(Reference Translation)

August 4, 2022

Summary of Financial Information and Business Results for the First Six Months of Fiscal Year 2022 Ending December 31, 2022 on a Consolidated Basis <under Japanese GAAP>

Company name:	**JUKI Corporation**
Listing:	Tokyo Stock Exchange
Securities code:	6440
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Scheduled date to file the quarterly securities report:	August 5, 2022
Scheduled date to commence dividend payments:	—
Preparation of supplementary material on quarterly financial results:	Yes
Holding of quarterly financial results presentation meeting:	Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first six months of fiscal year 2022 ending December 31, 2022 (January 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2022	58,577	24.4	1,558	(18.3)	1,581	(7.8)	846	(30.7)
June 30, 2021	47,098	54.4	1,908	–	1,716	–	1,221	–

Note: Comprehensive income
Six months ended June 30, 2022: 4,834 million yen [61.7%]
Six months ended June 30, 2021: 2,989 million yen [– %]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
June 30, 2022	28.87	–
June 30, 2021	41.70	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
June 30, 2022	152,151	39,696	25.8
December 31, 2021	129,114	35,672	27.3

Reference: Equity As of June 30, 2022 39,204 million yen
As of December 31, 2021 35,245 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2021	–	0.00	–	25.00	25.00
Fiscal year ending December 31, 2022	–	0.00			
Fiscal year ending December 31, 2022 (Forecast)			–	30.00	30.00

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

3. Consolidated earnings forecasts for the fiscal year 2022 ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal year ending December 31, 2022	116,000	14.5	5,300	37.0	5,000	45.4	3,100	43.9	105.82

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

* Notes

(1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common shares)

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

As of June 30, 2022	29,874,179 shares
As of December 31, 2021	29,874,179 shares

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

As of June 30, 2022	502,944 shares
As of December 31, 2021	579,433 shares

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

Six months ended June 30, 2022	29,327,503 shares
Six months ended June 30, 2021	29,295,198 shares

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

* Disclaimer regarding forward-looking statements

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

[Attached Material]

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1. Qualitative information regarding consolidated performance for the first six months

(1) Explanation regarding operating results

During the six months ended June 30, 2022, in the business environment surrounding the Company, the economy remained strong due to the easing of restrictions aimed at preventing the spread of the novel coronavirus disease (COVID-19) and the policies of various countries, as well as growth in industries in the new normal environment and new investment for the relocation of production bases. However, economic activity was constrained by lockdowns centered on Shanghai in China. In addition, the outlook remains uncertain mainly because the worldwide shortage of semiconductors and other parts, sharp increases in raw materials prices, logistics disruptions, and soaring freight rates are impacting product supply, procurement, and logistics costs.
Meanwhile, the acceleration of a technological revolution in the form of AI/IoT/5G, etc., and business developments due to changes in the market and customers following the COVID-19 pandemic and the fragmentation of supply chains, have created the need to build a new business model/management base in response to the new-normal environment, and competition with competitors is also intensifying. In addition, in response to the "sustainable development goals (SDGs)," efforts toward the realization of a sustainable society from a long-term perspective are further accelerating throughout society.
In light of these changes in the business environment, as the final year of the medium-term plan running through 2020-2022 and looking three years ahead to 2025, we are clarifying investment and returns in each business, introducing ROIC management aimed at actively investing in priority fields from a medium- and long-term perspective, and are working to maximize profits by curbing fixed costs through cost structural reforms and strengthening high value-added fields including through business field expansion driven by value-added structural reforms and the acquisition of new customers. At the same time, by strongly promoting the transformation of the business strategy and system strategy through our "6 Reforms (6 X)," we are aiming for qualitative change while accelerating the growth trajectory.

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

In the six months ended June 30, 2022, despite the impact of parts shortages, logistics disruptions, and lockdowns in China, efforts to develop supply chains, the development of company-wide sales activities such as capturing demand during market recoveries and expanding our share in growth fields led to net sales of 58,577 million yen (up by 24.4% year-on-year).
In terms of profits, the impact of increased sales and the depreciation of the yen was more than offset by forward-looking strategic investment costs aimed at capturing demand in growth fields and emerging markets as economic activity recovers and strengthening high value-added fields such as the use of alliances, as well as a fall in factory capacity utilization rates due to the impact of lockdowns in China and difficulty procuring parts, and sharp cost increases due to soaring parts prices and logistics costs. As a result, operating profit came to 1,558 million yen (down 18.3% year-on-year), ordinary profit was 1,581 million yen (down 7.8% year-on-year), and profit attributable to owners of parent stood at 846 million yen (down 30.7% year-on-year).
In the second half, we plan to enhance systems to flexibly handle production during times of emergency, accelerate logistics reforms such as a major reconstruction of supply chains and optimization of logistics bases, make further efforts to capture demand in growth fields and emerging markets, expand business areas, strengthen high value-added fields such as the use of alliances, and take other measures aimed at increasing sales. In addition, we will work to maximize profits through measures such as curbing increases in parts procurement costs, implementing pricing strategies that reflect increases in procurement and distribution costs, and strategically allocating fixed costs through cost structural reforms.

