



# Measures for Achieving Medium-Term Management Plan (Final Year of Value Up 2022)

February 14, 2022  
JUKI CORPORATION

## 2-1. Business Environment/ Recognition of Challenge

In order to continue to be a company that meets the needs of various customers and is needed by society in the midst of a rapidly changing business environment shifting to a new business model for new normal is a challenge.

Business Environment	
General	<ul style="list-style-type: none"> <li>• Diversifying needs due to market/customer changes</li> <li>• Related markets (apparel / knitwear / semiconductors / automobiles / medical devices, etc.) expanded due to market recovery from COVID-19</li> <li>• Increased market penetration by providing products and services utilizing cutting-edge technologies such as AI, IoT, and 5G</li> <li>• Global soaring raw material prices/parts shortages continue</li> </ul>
Competitive Environment	<ul style="list-style-type: none"> <li>• Expansion of business domains through competitor's growth, Mergers and Acquisitions</li> </ul>
Social Needs	<ul style="list-style-type: none"> <li>• Promotion of work-style reform (digitization, remote work)</li> <li>• Compliance/Strengthening corporate governance</li> <li>• Responding to SDGs and carbon neutrality</li> </ul>

**Recognition of Challenge:**  
**Shift to a new business model fit for the new normal**

## 2-2. Positioning in 2022 (Final Year of Value Up 2022)

2022=The year to build a foundation to bridge the gap between the goals of the next medium-term plan.

- Set target values with a view to 2025, three years from now
- Setting internal targets that clearly define "investment and return" (introduction of ROIC)

Vision for the next medium-term plan

Backcasting

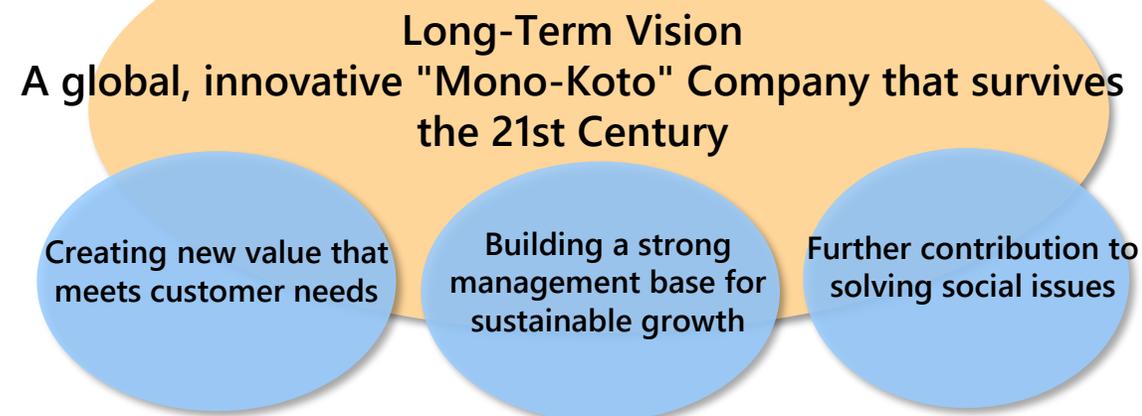
2022 = "Final Year of Medium-Term Plan Value Up 2022"

Vision

A "Mono-Koto" Company where Customers and JUKI is capable of increasing corporate value through products and services  
~ Becoming a WinWin Partner for a Smart Factory ~

Management focus

- 1) Transforming the business portfolio  
Further expand business domains and build a customer base for the future
- 2) Strengthening the business foundation supporting growth  
Investment in equipment, development, and information systems
- 3) Challenge to realize a sustainable society  
Initiatives for achieving carbon neutrality/  
Initiatives to make the most of the diversity of individual employees



