

**JUKI CORPORATION**  
Securities code: 6440

# **CONVOCAATION NOTICE**

# **OF THE 108<sup>TH</sup>**

# **ORDINARY GENERAL MEETING**

# **OF SHAREHOLDERS**

**Date and Time:** Tuesday, March 28, 2023, at 10:00 a.m.

**Place:** Multi-purpose Hall, 3rd floor of the East  
Tower of the Company's Head Office,  
2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan

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## Greetings

We would like to express our sincere gratitude to our shareholders for their understanding and support for the Company.

The Ordinary General Meeting of Shareholders will be held on Tuesday, March 28, 2023, and we hereby present the “Convocation Notice of the 108th Ordinary General Meeting of Shareholders.”

Within the business environment surrounding the Company, the economy remained solid due to a relaxation of behavioral regulations related to COVID-19 and the policies of individual countries, as well as new investments in growth industries and a relocation of production sites under the “New Normal” environment. On the other hand, economic activities were constrained by the activation of lockdowns centered on Shanghai in China and the Zero-Covid policy.

During the consolidated fiscal year under review, we conducted sales activities on a company-wide basis, which included capturing demand during the period of market recovery and expanding market shares in growth fields, while working to rebuild our supply chains. However, due to sluggish capital investment demand resulting from Zero-Covid policies in various regions of China and the postponement of purchases in the fourth quarter due to a deterioration of foreign currency conditions in emerging countries in Asia, net sales were 117.454 billion yen.

Although the depreciation of the yen affected sales, overseas material costs and expenses increased. In addition, while we continued to make strategic investments to capture demand in growth fields and emerging markets in line with the recovery in economic activity, there was a drop in plant utilization rates due to factors such as the lockdown of our plant in China during the first half of the fiscal year, and price rises in response to ongoing rises in raw material and logistics costs were delayed. We were also in the process of improving our high-value-added business portfolio. As a result, we experienced a significant decrease in income. The net loss for the fiscal year under review was 78 million yen, which was exceptionally challenging.

In the light of this performance, the year-end dividend will be reduced by 5 yen per share to 20 yen. We would ask our shareholders for their understanding.

Under these circumstances, we formulated the new “Medium-term Management Plan 2023-2025” with this fiscal year set as the first year. Through the Six Transformations (6X), we will continue to “maintain and expand our customer base by transforming the value-added structure,” “transform the cost structure,” and “transform our people/culture through behavioral reforms.” We will also make concerted efforts to achieve a recovery in business performance.

We look forward to the continued support and understanding of our shareholders.

Shinsuke Uchinashi  
Representative Director, President & COO

These documents have been translated from Japanese originals for reference purposes only.  
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. JUKI CORPORATION assumes no responsibility for these translations or for direct, indirect or any other forms of damages arising from the translations.

Securities code: 6440

March 6, 2023

(Commencement Date of Electronic Provision System: February 28 2023)

**To All Shareholders:**

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

**CONVOCAION NOTICE OF  
THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce the 108th Ordinary General Meeting of Shareholders (the “Meeting”) of JUKI CORPORATION (the “Company”) to be held as indicated below.

An electronic provision system is adopted for convening this General Meeting of Shareholders, and the “Convocation Notice of the 108th Ordinary General Meeting of Shareholders” is posted on the following website on the Internet.

Website of the Company  
<https://www.juki.co.jp/en/ir/library/>

The “Convocation Notice of the 108th Ordinary General Meeting of Shareholders” is available on the Tokyo Stock Exchange (TSE) website in addition to the above website. Please access the TSE website (Listed Company Search) below, enter “JUKI” in the “Issue name (company name)” or the Company’s security code “6440” in “Code,” and click “Search,” and then click “Basic information” and “Documents for public inspection/PR information.”

TSE website  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In addition to attending the meeting, you can exercise your voting rights via the Internet or in writing. Please review the Reference Materials for the Ordinary General Meeting of Shareholders listed in the “Convocation Notice of the 108th Ordinary General Meeting of Shareholders,” refer to the “Instructions on Exercise of Voting Rights” below, and exercise your voting rights by 6:00 p.m. on Monday, March 27, 2023.

Thank you very much for your cooperation.

1. **Date and Time:** Tuesday, March 28, 2023, 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 108th Fiscal Year (January 1, 2022 to December 31, 2022), 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 108th Fiscal Year (January 1, 2022 to December 31, 2022)

**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 1 Audit & Supervisory Board Member
- Fifth proposal:** Election of 2 Substitute Audit & Supervisory Board Members

[Matters Decided upon Convening Shareholders Meeting]

- If voting rights are exercised in duplicate via the Voting Right Exercise Form and the Internet, the contents of the exercise of voting rights via the Internet will be treated as valid.
- In the event voting rights are exercised more than once via the Internet, the contents of voting rights most recently exercised will be treated as valid.
- In the event there is no indication of approval or disapproval of a proposal in the Voting Right Exercise Form, it will be treated as if the proposal has been affirmed.

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- If you plan to attend the Meeting, please submit the Voting Right Exercise Form to the receptionist at the Meeting.
  - In accordance with the provisions of laws and regulations and the provisions of Article 16, Paragraph 2 of the Articles of Incorporation of the Company, the notes to consolidated financial statements and the notes to non-consolidated financial statements are not included in this document. (These notes are posted on the website of the Company.)
  - In the event of any amendment to the "Convocation Notice of the 108th Ordinary General Meeting of Shareholders," details of such amendment will be posted on each of the websites listed.

## **Instructions on Exercise of Voting Rights**

Please refer to the “Reference Materials for the Ordinary General Meeting of Shareholders” in the Convocation Notice of the 108th Ordinary General Meeting of Shareholders 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 Tuesday, March 28, 2023**

### **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. In the event there is no indication of approval or disapproval of a proposal in the Voting Right Exercise Form, it will be treated as if the proposal has been affirmed.