(Business overview by primary segment)
i) Sewing Machinery and Systems Business
Sales of industrial sewing machines were impacted by parts shortages, logistics disruptions, and lockdowns in China, but net sales for the Sewing Machinery and Systems Business as a whole were 39,350 million yen (up 35.7% year-on-year) thanks to efforts to develop supply chains, initiatives to capture the recovery in demand in the apparel market, and a rise in sales mainly in the Asian market.
In terms of profits, a decline in capacity utilization rates at factories due to lockdowns in China and difficulty procuring parts, and a sharp rise in costs due to soaring parts prices and logistics costs led to segment profit (ordinary profit) falling 97.5% year-on-year to 25 million yen.
In the second half, we plan to enhance systems to flexibly handle production during times of emergency, accelerate logistics reforms such as a major reconstruction of supply chains and optimization of logistics bases, make further efforts to capture demand in emerging markets, cultivate the non-apparel and knit fields by leveraging our alliances, and strengthen sales activities including smart solutions proposals. We aim to achieve sales and profit growth by curbing cost increases for parts procurement and implementing a price strategy that reflects procurement and logistics costs.

ii) Industrial Equipment and Systems Business
In the Electronics Assembly & Systems Businesses, sales rose in Europe, the US, and Asia but overall sales were soft due to lockdowns in China and delayed supply of new products to the market. However, sales were firm at Group Businesses such as contract manufacturing, mainly in Japan, partly due to a rise in demand for capital investment as customers moved to deal with supply chain fragmentation. As a result, net sales for the Industrial Equipment and Systems Business as a whole were 19,097 million yen (up 6.2% year-on-year).
In terms of profits, factors such as sales growth and the impact of yen depreciation resulted in segment profit (ordinary profit) rising 10.2% year-on-year to 1,246 million yen.
In the second half, in the Electronics Assembly & Systems Businesses, while strengthening initiatives to capture high-speed machine demand through introduction of a new product on a full scale and line proposals, we will work to increase overall segment sales and profit by more strongly promoting the expansion of business areas with high added value such as the non-SMT field, and further improvement of contract capacity in group businesses.

(2) Explanation regarding financial position

Assets, liabilities and net assets
Total assets as of June 30, 2022 were 152,151 million yen, an increase of 23,036 million yen compared to the previous fiscal year-end. This was mainly due to increases in accounts receivable - trade and inventories along with sales growth. Liabilities were 112,454 million yen, an increase of 19,012 million yen compared to the previous fiscal year-end. This mainly reflected an increase in borrowings. Net assets were 39,696 million yen, an increase of 4,023 million yen compared to the previous fiscal year-end. This was mainly due to an increase in foreign currency translation adjustment due to yen depreciation.

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

In the six months ended June 30, 2022, despite a rise in sales and an impact from the depreciation of the yen, forward-looking strategic investment costs aimed at capturing demand in growth fields and emerging markets as economic activity recovers, a fall in factory capacity utilization rates due to the impact of lockdowns in China and difficulty procuring parts, and sharp cost increases mainly due to soaring parts prices and logistics costs weighed on profits.
In the second half, we will work to maximize profits through measures such as curbing increases in parts procurement costs, implementing pricing strategies that reflect increases in procurement and distribution costs, and strategically allocating fixed costs through cost structural reforms.
As such, the Company has not changed the consolidated earnings forecasts for the fiscal year ending December 31, 2022, from the previously announced figures (announced on February 9, 2022).
The end-FY2022 dividend forecast also remains unchanged at 30.00 yen per share.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	6,594	9,264
Notes and accounts receivable - trade	34,099	–
Notes and accounts receivable - trade, and contract assets	–	40,890
Inventories	51,089	63,003
Other	3,341	3,669
Allowance for doubtful accounts	(319)	(387)
Total current assets	94,806	116,439
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,726	10,581
Land	6,322	6,317
Other, net	5,721	6,762
Total property, plant and equipment	22,770	23,661
Intangible assets	1,889	2,046
Investments and other assets		
Other	10,961	11,528
Allowance for doubtful accounts	(1,312)	(1,525)
Total investments and other assets	9,649	10,002
Total non-current assets	34,308	35,711
Total assets	129,114	152,151
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,917	15,688
Electronically recorded obligations - operating	5,913	4,467
Short-term borrowings	38,287	52,367
Income taxes payable	806	677
Provision for bonuses	34	42
Contract liabilities	–	991
Other	8,160	11,972
Total current liabilities	67,120	86,207
Non-current liabilities		
Long-term borrowings	19,386	19,481
Provision for retirement benefits for directors (and other officers)	36	35
Retirement benefit liability	5,273	5,159
Other	1,625	1,569
Total non-current liabilities	26,322	26,246
Total liabilities	93,442	112,454