Reference : Internal target values

Net Sales

160 billion yen

Ordinary profit

10 billion yen

Equity ratio

50% or more

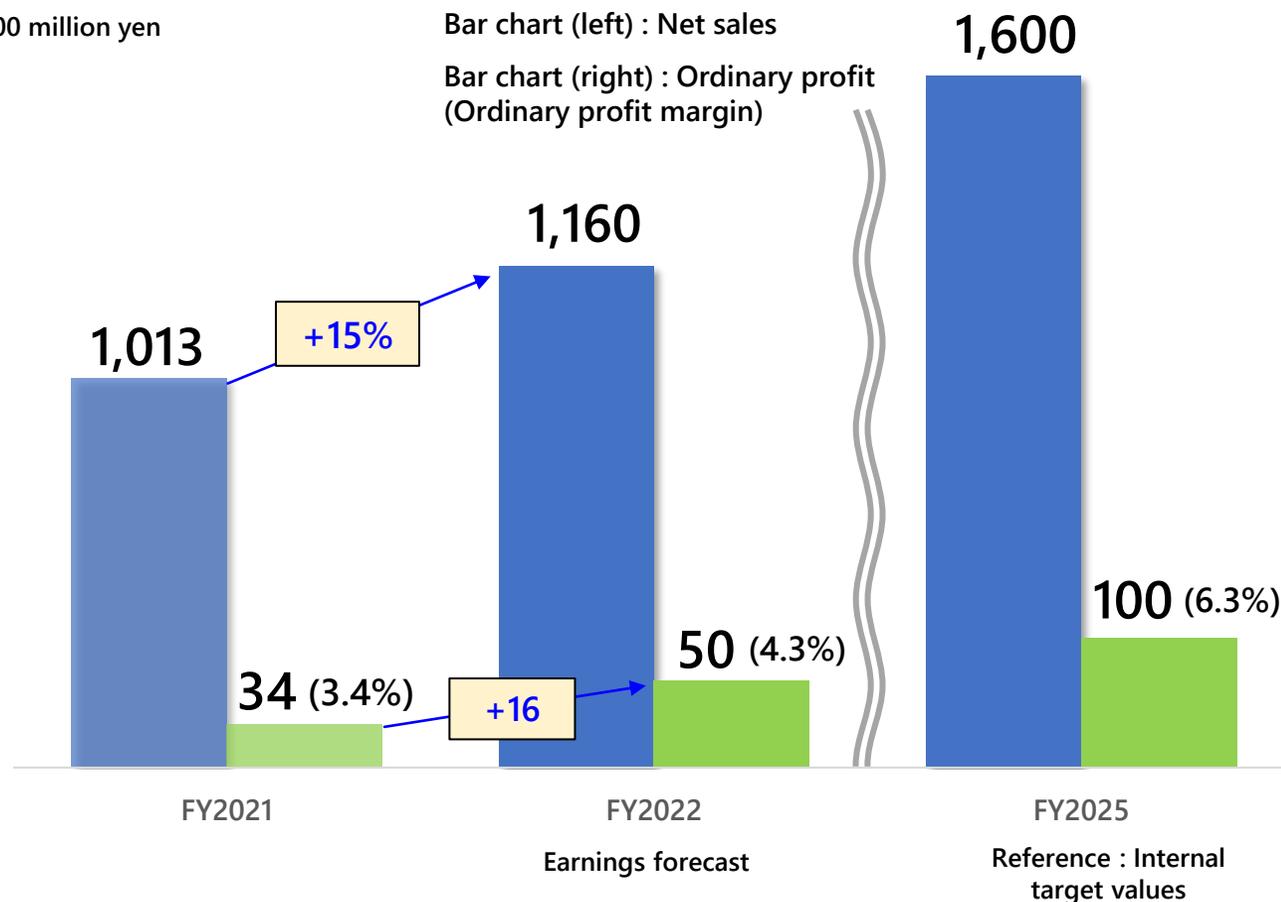
## 2-3. 2022 (Final Year of Value Up 2022): Target Value

Setting targets to be achieved by 2022, with an eye on the ideal situation three years ahead.

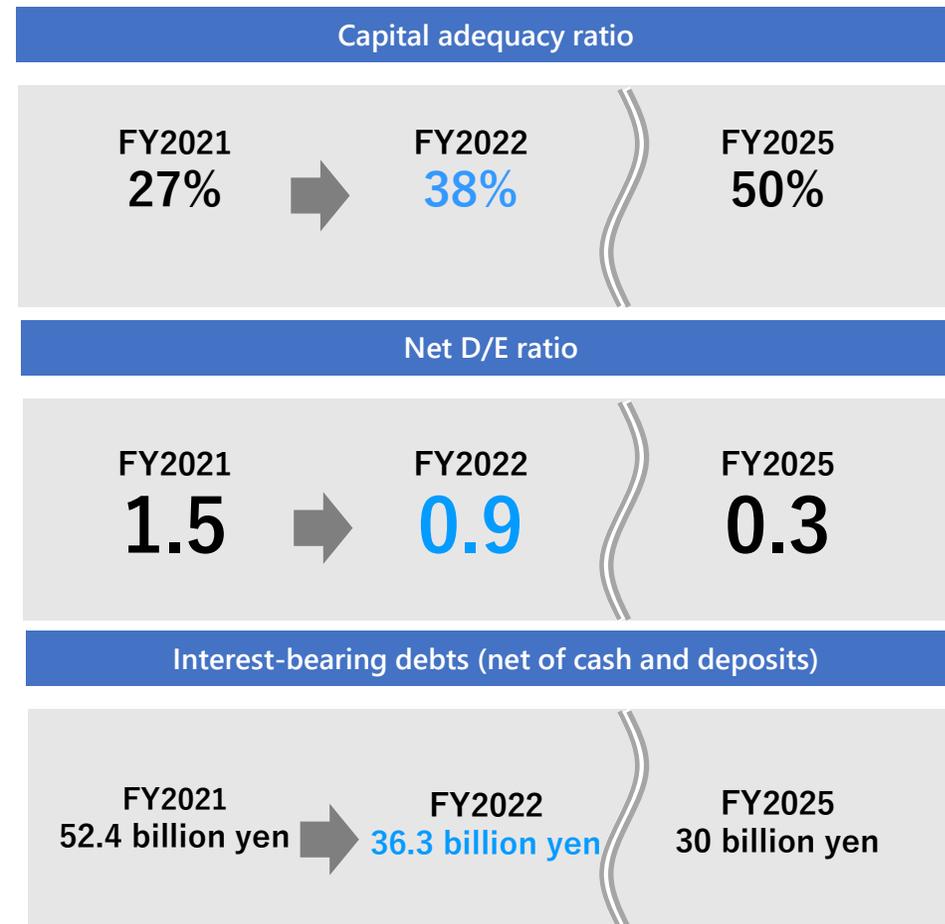
[Sales/Ordinary profit]

\* The exchange rate is calculated based on the actual rate in 2021 and 1 dollar = 105 yen after 2022.