**Deadline: To be received no later than 6:00 p.m. on Monday, March 27, 2023**

#### **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 Monday, March 27, 2023**

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 Monday, March 27, 2023**

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)

## Reference Materials for the Ordinary General Meeting of Shareholders

### Proposals and Reference Information

#### First proposal: Appropriation of Surplus

The Company's basic policy on profit distribution is to endeavor to enhance returns to shareholders through stable dividends, while comprehensively considering factors such as internal reserves for aggressive investments in capital, development, and information systems, in order to build a solid business foundation for the future, in addition to the results for the fiscal year under review.

With regard to the year-end dividend for the fiscal year under review, we recorded a net loss for the fiscal year under review, but we anticipate a recovery in performance in the next fiscal year. Based on the above policy, we implement the following from the viewpoint of stable dividends.

#### Year-end dividend

**(1) Type of dividend assets**

Cash

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

Payment of 20.00 yen per share of common shares

Total amount of dividends: 587,423,260 yen

**(3) Effective date of distribution of surplus**

March 29, 2023

## Second proposal: Partial Amendment to the Articles of Incorporation

### 1. Reason for the proposal

Within the context of SDGs management, the following business is added to Article 3 (Purpose) in order to promote the business for recycling used equipment.

### 2. Details

Details of the amendments are as follows:

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 3 The purpose of the Company is to engage in the following business activities: 1 to 22 (Omitted) (Newly established) <u>23.</u> Any and all other businesses related to each of the preceding items	(Purpose) Article 3 The purpose of the Company is to engage in the following business activities: 1 to 22 (No change) <u>23. Sale and purchase of secondhand articles</u> <u>24.</u> Any and all other businesses related to each of the preceding items



### 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 3 Outside Directors) is proposed.

The candidates for Directors are as follows, and their career summaries and the reasons for their nomination are provided in the following pages.

No.		Name	
1	Reelection	Akira Kiyohara	
2	Reelection	Shinsuke Uchinashi	
3	Reelection	Kazumi Nagasaki	Outside Independent
4	Reelection	Yutaka Hori	Outside Independent
5	New election	Junko Watanabe	Outside Independent

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Akira Kiyohara (November 26, 1951)</p> <p style="text-align: center;">Attendance at Board of Directors meetings in FY 2022: 12/12</p>	<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</p> <p>July 2022       Representative Director, Chairman and CEO, and Representative Director, Chairman and CEO of JUKI AUTOMATION SYSTEMS CORPORATION, and Representative Director, Chairperson and CEO of JUKI TECHNOSOLUTIONS CORPORATION (Present)</p>	62,858 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)  Attendance at Board of Directors meetings in FY 2022: 12/12	April 1979	Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)	39,550 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)			
[Reasons for nomination as candidate for Director] 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. He has served as an assistant to the President as a Representative Director since 2020 and as Representative Director, President and COO since January 2021. The Company determined that we can expect him to strengthen the Group’s business foundation over the medium to long term.				
3	Reelection Outside Independent  Kazumi Nagasaki (May 28, 1951)  Attendance at Board of Directors meetings in FY 2022: 12/12	April 1976	Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)	0 shares
		November 1998	General Manager of Production System Development Dept., ditto	
March 2003	Plant Manager of Kumamoto Plant, ditto			
January 2005	Plant Manager of Yokohama Plant, ditto			
July 2005	Manager of Chemical and Industrial Products Production Div., ditto			
July 2008	President of Bridgestone EMK Co., Ltd.			
January 2014	Director Senior Advisor, ditto			
February 2014	Senior Advisor, ditto			
March 2014	Director of the Company (Present)			
[Reasons for nomination as candidate for Outside Director and outline of expected roles] Mr. Kazumi Nagasaki has served as Outside Director of the Company since 2014, and his term of office will have been nine 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.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Reelection Outside Independent</p> <p>Yutaka Hori (October 5, 1949)</p> <p>Attendance at Board of Directors meetings in FY 2022: 11/12</p>	<p>April 1979 Registered as an attorney (Dai-ichi Tokyo Bar Association)</p> <p>December 1989 Representative attorney of Hori &amp; Associates Law Office (currently Hori &amp; Partners) (Present)</p> <p>June 1999 Lecturer at 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 seven 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>			
5	<p>New election Outside Independent</p> <p>Junko Watanabe (May 26 1957)</p> <p>Attendance at Board of Directors meetings in FY 2022: 12/12</p>	<p>April 1980 Joined Fujibank Limited (currently Mizuho Bank, Ltd.)</p> <p>June 2003 General Manager of Hiyoshi Branch, Mizuho Bank, Ltd.</p> <p>February 2006 General Manager of Oji Branch, ditto</p> <p>April 2008 General Manager of Diversity Promotion Office, Human Resources Dept., ditto</p> <p>August 2010 Resigned from Mizuho Bank, Ltd</p> <p>September 2010 Executive Officer of Mizuho Research Institute Ltd.</p> <p>March 2014 Resigned from Mizuho Research Institute Ltd.</p> <p>April 2014 Joined Joban Kosan Co., Ltd., Executive Officer</p> <p>March 2020 Outside Audit &amp; Supervisory Board Member of the Company (Present)</p> <p>June 2020 Managing Director of Joban Kosan Co., Ltd.</p> <p>June 2022 Audit &amp; Supervisory Board Member (Outside) of KYB Corporation (Present)</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Director and outline of expected roles]</p> <p>The Company determined that she is an appropriate person to serve as Outside Director because she can be expected to play a role in appropriately providing pertinent advice and making decisions based on her extensive experience and knowledge in diversity management and business management, as well as her deep insights and supervisory capabilities in corporate management as a corporate manager.</p>			

- (Notes)
- None of the above candidates for Directors have any special interest with the Company.
  - Mr. Kazumi Nagasaki, Mr. Yutaka Hori and Ms. Junko Watanabe are candidates for Outside Directors and are independent officers as specified by the Tokyo Stock Exchange. Ms. Junko Watanabe's term of office as an Outside Audit & Supervisory Board Member of the Company will have been three years at the conclusion of this Ordinary General Meeting of Shareholders.
  - 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. In the event that Ms. Junko Watanabe is elected as an Outside Director, we plan to conclude the relevant agreement again.
  - 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 was executed on July 25, 2022, and we plan to renew it on the same terms and conditions at the next renewal after one year.