(million yen)

	As of December 31, 2021	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	18,044	18,044
Capital surplus	1,990	1,972
Retained earnings	16,642	16,617
Treasury shares	(607)	(527)
Total shareholders' equity	36,070	36,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	496	401
Foreign currency translation adjustment	(1,484)	2,553
Remeasurements of defined benefit plans	163	142
Total accumulated other comprehensive income	(824)	3,097
Non-controlling interests	426	491
Total net assets	35,672	39,696
Total liabilities and net assets	129,114	152,151

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

Consolidated statement of income (cumulative)

(million yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Net sales	47,098	58,577
Cost of sales	34,237	42,992
Gross profit	12,860	15,584
Selling, general and administrative expenses	10,951	14,026
Operating profit	1,908	1,558
Non-operating income		
Interest income	24	24
Dividend income	91	93
Commission income	49	107
Reversal of allowance for doubtful accounts	22	14
Subsidy income	175	26
Other	270	267
Total non-operating income	633	534
Non-operating expenses		
Interest expenses	317	458
Foreign exchange losses	417	–
Other	90	52
Total non-operating expenses	826	511
Ordinary profit	1,716	1,581
Extraordinary income		
Gain on sale of non-current assets	5	4
Total extraordinary income	5	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	12	13
Loss on COVID-19	–	235
Total extraordinary losses	12	249
Profit before income taxes	1,708	1,337
Income taxes	464	424
Profit	1,244	912
Profit attributable to non-controlling interests	22	65
Profit attributable to owners of parent	1,221	846

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	1,244	912
Other comprehensive income		
Valuation difference on available-for-sale securities	123	(94)
Foreign currency translation adjustment	1,625	4,037
Remeasurements of defined benefit plans, net of tax	(4)	(21)
Total other comprehensive income	1,744	3,921
Comprehensive income	2,989	4,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,966	4,768
Comprehensive income attributable to non-controlling interests	22	65

(3) Consolidated statement of cash flows

(million yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,708	1,337
Depreciation	1,460	1,549
Increase (decrease) in allowance for doubtful accounts	(240)	232
Increase (decrease) in retirement benefit liability	54	(89)
Decrease (increase) in retirement benefit asset	(78)	(65)
Increase (decrease) in provision for bonuses	2	1
Interest and dividend income	(115)	(118)
Interest expenses	317	458
Foreign exchange losses (gains)	(22)	(91)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	7	9
Decrease (increase) in trade receivables	(3,473)	(2,286)
Decrease (increase) in inventories	(4,083)	(6,062)
Increase (decrease) in trade payables	5,072	(801)
Increase (decrease) in notes discounted	0	–
Other, net	(122)	(1,844)
Subtotal	486	(7,772)
Interest and dividends received	115	179
Interest paid	(320)	(458)
Income taxes refund (paid)	(475)	(827)
Net cash provided by (used in) operating activities	(193)	(8,879)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(451)	(1,022)
Proceeds from sale of property, plant and equipment and intangible assets	19	17
Other, net	(66)	27
Net cash provided by (used in) investing activities	(499)	(977)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(831)	12,855
Proceeds from long-term borrowings	3,840	4,860
Repayments of long-term borrowings	(4,654)	(4,944)
Purchase of treasury shares	(0)	(0)
Dividends paid	(583)	(729)
Other, net	(306)	(347)
Net cash provided by (used in) financing activities	(2,536)	11,693
Effect of exchange rate change on cash and cash equivalents	481	837
Net increase (decrease) in cash and cash equivalents	(2,747)	2,674
Cash and cash equivalents at beginning of period	13,820	6,566
Cash and cash equivalents at end of period	11,073	9,241

(4) Notes to quarterly consolidated financial statements

(Notes to premise of going concern)

No items to report.