Unit : 100 million yen



[Major Financial Indices] \* Internal targets for fiscal 2025



# 2-4. 2022 (Final Year of Value Up 2022): Priority Policies by Business/Sales Targets

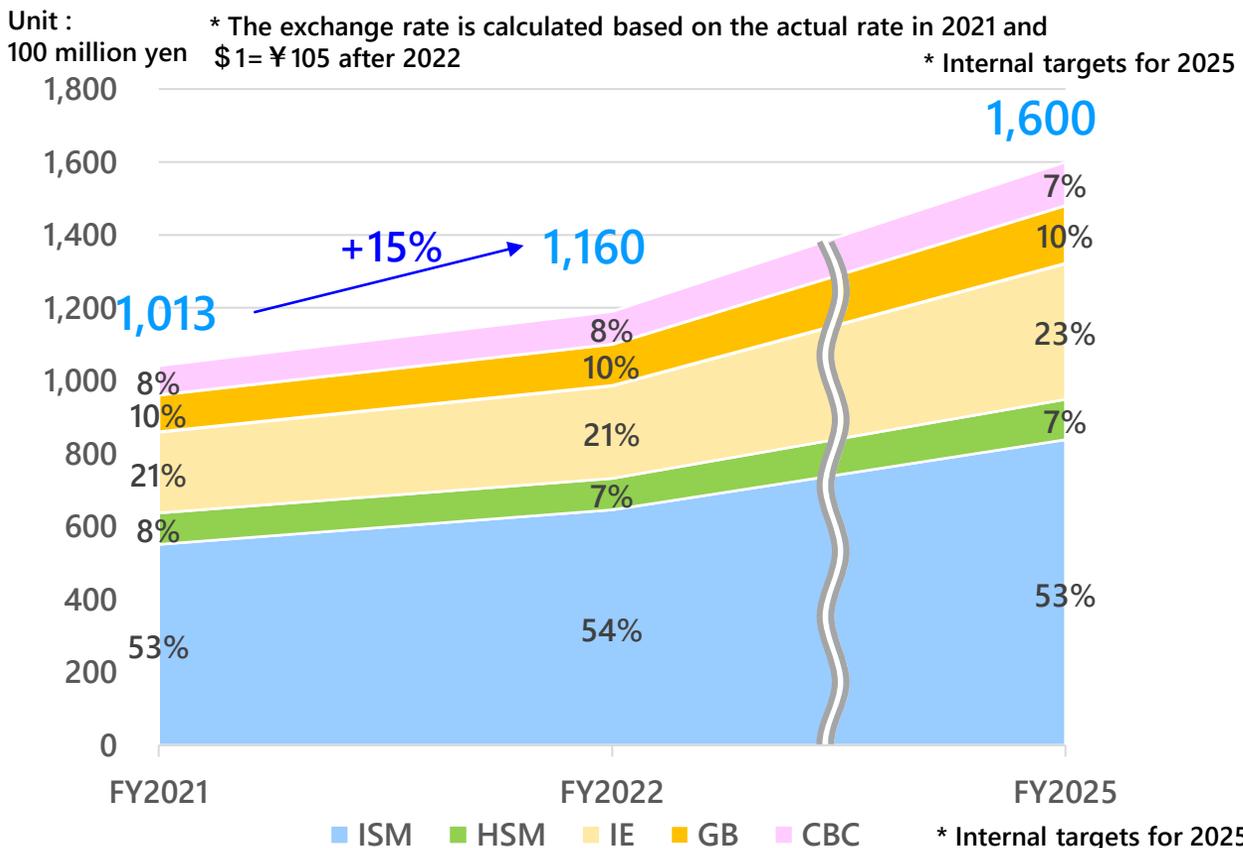
Business (Abbreviation)	Priority policy	Sales target * Internal targets for FY2025	
Industrial sewing machines (ISM)	<ul style="list-style-type: none"> <li>• Increase market share in the middle market to build a customer base for the future</li> <li>• Build profitable business models by strengthening high-value-added products and proposal-based marketing</li> </ul>	FY2021 55.1 billion yen → <b>64.6 billion yen</b> (FY2022)	FY2025 83.9 billion yen
Home sewing machines (HSM)	<ul style="list-style-type: none"> <li>• Strengthen marketing to increase market share after demand for housing</li> <li>• Implementation of integrated management by thorough support for the head office that complements the functions of sales companies</li> </ul>	FY2021 8.6 billion yen → <b>8.6 billion yen</b> (FY2022)	FY2025 11.1 billion yen
Industrial equipment (IE)	<ul style="list-style-type: none"> <li>• Further expansion of new areas in non-mounter + non-SMT areas</li> <li>• Increase market share of high-speed machines by the implementation of new models</li> </ul>	FY2021 22.2 billion yen → <b>25.4 billion yen</b> (FY2022)	FY2025 37.2 billion yen
Groups Business (GB)	<ul style="list-style-type: none"> <li>• Strengthen acquisition of core customer projects through expansion of capital investment</li> <li>• Expand engineering business by leveraging the strengths of each plant</li> </ul>	FY2021 10.2 billion yen → <b>11.4 billion yen</b> (FY2022)	FY2025 16 billion yen
Customer Business (CBC)	<ul style="list-style-type: none"> <li>• Expanding the sewing service business based on the inspection support application</li> <li>• Restructure the industrial Equipment service system by expanding remote services</li> </ul>	FY2021 8 billion yen → <b>9 billion yen</b> (FY2022)	FY2025 11.9 billion yen