(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	Manufac- ring /Quality control /Research and develop- ment	Environ- ment /Society	Human resources and labor relations /Human resource develop- ment
Akira Kiyohara		○	○	○	○	○		○	○
Shinsuke Uchinashi		○	○	○			○	○	
Kazumi Nagasaki	○	○	○				○	○	○
Yutaka Hori	○	○		○	○			○	○
Junko Watanabe	○	○	○			○		○	○

(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 1 Audit & Supervisory Board Member

Audit & Supervisory Board Member, Ms. Junko Watanabe will resign at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed.

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

The candidate for Audit & Supervisory Board Member is as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	New election Outside Independent  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 &amp; Myers LLP, Associate</p> <p>September 2014      Received Magister Juris (MJur) from University of Oxford</p> <p>January 2016      Counsel of O' Melveny &amp; 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.</p> <p>June 2022      Outside Director of Hokuetsu Corporation (Present)</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>The Company determined that Ms. Hiroko Nihei is an appropriate person as Outside Audit &amp; Supervisory Board Member, because the Company can expect her to be capable of appropriately providing advice and conducting audits on matters such as compliance based on her vast experience in legal matters such as international commerce, etc. and the legal expertise she has built up as an attorney in addition to the perspective of promotion of diversity.</p>			

- (Notes) 1. The above candidate for Audit & Supervisory Board Member does not have any special interest with the Company.
2. The candidate is a candidate for Outside Audit & Supervisory Board Member, is an independent officer as stipulated by the Tokyo Stock Exchange, Inc., and is a substitute Audit & Supervisory Board Member of the Company until the beginning of this Ordinary General Meeting of Shareholders.
3. The candidate will be elected as a substitute for Ms. Junko Watanabe, the resigning Audit & Supervisory Board Member, and the term of office will expire at the conclusion of the 109th Ordinary General Meeting of Shareholders to be held in March 2024 in accordance with Article 34 of the Articles of Incorporation of the Company.
4. The Company plans to conclude a "Contract for Limitation of Liability" with the candidate 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 if the candidate is elected in accordance with the original proposal. The maximum amount of liability under said contracts is the amount provided for in the applicable laws and regulations.
5. 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 was renewed on July 25, 2022 under the same terms and conditions as the previous insurance, and we plan to renew it on the same terms and conditions at the next renewal after one year.

### Fifth 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. Hirofumi Gotoh 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 &amp; 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>	20,733 shares
<p>[Reasons for nomination as candidate for substitute Audit &amp; Supervisory Board Member]</p> <p>Mr. Hirofumi Gotoh assumed office as Full-time Audit &amp; 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>			
2	Shuichi Inoue (May 4, 1950)	<p>April 1974      Joined Tokio Marine &amp; Fire Insurance Co., Ltd. (currently Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.)</p> <p>June 2001      General Manager of Financial Planning Dept., Financial Division, ditto</p> <p>October 2004    General Manager of Financial Planning Dept., ditto and Counselor of Tokio Marine Holdings, Inc.</p> <p>June 2006      Executive Officer and General Manager of Financial Planning Dept., ditto</p> <p>June 2007      Retired as Executive Officer, ditto</p> <p>June 2007      Full-time Audit &amp; Supervisory Board Member of Tokio Marine &amp; Nichido Life Insurance Co., Ltd.</p> <p>June 2013      Retired as Full-time Audit &amp; Supervisory Board Member, ditto</p>	0 shares
<p>[Reasons for nomination as candidate for substitute Audit &amp; Supervisory Board Member]</p> <p>Mr. Shuichi Inoue has extensive experience in corporate finance and accounting. The Company determined that Mr. Shuichi Inoue is an appropriate person because he can be expected to provide pertinent advice and audits on the Company’s overall management based on his extensive experience and wide-ranging knowledge as a corporate auditor.</p>			

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

2. Mr. Hirofumi Gotoh is a substitute for Audit & Supervisory Board Member other than Outside Audit & Supervisory Board Member, and Mr. Shuichi Inoue is a substitute for Outside Audit & Supervisory Board Member.
3. Mr. Shuichi Inoue satisfies the requirements for an independent officer specified by the Tokyo Stock Exchange. Upon the approval of the election of Mr. Shuichi Inoue in this proposed resolution and his assuming office as Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning his appointment as an independent officer.
4. Upon the approval of the election of Mr. Shuichi Inoue in this proposed resolution and his assuming office as Outside Audit & Supervisory Board Member, the Company will conclude a “Contract for Limitation of Liability” with him for the purpose of limiting his 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.
5. 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.
6. The Company may cancel the election of substitute Audit & Supervisory Board Members before they assume office as Audit & Supervisory Board Members.



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

### (1) Business Progress and Results

Within the business environment surrounding the Company, the economy remained solid due to a relaxation of behavioral regulations related to COVID-19 and the policies of individual countries, as well as new investments in growth industries and a relocation of production sites under the “New Normal” environment. On the other hand, economic activities were constrained by the activation of lockdowns centered on Shanghai in China and the Zero-Covid policy. In addition, the worldwide shortage of parts, including semiconductors, and the disruption of logistics continued to affect product supplies.

During the consolidated fiscal year under review, we conducted sales activities on a company-wide basis, which included capturing demand during the period of market recovery and expanding market shares in growth fields, while working to rebuild our supply chains. However, due to sluggish capital investment demand resulting from Zero-Covid policies in various regions of China and the postponement of purchases in the fourth quarter due to a deterioration of foreign currency conditions in emerging countries of Asia, net sales were 117.454 billion yen (year-on-year increase of 16.0%).