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

No items to report.

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

Calculation of taxes
Taxes are calculated by reasonably estimating the effective tax rate after application of tax effect accounting to profit before income taxes for the fiscal year, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.
It should be noted that income taxes-deferred are included in income taxes.

Changes in Accounting Policies
(Application of Accounting Standard for Revenue Recognition and Its Implementation Guidance)
The Company has applied the "Accounting Standard for Revenue Recognition, etc." (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.
As a result, for some product sales transactions for which we had previously recognized revenue based on shipping standards, etc., we are changing to a method of recognizing revenue when the product arrives at or is inspected by the customer.
In addition, the Company applies the alternative treatment prescribed in paragraph 98 of the "Guidance on Accounting Standard for Revenue Recognition," and recognizes revenue at the time of shipment if the period between the time of shipment to the point of time when control of the product, etc. is transferred to the customer is a normal period for sales of domestic goods.
The application of the Accounting Standard for Revenue Recognition and its implementation guidance is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the start of the first quarter ended March 31, 2022, was added to or subtracted from the opening balance of retained earnings of the first quarter ended March 31, 2022, and thus the new accounting policy was applied from such opening balance.
As a result, net sales in the first six months of the fiscal year rose 506 million yen, cost of sales rose 282 million yen, and gross profit, operating profit, ordinary profit, and profit before income taxes each rose 223 million yen. The balance of retained earnings at the beginning of the period fell 140 million yen. For the 140 million yen decline in the balance of retained earnings at the beginning of the period, tax effect accounting is applied to the difference between the impact on net sales (decrease of 488 million yen) and on cost of sales (decrease of 286 million yen) when the new accounting policy is retroactively applied to the consolidated statement of income for the previous fiscal year (decrease of 202 million yen), and is deducted the amount of 61 million yen corresponding to the recording of deferred tax assets.
Due to the application of Accounting Standard for Revenue Recognition, etc., "notes and accounts receivable - trade" listed under current assets on the consolidated balance sheet in the previous fiscal year will be changed to "notes and accounts receivable - trade, and contract assets" from the first quarter of the current consolidated fiscal year. In addition, part of the "other" item listed under current liabilities will be included within "contract liabilities" from the first quarter of the current fiscal year. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous consolidated fiscal year have not been reclassified using the new presentation method.
Furthermore, information on the breakdown of revenue from contracts with customers in the first six months of the previous fiscal year has not been disclosed, as allowed by the transitional treatment

provided for in paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020).

(Application of Accounting Standard for Fair Value Measurement, Etc.)
The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This will not have an impact on quarterly consolidated financial statements.

(Additional information)
(Accounting estimates following the spread of COVID-19)
With regard to the effects of the spread of COVID-19, it is currently difficult to estimate these impacts, but based on external information we assume that the effects of the spread of COVID-19 will continue for the certain period of the fiscal year ending December 31, 2022, on which basis we have created accounting estimates related to such matters as judgments on impairment losses for non-current assets, and the recoverability of deferred tax assets.
However, this assumption is highly uncertain, and future results may differ from these estimates and assumptions.

(Changes in presentation)
(Consolidated statement of income)
In the six months ended June 30, 2022, the “commission income” that had previously been included in the “other” category of “non-operating income” exceeded 20% of total non-operating income, and thus has been presented as a separate item.
To reflect this change in presentation, the consolidated statement of income for the second quarter of the previous fiscal year has been reclassified.
As a result, in the consolidated statement of income for the second quarter of the previous fiscal year, the 320 million yen that had previously been presented as “other” in “non-operating income” has become “commission income” of 49 million yen and “other” of 270 million yen.

(Consolidated statement of income)
* Loss on COVID-19
Six months ended June 30, 2022
The Company recorded an extraordinary loss of 235 million yen in labor costs incurred due to lockdowns imposed in China to prevent the spread of COVID-19.

(Segment information, etc.)

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

Six months ended June 30, 2021 (January 1, 2021 to June 30, 2021) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	29,005	17,979	46,984	113	47,098	–	47,098
Inter-segment sales or transfers	363	62	426	210	637	(637)	–
Total	29,369	18,042	47,411	324	47,735	(637)	47,098
Segment profit	1,028	1,131	2,159	37	2,197	(481)	1,716

(Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.
2. Included in the 481 million yen deducted from segment profit as adjustment are a deduction of 0 million yen in inter-segment eliminations and a deduction of 481 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.
3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

Six months ended June 30, 2022 (January 1, 2022 to June 30, 2022) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery and Systems Business	Industrial Equipment and Systems Business	Total				
Net sales							
To external customers	39,350	19,097	58,447	130	58,577	–	58,577
Inter-segment sales or transfers	438	87	525	233	758	(758)	–
Total	39,788	19,184	58,972	363	59,336	(758)	58,577
Segment profit	25	1,246	1,272	19	1,292	289	1,581

(Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the building management business are classified.
2. Included in the 289 million yen deducted from segment profit as adjustment are a deduction of 9 million yen in inter-segment eliminations and a deduction of 298 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to any reportable segment and foreign exchange losses that have not been attributed to any reportable segment.
3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statement of income.