# 2-5. 2022 (Final Year of Value Up 2022): Business Portfolio Reform

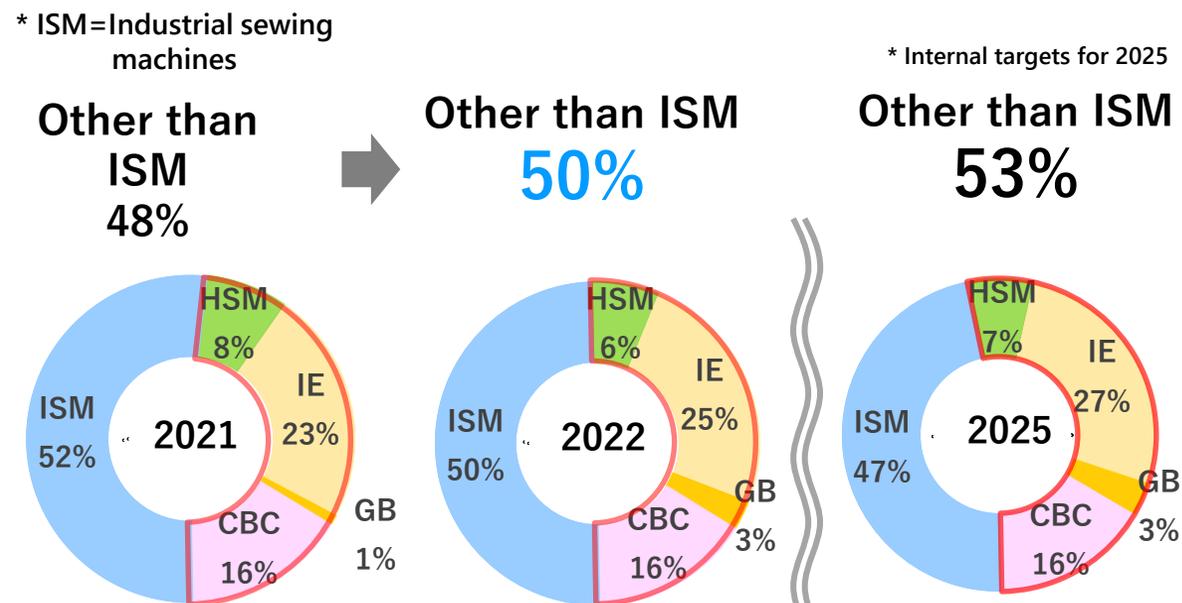
**Net sales** : Aiming to achieve continuous business growth by focusing on expanding business areas in priority areas in each business

**Gross profit** : Increase profitability by expanding high-value-added fields such as industrial equipment and customer business