Although the depreciation of the yen affected sales, overseas material costs and expenses increased. In addition, while we continued to make strategic investments to capture demand in growth fields and emerging markets in line with the recovery in economic activity, there was a drop in plant utilization rates due to factors such as the lockdown of our plant in China during the first half of the fiscal year, and price rises in response to ongoing rises in raw material and logistics costs were delayed. We were also in the process of improving our high-value-added business portfolio. As a result, operating profit was 2.858 billion yen (year-on-year decrease of 26.1%), ordinary profit was 1.163 billion yen (year-on-year decrease of 66.2%), and loss attributable to owners of parent was 78 million yen (profit of 2.154 billion yen in the same period of the previous fiscal year).

(Circumstances by Segment)

Business results by major segment are as follows:

1) Sewing Machinery and Systems Business Segment

In the industrial sewing machine business, although sales increased mainly in the Asian market as a result of efforts to capture a recovery in demand in the apparel market and develop supply chains, overall sales in the Sewing Machinery and Systems Business were 79.937 billion yen (year-on-year increase of 26.5%) due to the impacts of the Zero-Covid policy in various regions of China and the postponement of purchases in the fourth quarter due to a deterioration of the foreign currency situation in emerging countries of Asia.

Despite overall sales growth, segment profit (ordinary profit) was 119 million yen (year-on-year decrease of 92.1%), which was caused by factors such as a decrease in the factory utilization rate due to lockdowns at the plant in China in the first half, etc., delays in price increases in response to increases in various costs, and the progress of improvements to the high-value-added business portfolio.

2) Industrial Equipment and Systems Business Segment

In industrial equipment, sales declined due to sluggish capital investment demand resulting from the impacts of the Zero-Covid policy in China. On the other hand, sales of the Group business, mainly domestic, such as contract processing, were solid, partly due to rising demand for capital investment, such as responses to the segmentation of supply chains of customers. As a result, net sales of the Industrial Equipment and Systems Business as a whole were 37.253 billion yen (year-on-year decrease of 1.5%).

Segment profit (ordinary profit) was 1.942 billion yen (year-on-year decrease of 32.2%) due to a significant decrease in sales of industrial equipment in the second half of the fiscal year and continued strategic investments.

**(2) Capital Investments**

Capital investment totaling 2,998 million yen was disbursed in FY 2022, including 830 million yen for machinery, equipment, and vehicles, 704 million yen for software, and 509 million yen for tools, furniture, and fixtures.

**(3) Acquisition or Disposition of Shares or Other Equity Interests or Share Options, etc. of Other Companies (Including Foreign Companies)**

On July 1, 2022, the Company acquired 80% of the shares of JUKI TECHNOSOLUTIONS CORPORATION, making it a consolidated subsidiary. On September 30, 2022, the Company acquired 19.56% of the shares of AIMECHATEC, Ltd., making it an equity-method affiliate.

**(4) Financing**

Financing for FY 2022 was arranged using the Group's own funds and borrowings from financial institutions, etc.

**(5) Issues to Address**

(Acknowledgement of business environment)

The business environment surrounding the Company may be affected by continued turmoil caused by interest rate increases in the United States and other major countries, as well as the Russian invasion of Ukraine. On the other hand, global economic growth is expected to lead to a recovery in demand for capital expenditures by customers in the automotive and IoT sectors, although there are variations among regions and industries, due to the shift in China's Zero-Covid policies. At the same time, technological innovations such as AI/IoT/5G and new business development due to changes in market/customers in markets coexisting with Covid are accelerating, requiring the construction of new business models/management bases in response to such a "New Normal" environment. In response to "Sustainable Development Goals (SDGs)," society as a whole is accelerating its efforts to realize a sustainable society from a long-term perspective.

## Acknowledgement of business environment (Risks and opportunities)

Risks	External environment	<ul style="list-style-type: none"> <li>- Interest rate increases in major countries</li> <li>- Continued turmoil caused by the Russian invasion of Ukraine</li> </ul>
	Competitive environment	<ul style="list-style-type: none"> <li>- Intensification of proposals from companies to customers to convert to smart factories</li> <li>* Increased pace of companies from different industries entering the market</li> </ul>
Opportunities	External environment	<ul style="list-style-type: none"> <li>- Shift in China's Zero-Covid policies</li> <li>- Recovery in demand for capital expenditures in the automotive and IoT sectors</li> <li>- Acceleration of technological innovations such as AI/IoT/5G</li> <li>- Changes in market and clients in the perspective of an era of living with COVID-19</li> </ul>
	In-house environment	<ul style="list-style-type: none"> <li>- Construction of new business models/management bases in response to such a "New Normal" environment</li> <li>- Efforts to realize a sustainable society</li> </ul>

### (New Medium-term Management Plan)

In the light of these changes within the business environment, the Company formulated the new "Medium-term Management Plan 2023-2025," which covers the period from 2023 to 2025, based on the long-term vision of being "a global and innovative 'manufacturing and value-creation' company that survives the 21st century."

Under the new "Medium-term Management Plan 2023-2025," the Company upholds as the vision for 2025, "By delivering good impressions and peace of mind to customers, JUKI remains a company that customers select as a solution partner. And by practicing ESG management, we also aim to be a company that society needs and trusts." We will steadily realize measures centered on Six Transformations (6X), with the management priorities of "maintaining and expanding our customer base by transforming the value-added structure," "improving capital efficiency through cost structure transformation," and "transforming human resources/culture through behavioral reforms."

\* Six Transformations (6X)

1) Borderless X: Developing markets with high growth potential and customers. 2) Business Model X: Further expanding business areas and creating new businesses. 3) SDGs Management X: Realizing "Sustainable" management. 4) R&D Model X: Developing products and services with high use value. 5) Workstyle Reform X: Enhancing production and management operations frameworks. 6) Financial Strength X: Enhancing shareholders' equity and improving asset efficiency by strengthening financial position.

