position as a Director.) The specific timing of the provision and allocation to each Eligible Director shall be determined by the Board of Directors. However, Outside Directors will not be provided with remuneration to grant restricted stocks.

The number of current Directors is 5 (including 2 Outside Directors); however, if the third proposal, "Election of 5 Directors," is approved as originally proposed, the number of Directors will be 5 (including 2 Outside Directors).

1. Total number, allocation, and payment of restricted stocks

Based on the resolution of the Board of Directors of the Company, the Eligible Directors shall pay all of the monetary claims provided in accordance with this proposal as properties contributed in-kind for the issuance or disposal of the common stocks of the Company. The total number of the common stocks of the Company issued or disposed of as a result shall be 100,000 shares per year. However, in a case where a stock split (including allotment of the common stocks of the Company without contribution) or a reverse stock split for the common stocks of the Company is executed on or after the date on which this proposal is approved when any event that requires the adjustment of the number of the total common stocks of the Company to be issued or disposed of as restricted stocks arises, the total number thereof may be adjusted within a reasonable range.

The Board of Directors determines the amount to be paid per share based on the closing price of the Company's common stock on the Tokyo Stock Exchange that is as of the business day immediately preceding the day on which the resolution of the Board of Directors is passed (or the closing price on the most recent trading day preceding the date of the resolution when no transaction was carried out on the said day). In addition, the issuance or disposal of the Company's common stocks or the payment of monetary claims as properties contributed in-kind as a result is conditional upon the conclusion of a restricted stock allotment agreement that includes the following details (hereinafter, the "Allotment Agreement") between the Company and the Eligible Directors.

Furthermore, the maximum amount of the remuneration stipulated in this proposal, the total number of the common shares of the Company to be issued or disposed of, and other conditions for granting restricted stocks to the Eligible Directors based on this proposal were determined in consideration of the purpose above, the Company's business conditions, the policy for determining the details of individual remuneration for Directors (please refer to page 13 to 14 of the 107th Business Report for the details of the policy) and various other circumstances, and the Company believes that they are appropriate.

2. Outline of the details of the Allotment Agreement

(1) Transfer restriction period

The Eligible Directors may not transfer, set security right for or otherwise dispose of the granted common stocks of the Company (hereinafter the "Allotted Stocks") during the period from the date of allotment based on the Allotment Agreement until immediately after their resignation from the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors of the Company (hereinafter the "Transfer Restriction Period") (hereinafter the "Transfer Restriction").

(2) Handling at the time of resignation

When the Eligible Directors resign from the position of officer or employee of the Company or its subsidiaries predetermined by the Board of Directors of the Company before the expiry of the term of office that is predefined by the Board of Directors of the Company (hereinafter the "Service Rendering Period"), the Company shall rightfully acquire the Allotted Stocks without contribution at their resignation unless there are justifiable reasons such as the expiration of their term of office or death.

(3) Removal of the Transfer Restriction

On condition that the Eligible Directors were successively serving as the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors of the Company, the Company will lift the Transfer Restriction when the Transfer Restriction Period has expired for all of the Allotted Stocks. However, when the Eligible Directors resign from the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors of the Company prior to the expiration of the Service Rendering Period with justifiable reasons, the Company shall reasonably adjust the number of the allotted stocks for which Restrictions on Transfer will be lifted and the timing to lift the Transfer Restriction as required. As specified above, immediately after the lifting of the Transfer Restriction, the Company shall obtain the Allotted Stocks for which the Transfer Restriction has not been lifted without contribution as of right.

(4) Handling under restructuring, etc.

Notwithstanding the provisions of (1) above, when the General Meeting of Shareholders of the Company (the Board of Directors of the Company if the approval by the General Meeting of Shareholders of the Company is not required for the restructuring, etc.) approves a merger agreement whereby the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan whereby the Company becomes a wholly owned subsidiary, or other matters related to the reorganization of the Company during the Transfer Restriction Period, in accordance with the resolution of the Board of Directors of the Company, the Company shall list the Transfer Restriction prior to the effective date of such reorganization, etc. for the number of the Allotted Stocks reasonably determined based on the period from the start date of the Transfer Restriction Period though the date of approving such restructuring, etc. As specified above, immediately after the lifting of the Transfer Restriction, the Company shall obtain the Allotted Stocks for which the Transfer Restriction has not been lifted without contribution as of right.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)

The Company plans to allot restricted stocks similar to the above-mentioned restricted stocks to the Managing Directors and Corporate Officers of the Company and some subsidiaries of the Company after the conclusion of the General Meeting of Shareholders.