## Net sales portfolio



## Percentage of gross profit

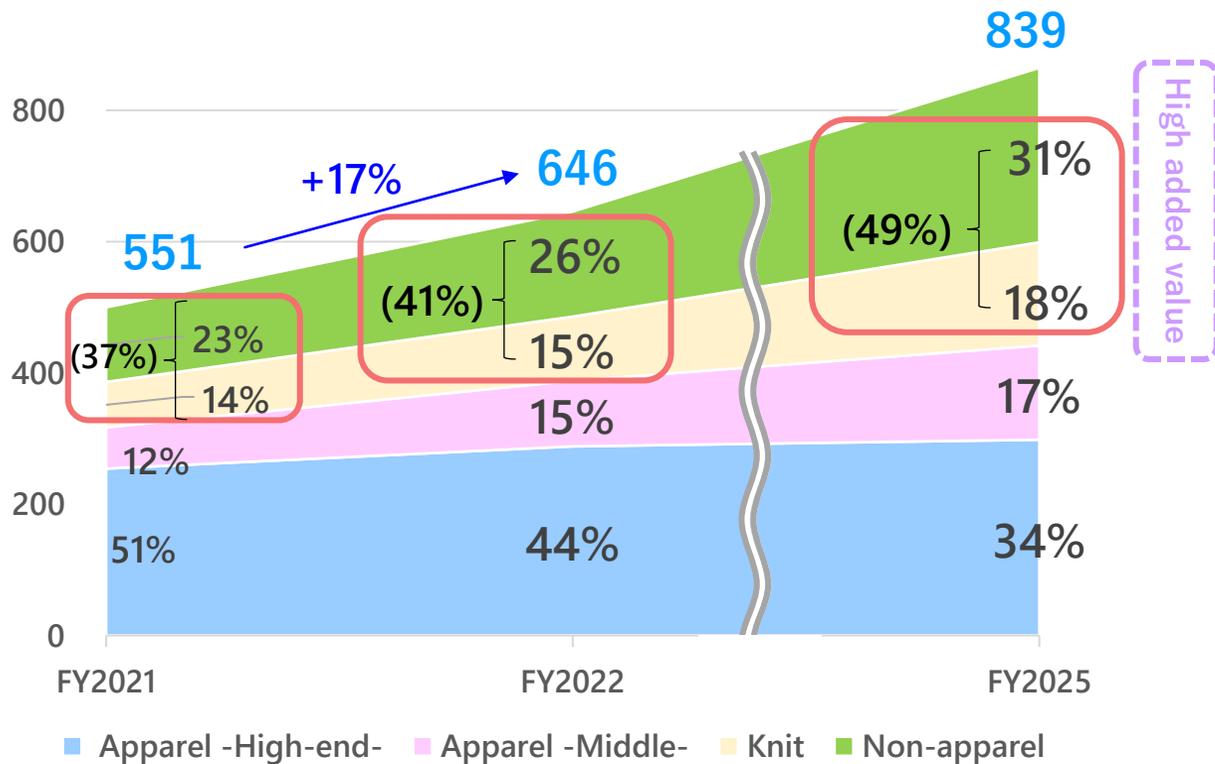


# 2-6. 2022 (Final Year of Value Up 2022): Business Portfolio Reform (Industrial Sewing Machines)

Increase the ratio of non-apparel / knit products in high-value-added areas from 37% in 2021 to 41% in 2022. We will build a customer base by expanding our market share in the middle market.

## Net sales portfolio

Unit : 100 million yen  
 \* The exchange rate is calculated based on the actual rate in 2021 and \$1= ¥105 after 2022  
 \* Internal targets for 2025



## Key Initiatives

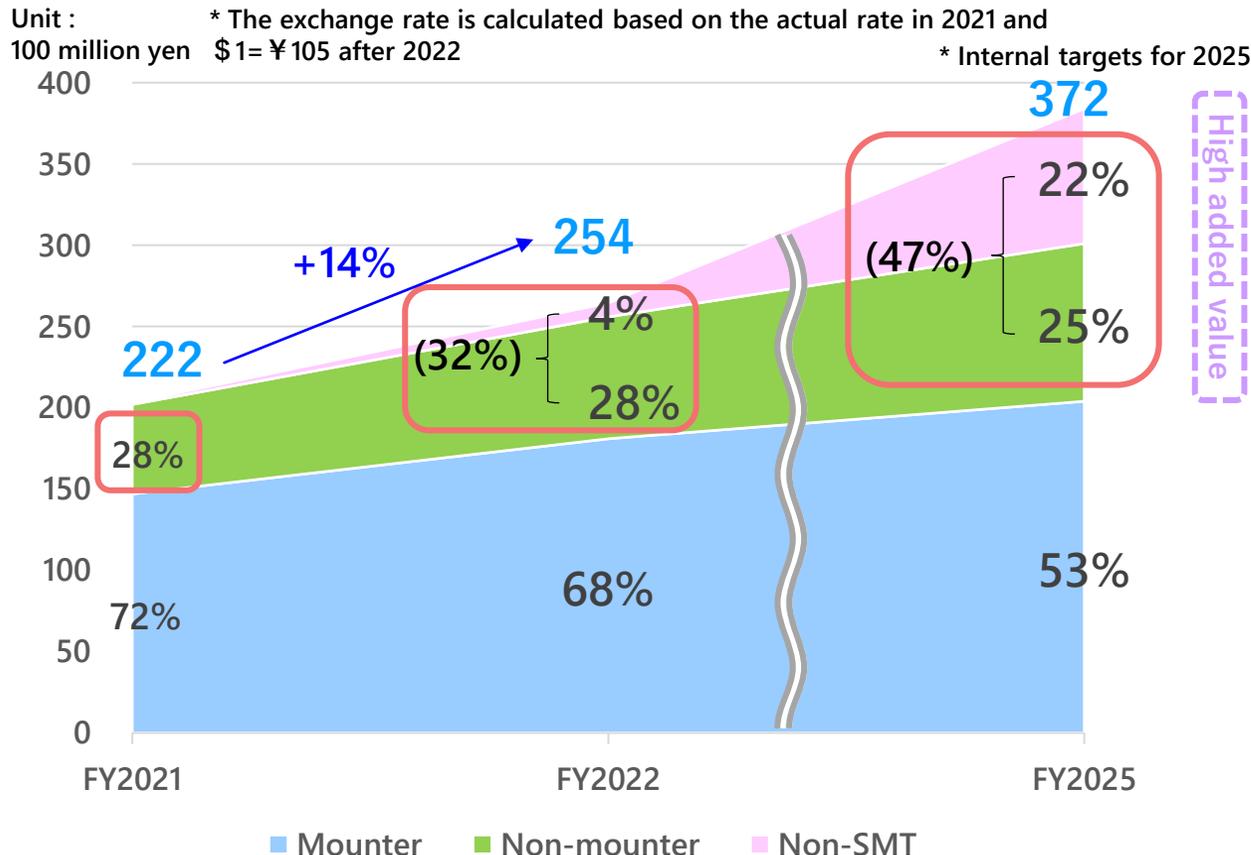
Apparel High-end	<ul style="list-style-type: none"> <li>• Creating smart factories for customer factories by expanding the deployment of one stop solutions</li> <li>• Expanding the deployment of automated machines utilizing our strengths</li> </ul>
Apparel Middle	<ul style="list-style-type: none"> <li>• Increase market share with JIN brand (models for middle market in emerging countries)</li> </ul>
Knit	<ul style="list-style-type: none"> <li>• Developing emerging countries such as Latin America and Africa through business alliance with PEGASUS SEWING MACHINE MFG. CO., LTD.</li> </ul>
Non-apparel	<ul style="list-style-type: none"> <li>• Strengthen sales for automotive seats / sports shoes / furniture customers</li> <li>* JUKI TECHNO SOLUTIONS, Jointly with Mitsubishi Electric Corporation and Meiryō Technica Corporation, is to be established in May 2022,</li> </ul>

