

Financial Results Briefing for the Full Year of FY2022 (Ended December 31, 2022) <Securities code: 6440>

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1. Full-year results for FY2022 / Full-year forecast for FY2023

1.1 Full-year results for FY2022

- **Net sales:** Net sales grew by 16.0% year-on-year (YoY), falling short of the original plan. Sales were held back by sluggish capital investment demand linked to China's zero-COVID-19 policy and postponements in purchasing in Q4 due to the worsening foreign currency situation in emerging countries in Asia and elsewhere.
- **Ordinary profit:** The weak yen had a positive effect on sales but increased the burdens from costs and expenses incurred overseas. JUKI continued to make strategic investments to capture the demand recovery, but the delays in raising product prices to meet the increased cost burdens and stalled progress in improving JUKI's portfolio of value-added businesses resulted in a 66.2% decline year-on-year.

(Unit: mil. Yen)	FY2021/12	FY2022/12	YoY increase/ decrease	YoY increase/ decrease rate
Net sales	101,292	117,454	+16,161	16.0%
Operating profit [Operating profit ratio]	3,868 [3.8%]	2,858 [2.4%]	△1,009	△26.1% [△1.4 pt]
Ordinary profit [Ordinary profit ratio]	3,439 [3.4%]	1,163 [1.0%]	△2,275	△66.2% [△2.4 pt]
Net profit [Net profit ratio]	2,154 [2.1%]	△78 [-]	△2,232	- [-]
Dividend per share	25 yen	20 yen	△5 yen	-
Period average rate for USD	JPY110	JPY131	+JPY21	-
Period average rate for EUR	JPY130	JPY138	+JPY8	-

* Exchange rate is the average rate during the period that affects operating profit.

1.2 Results by Segment -Net Sales-

■ Sewing Machinery and Systems

Net sales increased mainly in the Asian market as a result of JUKI's efforts to capture the demand recovery in the apparel market and to improve the supply chain. The rate of sales growth, however, was unchanged, at 26.5% year-on-year, mainly due to the impact of China's zero-COVID-19 policy and postponements in purchasing in Q4 linked to the worsening foreign currency situation in emerging countries in Asia and elsewhere.

■ Industrial Equipment and Systems

Net sales of electronics assembly & systems declined due to sluggish investment demand linked to China's zero-COVID-19 policy. The group business, which engages in contract businesses mainly for the domestic market, reported steadily firm net sales, due in part to increased investment demand for equipment to cope with customers' supply chain fragmentation. As a result, overall net sales for industrial equipment and systems business declined by 1.5% year-on-year.

(Unit: mil. Yen)	FY2021/12	FY2022/12	YoY increase/ decrease	YoY increase/ decrease rate
Sewing machinery and systems	63,213	79,937	+16,723	26.5%
Industrial equipment and systems	37,834	37,253	△580	△1.5%
Others	244	263	+18	-
Total	101,292	117,454	+16,161	16.0%

1.3 Results by Segment -Ordinary Profit-

■ Sewing Machinery and Systems

Ordinary profit declined by 92.1% year-on-year due to lower factory utilization rates resulting from the plant lockdown in China in the first half of the year, delays in raising product prices in response to higher costs, and stalled progress in improving JUKI's portfolio of higher value-added businesses.