### (Numerical targets for the Medium-term Management Plan)

In terms of specific numerical targets, the Company will systematically improve earnings by strengthening the earnings base and reviewing fixed cost levels, and aim for net sales of 160 billion yen and ordinary profit of 10 billion yen in fiscal 2025. In the business portfolio, the Company aims to achieve continuous business sales growth centered on an expansion of business domains in the priority fields of each business. In terms of profits, the Company will strive to improve profitability by expanding high-value-added fields, such as industrial equipment and customer businesses.

Regarding the forecasted business results for the next full fiscal year, net sales are 127 billion yen and ordinary profit is 3 billion yen, and we plan a year-end dividend of 25 yen per share.

### (ESG management)

As a company, we are committed to achieving sustainable societies and sustained growth by incorporating various solutions for sustainability issues and thoroughly implementing management that emphasizes ESG perspectives.

#### ◎ Sustainability policy

We will realize a sustainable society by continuously creating and providing products and services that benefit society based on the "heartfelt technology and customer-first principle," which is the spirit of our corporate slogan "Mind & Technology."

#### ◎ Promotion system

The Sustainability Promotion Committee was newly established in August 2022. Chaired by the Chairman and CEO, it deliberates and decides on policies, plans, and measures related to sustainability, manages progress, and makes reports and proposals to the Board of Directors.

© Commitment

[Realization of carbon neutral]

<Target for reducing CO2 emissions>

We will reduce CO2 emissions by 50% from the level of 2013 by 2030 and by 100% from the level of 2013 by 2050 (subject to SCOPE 1/2).

[Acceptance of TCFD Proposal]

The Company endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board and has announced its participation in the “TCFD Consortium” organized by corporations that endorse TCFD recommendations in July 2022.

We are committed to addressing these issues in a unified manner throughout the Group and striving to meet the expectations of shareholders. We look forward to your continued support and guidance.

## (6) Changes in Assets and Profit (Loss)

### 1) Group

(million yen, except for per share amounts)

Item	The 105th fiscal year ended December 31, 2019	The 106th fiscal year ended December 31, 2020	The 107th fiscal year ended December 31, 2021	The 108th fiscal year ended December 31, 2022
Net sales	99,169	70,401	101,292	117,454
Ordinary profit (loss)	2,941	(3,957)	3,439	1,163
Profit (loss) attributable to owners of parent	1,763	(4,688)	2,154	(78)
Basic earnings (loss) per share	¥60.20	¥(160.04)	¥73.55	¥(2.66)
Total assets	114,715	110,230	129,114	145,169
Net assets	37,752	31,368	35,672	37,482
Net assets per share	¥1,264.28	¥1,059.32	¥1,203.14	¥1,250.84

- (Notes) 1. 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. We have applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. since the beginning of the 108th fiscal year.

### 2) Company

(million yen, except for per share amounts)

Item	The 105th fiscal year ended December 31, 2019	The 106th fiscal year ended December 31, 2020	The 107th fiscal year ended December 31, 2021	The 108th fiscal year ended December 31, 2022
Net sales	50,988	28,326	49,474	61,565
Ordinary profit (loss)	1,430	(2,914)	738	2,017
Profit (loss)	1,202	(2,806)	446	1,856
Basic earnings (loss) per share	¥41.05	¥(95.81)	¥15.24	¥63.24
Total assets	89,045	86,531	96,765	105,175
Net assets	31,670	28,135	28,009	29,181
Net assets per share	¥1,081.06	¥960.41	¥956.12	¥993.56

- (Notes) 1. 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. We have applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. since the beginning of the 108th fiscal year.

**(7) 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, and others
JUKI TECHNOSOLUTIONS CORPORATION	100	80%	–	Sales of sewing machinery
JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	300	100%	–	Manufacture and sales of mounters, inspection 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	22.7%	77.3%	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, 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.

**(8) 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

**(9) 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 TECHNOSOLUTIONS 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
JUKI (VIETNAM) CO., LTD.	Head Office	Ho Chi Minh, Vietnam
JUKI (LANGFANG) INDUSTRIAL CO., LTD.	Head Office and Plant	Hebei Province, China

**(10) Employees**

## 1) Group

(As of December 31, 2022)

Segment	Number of employees	Change from previous fiscal year-end
Sewing Machinery and Systems Business Unit	3,076	(62)
Industrial Equipment and Systems Business Unit	1,819	33
Other business	104	3
Corporate headquarters (common)	231	1
Total	5,230	(25)

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

## 2) Company

(As of December 31, 2022)

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
834	4 persons increased	44.5 years old	17.7 years

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

**(11) Major Creditors and Balance of Borrowings**

(As of December 31, 2022)

Creditor	Balance of borrowings (million yen)
Mizuho Bank, Ltd.	25,629
Sumitomo Mitsui Trust Bank, Limited	11,036
The Hiroshima Bank, Ltd.	6,346
Mizuho Trust & Banking Co., Ltd.	6,035
Development Bank of Japan Inc.	5,821
The Shoko Chukin Bank, Ltd.	4,136



## 2. Status of Shares (As of December 31, 2022)

- (1) **Total Number of Authorized Shares** 80,000,000 shares
- (2) **Total Number of Issued Shares** 29,874,179 shares  
(including 503,016 treasury shares)
- (3) **Number of Shareholders** 16,717 persons
- (4) **Major Shareholders (Top 10)**

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,786	12.89
Custody Bank of Japan, Ltd. (Trust Account)	968	3.30
Mizuho Bank, Ltd.	938	3.19
Nippon Life Insurance Company	732	2.49
Asahi Mutual Life Insurance Company	569	1.94
The Dai-ichi Life Insurance Company, Limited	511	1.74
DFA INTL SMALL CAP VALUE PORTFOLIO	491	1.67
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	472	1.61
Meiji Yasuda Life Insurance Company	460	1.57
Mizuho Trust & Banking Co., Ltd.	401	1.37

(Note) The shareholding ratio is calculated by means of deducting treasury shares (503,016 shares) from the number of the issued shares.