# 2-7. 2022 (Final Year of Value Up 2022): Business Portfolio Reform (Industrial Equipment)

In the areas of inspection and measurement, robots, and semiconductors, increase the percentage of non-mounter segment from 28% in 2021 to 32% in 2022.

We also plan to expand our business to include customers who do not have the product and aim for 22% by 2025.

## Net sales portfolio



## Key Initiatives

Mounter	<b>High-speed mounter</b> <ul style="list-style-type: none"> <li>• Launch of high-speed mounter for wearable devices and 5G related devices</li> </ul>
Non-mounter	<b>Robot</b> <ul style="list-style-type: none"> <li>• Deployment of automated solutions utilizing robots</li> </ul> <b>Automated Warehouse</b> <ul style="list-style-type: none"> <li>• Expansion of sales network and expansion to other industries by strengthening collaboration with ESSEGI AUTOMATION S. r. l.</li> </ul>
Non-SMT	<b>Inspection and measurement</b> <ul style="list-style-type: none"> <li>• Strengthen sales to major EMS customers</li> <li>• Expanding business domains (automotive and parts processing inspection) in the visual inspection area in collaboration with XTIA</li> <li>• Expanding into the semiconductor field</li> </ul>

# 2-8. 2022 (Final Year of Value Up 2022): Investment Plan

2022=The year in which approximately 30 billion yen will be invested toward 2025 to strengthen business foundation supporting **growth**.

## Investment Plan (2022-2025)

**Capital Investment**  
6.9 billion yen

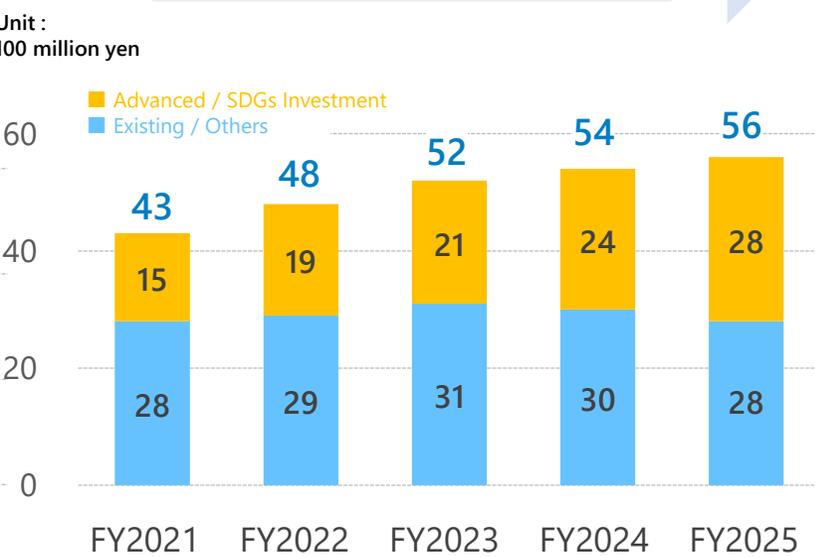
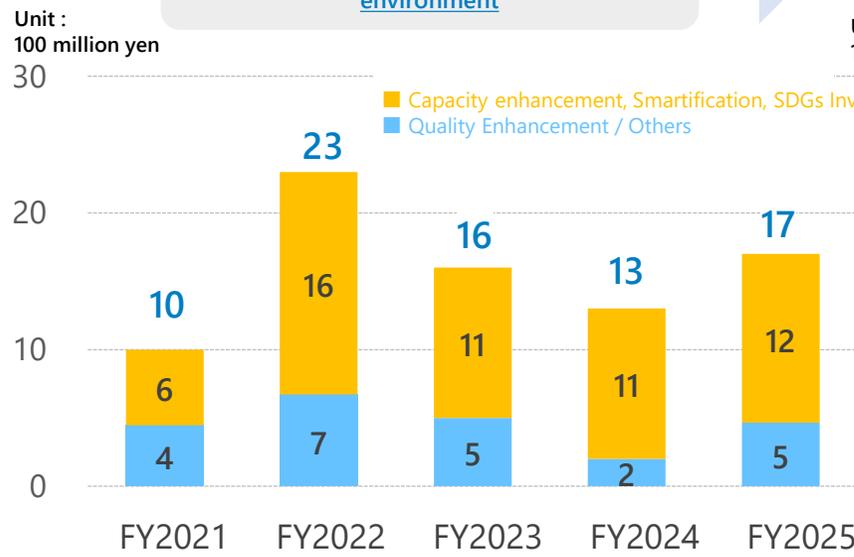
**Information System Investment**  
3.8 billion yen