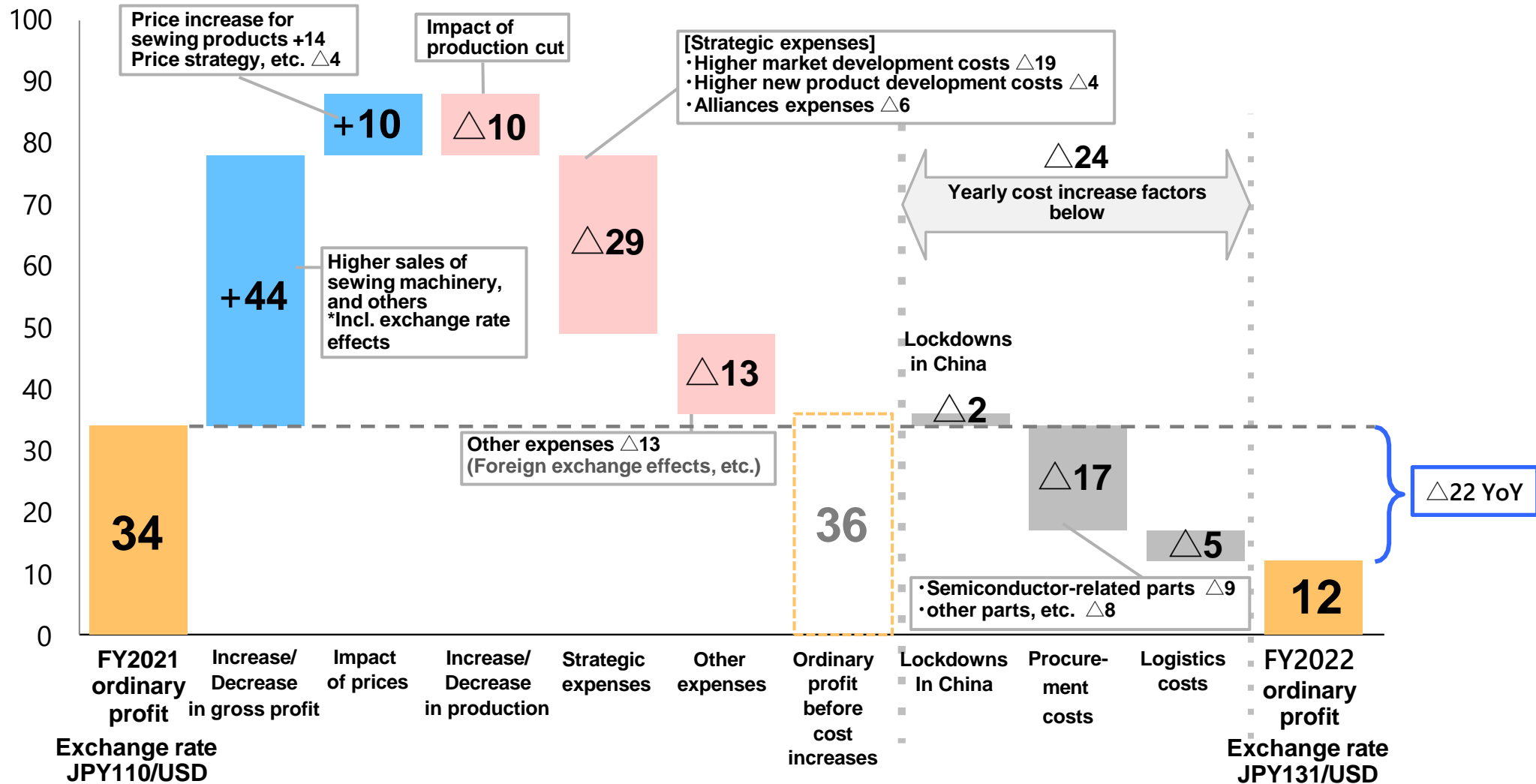
■ Industrial Equipment and Systems

Ordinary profit declined by 32.2% year-on-year due to a significant decline in net sales of electronics assembly & systems in the second half and cost increases in JUKI's ongoing strategic investments.

(Unit: mil. Yen)	FY2021/12	FY2022/12	YoY increase/ decrease	YoY increase/ decrease rate
Sewing machinery and systems [Ordinary profit ratio]	1,517 [2.4%]	119 [0.1%]	△1,397	△92.1% [△2.3pt]
Industrial equipment and systems [Ordinary profit ratio]	2,865 [7.6%]	1,942 [5.2%]	△922	△32.2% [△2.4pt]
Others	75	45	△30	-
Adjustment	△1,018	△943	+75	-
Total [Ordinary profit ratio]	3,439 [3.4%]	1,163 [1.0%]	△2,275	△66.2% [△2.4pt]

1.4 Factors for Increases/Decreases in the Full-year Ordinary Profit for FY2022

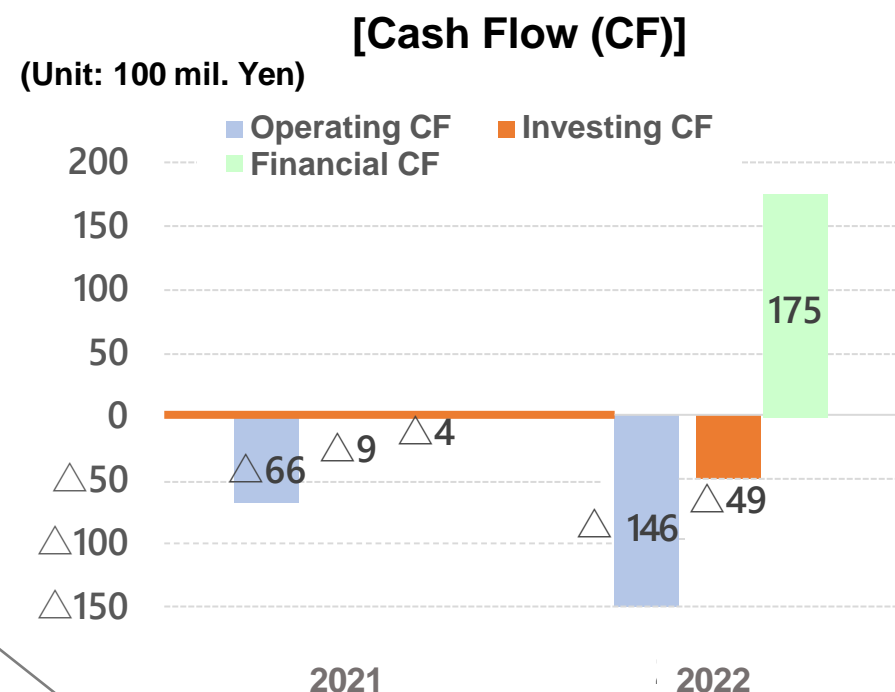
(100 mil. Yen)



1.5 Major Financial Items (Indexes)

- While deposits were used to repay borrowings in order to improve capital efficiency, increases in trade receivables and inventory in line with sales growth pushed up interest-bearing debt.