### (5) The status of shares delivered to officers as a consideration for the execution of duties during the relevant fiscal year

Details of stock-based remuneration delivered during the current fiscal year are as follows.

	Number of shares	Number of persons subject to delivery
Directors (excluding Outside Directors)	28,564 shares	3 persons
Executive Officers and managers	36,212 shares	18 persons

(Note) In addition to the above, 12,100 shares were delivered to seven Directors, Executive Officers, and managers of JUKI AUTOMATION SYSTEMS CORPORATION, a subsidiary of the Company, as a consideration for the execution of their duties.

### 3. Company Officers

#### (1) Directors and Audit & Supervisory Board Members

(As of December 31, 2022)

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 and Representative Director Chairperson & CEO of JUKI TECHNOSOLUTIONS CORPORATION
Representative Director President & COO	Shinsuke Uchinashi	“In charge of Sewing Machinery and Systems Business Unit,” and Executive Unit Officer of Sewing Machinery and Systems Business Unit	
Director and Executive Vice President	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 and Audit & Supervisory Board Member of JUKI TECHNOSOLUTIONS CORPORATION
Audit & Supervisory Board Member	Masato Tanaka		Attorney Appeal Examination Counselor of the Japan Patent Office
Audit & Supervisory Board Member	Junko Watanabe		Audit & Supervisory Board Member (Outside) of KYB Corporation

- (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. Audit & Supervisory Board Members Mr. Masato Tanaka and Ms. Junko Watanabe are independent officers as specified by the Tokyo Stock Exchange.
5. 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

At a meeting of the Board of Directors held on February 9, 2023, the Company resolved the policy for determining details of remuneration, etc. for individual Directors. Details of the determination policy are 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.

Directors' remuneration, etc. consists of "monthly remuneration (fixed remuneration)" and "performance-linked remuneration (bonus)," as well as "restricted stock-based remuneration."

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. In addition, in connection with restricted stock-based remuneration, with the aim of further promoting the sharing of value with shareholders, the Company will determine the allocation of shares in quantities according to job responsibilities each fiscal year after evaluating job responsibilities. Consolidated ordinary profit of the fiscal year stood at 1,163 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.

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 addition, with regard to remuneration, etc. for individual Directors for the current fiscal year, the Board of Directors has confirmed that the method for determining the contents of remuneration, etc. and the contents of remuneration, etc. determined are consistent with the determination policy resolved by the Board of Directors based on the report by the said committee and judged that these are in line with the relevant 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.

In addition, it was resolved at the 107th Ordinary General Meeting of Shareholders held on March 28, 2022 that, within the scope of remuneration, etc. above, the annual amount of restricted stock-based remuneration shall be 50 million yen or less, and the maximum number of shares shall be 100,000 with respect to Directors other than Outside Directors. The number of Directors excluding Outside Directors as of the conclusion of the General Meeting of Shareholders was three.

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)	Stock-based remuneration	
Director (Outside Director)	163 (16)	129 (16)	17 (-)	17 (-)	5 (2)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	30 (13)	30 (13)	- (-)	- (-)	3 (2)
Total amount (Outside Officer)	193 (30)	159 (30)	17 (-)	17 (-)	8 (4)

(Note) The above stock-based remuneration represents the amount recorded in the current fiscal year as expenses for restricted stock-based remuneration.

(5) Outside Officers

1) Significant concurrent positions

Significant concurrent positions held by outside officers are as described on page 26. 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 2022, 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 11 Board of Directors' meetings held in FY 2022. 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 2022; 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 2022; provided expert opinions, mainly as an experienced corporate manager, as necessary.

## (Reference) Managing Officers and Corporate Officers

(As of December 31, 2022)

Position	Name	Responsibilities and significant concurrent positions
Managing Officer	Yutaka Abe	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit),” Executive Director and 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)”
Managing Officer	Katsumi Nihei	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit),” and Chairman of JUKI INDIA PVT. LTD.
Managing Officer	Kiyoshi Matsumoto	“In charge of Production Center”
Managing Officer	Hiroshi Anzai	“In charge of Development Center”
Managing Officer	Minoru Nitta	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit),” and President of JUKI AMERICA, INC.
Corporate Officer	Keiichi Hashimoto	“In charge of Production Center (deputy)”
Corporate Officer (“In charge of Group Companies”)	Kunio Nukui	Executive Director of Head Office of JUKI (CHINA) CO., LTD.
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	Tomohiro Takeda	General Manager of Information System Dept.
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., Managing Director of JUKI MACHINERY VIETNAM CO., LTD.,
Corporate Officer	Daizo Minami	General Manager of Finance & Accounting Dept.
Corporate Officer	Akira Tsukano	General Manager of Human Resources & General Affairs Dept.
Corporate Officer (“In charge of Group Companies”)	Hideya Sudo	Representative Director President of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION
Corporate Officer	Masanori Awasaki	General manager of the Non-apparel Machinery Company within the Sewing Machinery and Systems Business Unit and Representative Director, President and COO of JUKI TECHNOSOLUTIONS Corporation

#### 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 | 76 million yen |
| 2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to Accounting Auditor          | 80 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. 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 July 25, 2022, and confirmed on February 9, 2023, 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) The Sustainability Promotion Committee deliberates and decides on the formulation of company-wide policies and targets for sustainability, establishes and maintains systems for implementing them, and monitors various measures.
- 5) 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 2022 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 have been made simple and universal so that the Group employees can easily understand, and which 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 the 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, 2022 - December 31, 2022)

**Consolidated Balance Sheet**  
(As of December 31, 2022)

(million yen)