**Development Investment**  
21 billion yen

Production equipment investment that enables flexible response to business environment

Development of information systems that support a new management structure

Investment in developing differentiated products and services



## 2-9. Key Initiatives in the Investment Plan (2022)

Division	Key Initiatives
Equipment Investment	<p><b>Skill Enhancement * 1</b></p> <ul style="list-style-type: none"> <li>Aiming to win projects in growth areas such as semiconductors, measuring instruments, electric vehicles and robots</li> <li><a href="#">Strengthening response capabilities at each group company</a></li> <li>Ex. JUKI Industrial Equipment Technology: Strengthen EMS business</li> <li>Otawara Factory: Expansion of precision equipment assembly business including microscopes and semiconductors</li> <li>JUKI Aizu: Significantly increase MIM (metal powder injection molding) production capacity</li> </ul> <p><b>Smartification</b></p> <ul style="list-style-type: none"> <li><a href="#">Making each factory smarter</a> by promoting automation and digitization of production factories</li> </ul> <p><b>SDGs Investment</b></p> <ul style="list-style-type: none"> <li>Introduction of FEMS in each factory / improvement of productivity / introduction of LED in Tama Head Office Building</li> <li><a href="#">Further reduction of CO2 emissions</a></li> </ul>
Information System Investment	<p><b>Strategic investment * 2</b></p> <ul style="list-style-type: none"> <li>Use of IT tools to <a href="#">improve the efficiency of settlement/order management</a> (Introduction of next-generation ERP / expansion of RPA)</li> </ul>
Development Investment	<p><b>Advanced Development * 3</b></p> <ul style="list-style-type: none"> <li><a href="#">Development of products and services utilizing advanced technologies</a> such as AI/5G/IoT</li> </ul> <p><b>SDGs Investment * 4</b></p> <ul style="list-style-type: none"> <li><a href="#">Development of sewing machines/mounters with low environmental impact</a> such as reduction of power consumption</li> <li><a href="#">Enhancement of remote services</a> such as ShuHaRi and e-learning</li> </ul>

\* Internal targets for FY2025

* 1	Core customer sales in group businesses		
	FY2021 2.1 billion yen	FY2022 4.3 billion yen	FY2025 7.5 billion yen
* 2	Indirect costs ratio by revenues.		
	FY2021 5%	FY2022 4%	FY2025 3%
* 3	Advanced investment ratio in development investment		
	FY2021 31%	FY2022 40%	FY2025 50%
* 4	SDGs-related investment ratio in development investment		
	FY2021 10%	FY2022 20%	FY2025 40%

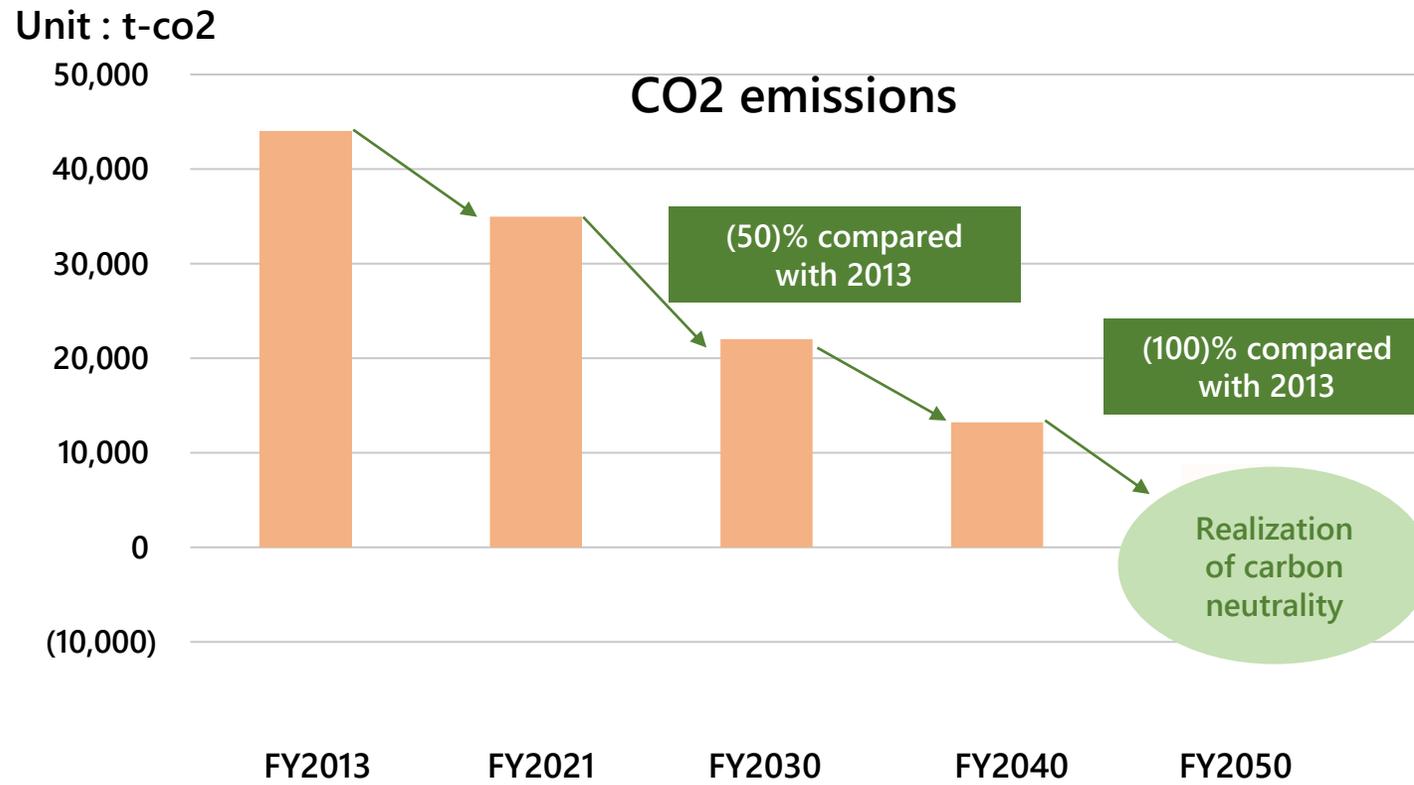
# 2-10. Initiatives for Achieving Carbon Neutrality