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

No items to report.

3. Matters related to changes in reporting segments, etc.

As noted in the changes in accounting policies, we have applied the Accounting Standard for Revenue Recognition, etc. from the start of the first quarter of the consolidated fiscal year, and due to the change in the accounting method for revenue recognition, the method for calculating net sales and profit for business segments has been changed in the same manner.
As a result of this change, compared to the previous method, in the six months ended June 30, 2022, Industrial Equipment and Systems Business net sales rose 506 million yen and profit rose 223 million yen.

(Revenue recognition)

Information on the breakdown of revenue from contracts with customers is as follows.
Six months ended June 30, 2022 (January 1, 2022 to June 30, 2022)

(million yen)

	Japan	Asia	China	Americas	Europe	Others	Total
Sewing Machinery and Systems Business	2,584	20,142	6,714	4,698	4,492	718	39,350
Industrial Equipment and Systems Business	5,342	3,662	5,527	2,783	1,573	208	19,097
Other Businesses	130	—	—	—	—	—	130
Total	8,056	23,804	12,242	7,482	6,065	926	58,577

(Note) Net sales are categorized into countries or regions based on the location of customers.

(Material subsequent events)

Established a joint venture company in the industrial sewing machines business

As announced on November 8, 2021, the Company, Mitsubishi Electric Corporation ("Mitsubishi Electric"), and Meiryo Technica Corporation ("Meiryo Technica") agreed to establish a joint venture company with the view to expanding their industrial sewing machine business in to the non-apparel industry. Following the announcement, April 25, 2022, of a small delay in the process, the three parties are now pleased to announce that the Performance of Contributions by the Company (80%) and Mitsubishi Electric (20%) for the establishment of the joint venture company has been fulfilled. As of July 1, 2022, Meiryo Technica, a corporation wholly owned by Mitsubishi Electric, has established "JUKI TECHNOSOLUTIONS CORPORATION" as a new joint venture company handling the industrial sewing machine business.

1. Purpose of establishment

   JUKI TECHNOSOLUTIONS CORPORATION will combine industrial sewing machine technologies, products and system lineups of the Company and Mitsubishi Electric to provide advanced and distinctive solutions to customers worldwide who are targeting the non-apparel industries such as automobile-related products and sports shoes. By differentiating itself in this way, JUKI TECHNOSOLUTIONS CORPORATION aims to become both the world's leader and the most powerful technology innovator in the non-apparel industry.

   The establishment of JUKI TECHNOSOLUTIONS CORPORATION will enable the overseas subsidiaries of the JUKI Group to take over the business assets of the Mitsubishi Electric Group's overseas industrial sewing machines business in each region, including human resources and product inventories. JUKI TECHNOSOLUTIONS CORPORATION will thereby strengthen the Company's ability to provide solutions and support to customers around the world.

2. Overview of the joint venture company

(1)	Company name	JUKI TECHNOSOLUTIONS CORPORATION
(2)	Address	Head office at 2-11-1, Tsurumaki, Tama-shi, Tokyo 206-8551, Japan Nagoya Office at 2039-1, Shimoi, Shimoi-cho, Owariasahi-shi, Aichi 488-0052, Japan
(3)	Description of business	Development, design, sales, after-sales service, etc. of industrial sewing machines
(4)	Capital stock, etc.	Capital stock 100 million yen, capital reserves 100 million yen
(5)	Date of establishment	July 1, 2022
(6)	Capital contribution ratio	JUKI 80%, Mitsubishi Electric 20%
(7)	Officers	Akira Kiyohara, Representative Director, Chairperson and CEO Masanori Awasaki, Representative Director, President and COO Takayuki Tsuzuki, Director (Senior General Manager, Nagoya Works, Mitsubishi Electric Corporation) Hiroshi Anzai, Director (Managing Officer, JUKI Corporation) Masahiko Suzuki, Audit & Supervisory Board Member
(8)	Number of employees	57 (excluding officers)