Description	FY 2022 (As of December 31, 2022)	Description	FY 2022 (As of December 31, 2022)
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>107,677</b>	<b>Current liabilities</b>	<b>81,791</b>
Cash and deposits	4,931	Notes and accounts payable - trade	9,145
Notes and accounts receivable - trade, and contract assets	37,537	Electronically recorded obligations - operating	4,113
Merchandise and finished goods	43,364	Short-term borrowings	58,807
Work in process	4,912	Lease liabilities	108
Raw materials and supplies	14,153	Accounts payable - other	1,396
Other	3,151	Accrued expenses	4,285
Allowance for doubtful accounts	(373)	Income taxes payable	547
<b>Non-current assets</b>	<b>37,492</b>	Contract liabilities	883
<b>Property, plant and equipment</b>	<b>23,525</b>	Provision for bonuses	38
Buildings and structures, net	10,516	Notes payable - facilities	148
Machinery, equipment, and vehicles, net	3,521	Forward exchange contracts	891
Tools, furniture, and fixtures, net	1,335	Other	1,423
Land	6,317	<b>Non-current liabilities</b>	<b>25,896</b>
Leased assets, net	509	Long-term borrowings	18,851
Construction in progress	168	Lease liabilities	414
Other	1,157	Provision for retirement benefits for directors (and other officers)	39
<b>Intangible assets</b>	<b>2,316</b>	Retirement benefit liability	5,113
<b>Investments and other assets</b>	<b>11,649</b>	Other	1,477
Investment securities	5,867	<b>Total liabilities</b>	<b>107,687</b>
Long-term loans receivable	76	<b>(Net assets)</b>	
Long-term prepaid expenses	80	<b>Shareholders' equity</b>	<b>35,306</b>
Deferred tax assets	3,350	Share capital	18,044
Retirement benefit asset	1,154	Capital surplus	1,972
Other	1,425	Retained earnings	15,816
Allowance for doubtful accounts	(306)	Treasury shares	(527)
		<b>Accumulated other comprehensive   income</b>	<b>1,431</b>
		Valuation difference on available-for-sale securities	482
		Foreign currency translation adjustment	1,048
		Remeasurements of defined benefit plans	(99)
		<b>Non-controlling interests</b>	<b>743</b>
		<b>Total net assets</b>	<b>37,482</b>
<b>Total assets</b>	<b>145,169</b>	<b>Total liabilities and net assets</b>	<b>145,169</b>

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

**Consolidated Statement of Income**  
(January 1, 2022 – December 31, 2022)

(million yen)

Description	FY 2022 (Fiscal year ended December 31, 2022)	
<b>Net sales</b>		<b>117,454</b>
<b>Cost of sales</b>		<b>85,182</b>
<b>Gross profit</b>		<b>32,271</b>
<b>Selling, general, and administrative expenses</b>		<b>29,413</b>
<b>Operating profit</b>		<b>2,858</b>
<b>Non-operating income</b>		
Interest income	45	
Dividend income	132	
Commission income	158	
Reversal of allowance for loan losses	56	
Shares of profit of entities accounted for using equity method	50	
Subsidy income	100	
Income from recycling	146	
Other	272	961
<b>Non-operating expenses</b>		
Interest expenses	1,102	
Foreign exchange losses	1,409	
Other	144	2,655
<b>Ordinary profit</b>		<b>1,163</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	14	
Gain on sale of investment securities	146	161
<b>Extraordinary losses</b>		
Loss on sales and retirement of non-current assets	24	
Loss on disaster	10	
Loss on COVID-19	240	275
<b>Profit before income taxes</b>		<b>1,049</b>
Income taxes – current	1,184	
Income taxes – deferred	(151)	1,033
<b>Profit</b>		<b>16</b>
Profit attributable to non-controlling interests		94
<b>Loss attributable to owners of parent</b>		<b>78</b>

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

**Consolidated Statement of Changes in Equity**  
(January 1, 2022 - December 31, 2022)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,044	1,990	16,642	(607)	36,070
Cumulative effects of changes in accounting policies			(139)		(139)
Restated balance	18,044	1,990	16,503	(607)	(35,930)
Changes of items during period					
Dividends of surplus			(732)		(732)
Loss attributable to owners of parent			(78)		(78)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(17)		80	62
Change in scope of consolidation			124		124
Net changes in items other than shareholders' equity					-
Total changes during period	-	(17)	(686)	80	(623)
Balance at end of period	18,044	1,972	15,816	(527)	35,306

(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	496	(1,484)	163	(824)	426	35,672
Cumulative effects of changes in accounting policies						(139)
Restated balance	496	(1,484)	163	(824)	426	35,533
Changes of items during period						
Dividends of surplus						(732)
Loss attributable to owners of parent						(78)
Purchase of treasury shares						(0)
Disposal of treasury shares						62
Change in scope of consolidation						124
Net changes in items other than shareholders' equity	(14)	2,533	(262)	2,256	316	2,572
Total changes during period	(14)	2,533	(262)	2,256	316	1,948
Balance at end of period	482	1,048	(99)	1,431	743	37,482

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

## Non-consolidated Financial Statements

(January 1, 2022 - December 31, 2022)

### Non-consolidated Balance Sheet

(As of December 31, 2022)