The JUKI Group has made further efforts to address the global environment including climate change

**Aiming to realize carbon neutrality by 2050 \* 1**

\* 1 Reduce CO2 emissions by 50% from 2013 levels by 2030 and by 100% from 2013 levels by 2050 (SCOPE1/2 target)

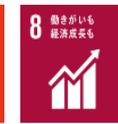


### Initiatives to reduce CO2 emissions

Production Equipment		<ul style="list-style-type: none"> <li>Switch to equipment with less environmental impact</li> <li>Switch to a smarter production system</li> </ul>
Buildings		<ul style="list-style-type: none"> <li>Visualization of energy load</li> <li>Promotion of switching to energy-saving equipment</li> </ul>
Power		<ul style="list-style-type: none"> <li>Replacement with renewable energy</li> </ul>
Absorption / Remove		<ul style="list-style-type: none"> <li>Use of carbon credits (Support for Afforestation Projects)</li> </ul>

\* In addition to the above, we will promote initiatives to reduce CO2 emissions throughout the JUKI supply chain, including the development of energy-saving and resource-saving products, the use of highly recyclable materials, the collection and recycling of used aircraft, and modal shifts in distribution

# 2-11. Initiatives to Make the Most of the Diversity of Individual Employees



In order to develop human resources capable of responding vigorously and flexibly to changes in the business environment in the new normal, the JUKI Group is promoting the creation of a system to further enhance the abilities of each and every employee while accepting differences in various values.

## Human Resource Education/Utilization

~ Increase added value ~

Career development plan system

October 2018 -

Specialized Employee System  
(utilization of experienced employees)

January 2017 -

Career recruitment system and group recruitment system

2018

Initiatives to be further strengthened

For the further advancement of women  
Action plan deployment

Global Human Resource Utilization System

## Work system

~ Initiatives in the new normal ~

Selective work system  
(Short working hours and three days weekend system)

April 2020 -

Remote work system

April 2020 -

Slide work system

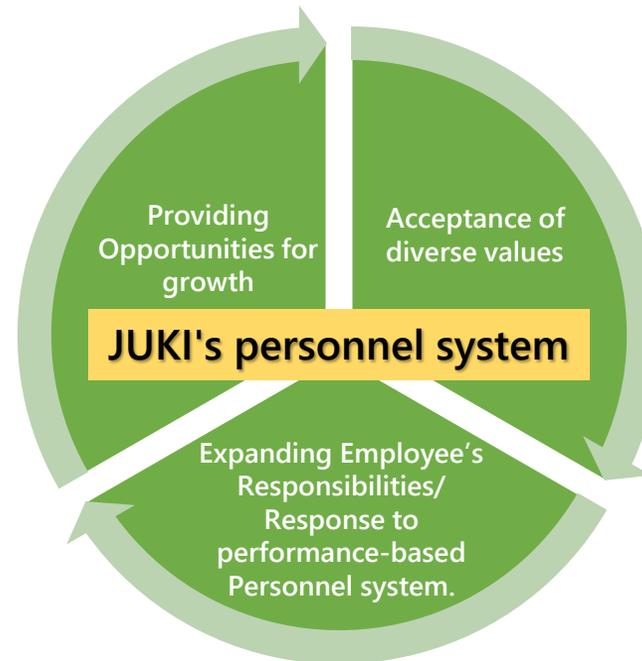
January 2019 -

Side job system

May 2020 -

In-house side job system  
(Internal support)

June 2021 -



## Salary system

Performance-based salary system

July 2021 -

Maximize organizational performance by leveraging the strengths of individuals, regardless of gender, age, or nationality

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

**JUKI CORPORATION**