(million yen)			
Description	FY 2022 (As of December 31, 2022)	Description	FY 2022 (As of December 31, 2022)
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>54,315</b>	<b>Current liabilities</b>	<b>58,915</b>
Cash and deposits	315	Notes payable - trade	166
Notes receivable - trade	224	Electronically recorded	
Accounts receivable - trade	24,580	obligations - operating	1,283
Merchandise and finished goods	2,567	Accounts payable - trade	5,928
Work in process	2,162	Short-term borrowings	31,903
Raw materials and supplies	120	Short-term borrowings	
Accrued income	638	from subsidiaries and	
Short-term loans receivable	11,322	associates	3,009
Accounts receivable - other	10,281	Lease obligations	30
Other	2,103	Accounts payable - other	13,610
<b>Non-current assets</b>	<b>50,859</b>	Accrued expenses	1,585
<b>Property, plant and equipment</b>	<b>11,930</b>	Income taxes payable	144
Buildings, net	7,028	Contract liabilities	159
Structures, net	78	Deposits received	134
Machinery and equipment, net	247	Electronically recorded	
Vehicles, net	2	obligations - facilities	66
Tools, furniture, and fixtures, net	131	Forward exchange contracts	891
Land	4,220	Other	3
Leased assets, net	107	<b>Non-current liabilities</b>	<b>17,078</b>
Construction in progress	112	Long-term borrowings	14,043
<b>Intangible assets</b>	<b>1,446</b>	Lease obligations	77
Patent right	413	Provision for retirement	
Software	1,018	benefits	2,942
Leased assets, net	0	Other	15
Other	14	<b>Total liabilities</b>	<b>75,993</b>
<b>Investments and other assets</b>	<b>37,483</b>	<b>(Net assets)</b>	
Investment securities	2,184	<b>Shareholders' equity</b>	<b>28,697</b>
Shares of subsidiaries and associates	24,141	Share capital	18,044
Investments in capital of subsidiaries		Capital surplus	2,094
and associates	8,416	Legal capital surplus	2,094
Investments in capital	352	Retained earnings	9,086
Long-term accounts receivable from		Legal retained earnings	695
subsidiaries and associates - other	2,734	Other retained earnings	8,390
Distressed receivables	18	Retained earnings	
Long-term prepaid expenses	15	brought forward	8,390
Deferred tax assets	1,193	Treasury shares	(527)
Other	423	<b>Valuation and translation</b>	
Allowance for doubtful accounts	(1,996)	<b>adjustments</b>	<b>483</b>
		Valuation difference on	
		available-for-sale	
		securities	483
		<b>Total net assets</b>	<b>29,181</b>
<b>Total assets</b>	<b>105,175</b>	<b>Total liabilities and net</b>	<b>105,175</b>
		<b>assets</b>	

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



**Non-consolidated Statement of Income**  
(January 1, 2022 - December 31, 2022)

(million yen)

Description	FY 2022 (Fiscal year ended December 31, 2022)	
<b>Net sales</b>		<b>61,565</b>
<b>Cost of sales</b>		<b>52,742</b>
<b>Gross profit</b>		<b>8,823</b>
<b>Selling, general, and administrative expenses</b>		<b>9,590</b>
<b>Operating loss</b>		<b>767</b>
<b>Non-operating income</b>		
Interest and dividend income	2,261	
Commission income	1,484	
Other	404	4,151
<b>Non-operating expenses</b>		
Interest expenses	455	
Foreign exchange losses	909	
Other	1	1,366
<b>Ordinary profit</b>		<b>2,017</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	146	
Other	0	<b>146</b>
<b>Extraordinary losses</b>		
Loss on sales and retirement of non-current assets	10	10
<b>Profit before income taxes</b>		<b>2,153</b>
Income taxes - current	330	
Income taxes - deferred	(33)	297
<b>Profit</b>		<b>1,856</b>

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

**Non-consolidated Statement of Changes in Equity**  
(January 1, 2022 - December 31, 2022)

(million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other 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	622	7,358	7,980
Changes of items during period							
Provision of legal retained earnings					73	(73)	0
Dividends of surplus						(732)	(732)
Profit						1,856	1,856
Purchase of treasury shares							–
Disposal of treasury shares			(17)	(17)			–
Transfer of loss on disposal of treasury shares			17	17		(17)	(17)
Net changes in items other than shareholders' equity							–
Total changes during period	–	–	–	–	73	1,032	1,105
Balance at end of period	18,044	2,094	–	2,094	695	8,390	9,086

(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)	27,511	497	497	28,009
Changes of items during period					
Provision of legal retained earnings		0			0
Dividends of surplus		(732)			(732)
Profit		1,856			1,856
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	80	62			62
Transfer of loss on disposal of treasury shares		–			–
Net changes in items other than shareholders' equity			(13)	(13)	(13)
Total changes during period	80	1,186	(13)	(13)	1,172
Balance at end of period	(527)	28,697	483	483	29,181

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

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

### **Independent Auditor's Report**

February 9, 2023

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, 2022 to December 31, 2022.

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.

#### **Contents of Other Statements**

Contents of other statements consist of the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing the contents of other statements. In addition, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties by the Directors in the development and operation of the reporting process of the contents of other statements.

Our audit opinion regarding the consolidated financial statements does not include the contents of other statements, and we do not express an opinion on the contents of other statements.

Our responsibility when auditing the consolidated financial statements is to review the contents of other statements and, in the course of the review, to examine whether there are any material differences between the contents of other statements and the consolidated financial statements or knowledge obtained in the course of auditing, and to pay attention to whether there are any signs of material errors in the contents of other statements besides such material differences.

We are required to report the facts if we determine that there are any material errors in the contents of other statements based on the work performed.

There are no matters that we should report in connection with the contents of other statements.

#### **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.

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#### *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)

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

**Independent Auditor's Report**

February 9, 2023

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 108th fiscal term from January 1, 2022 to December 31, 2022.

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.

**Contents of other statements**

Contents of other statements consist of the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing the contents of other statements. In addition, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties by the Directors in the development and operation of the reporting process of the contents of other statements.

Our audit opinion regarding the non-consolidated financial statements, etc. does not include the contents of other statements, and we do not express an opinion on the contents of other statements.

Our responsibility when auditing the non-consolidated financial statements, etc. is to review the contents of other statements and, in the course of the review, to examine whether there are any material differences between the contents of other statements and the non-consolidated financial statements, etc. or knowledge obtained in the course of auditing, and to pay attention as to whether there are any signs of material errors in the contents of other statements besides such material differences.

We are required to report the facts if we determine that there are any material errors in the contents of other statements based on the work performed.

There are no matters that we should report in connection with the contents of other statements.

**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.

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#### *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)

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 108<sup>th</sup> fiscal term from January 1, 2022 to December 31, 2022, 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, 2022.



## 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, 2023

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.