(Unit: mil. Yen)	FY12/2021	FY12/2022	Increase/ Decrease
Total assets	129,114	145,169	+16,055
Net assets	35,672	37,482	+1,809
[Foreign currency translation adjustment]	[△1,484]	[1,048]	[+2,533]
Equity ratio	27.3%	25.3%	△2.0%
Trade receivables	34,099	37,537	+3,437
[Turnover period]	[4.0 months]	[3.8 months]	[△0.2 months]
Inventory	51,089	62,429	+11,340
[Turnover period]	[6.1 months]	[6.4 months]	[+0.3 months]
Trade payables	19,831	13,258	△6,572
[Turnover period]	[2.3 months]	[1.4 months]	[△0.9 months]
Interest-bearing debt	58,979	79,402	+20,422
Cash and deposits	6,594	4,931	△1,662
Net D/E Ratio	1.47	1.99	+0.53
Period end rate for USD	JPY115	JPY133	+JPY18

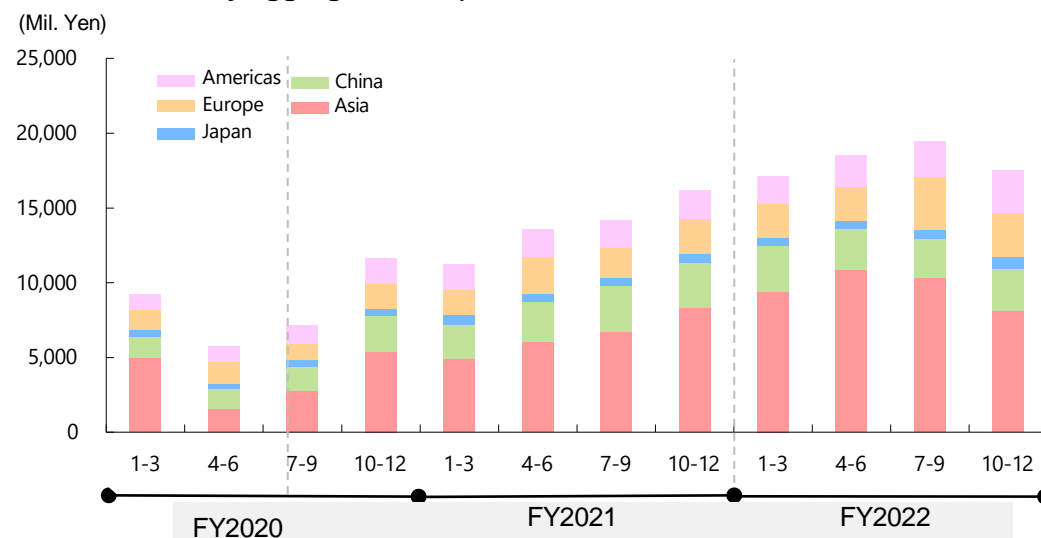


JUKI will aggressively move forward to liquidate inventory as soon as possible in order to reduce interest-bearing debt.

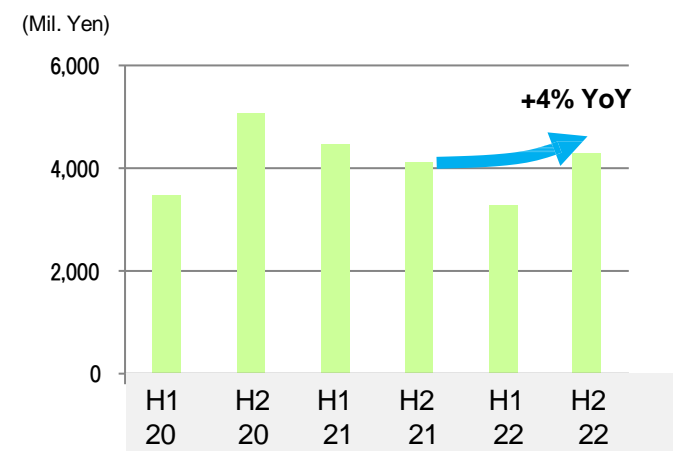
Reference Info 1: Changes in the Net Sales by Segment -Sewing Machinery and Systems-

- Net sales of industrial sewing machinery business increased mainly in the Asian market, boosted by demand recovery in the apparel market and the development of the supply chain. The rate of increase was modest, however, at only 32%, largely due to the impact of China's zero-COVID-19 policy and postponements in purchasing in Q4 linked to the deteriorating foreign currency situation in emerging countries in Asia and elsewhere.

1. [Changes in the sales of industrial sewing machines by region] (on a monthly aggregate basis)



2. [Changes in the sales of household sewing machines by region] (on a monthly aggregate basis)



[Net sales: YoY]

(Unit: 100 mil. Yen)

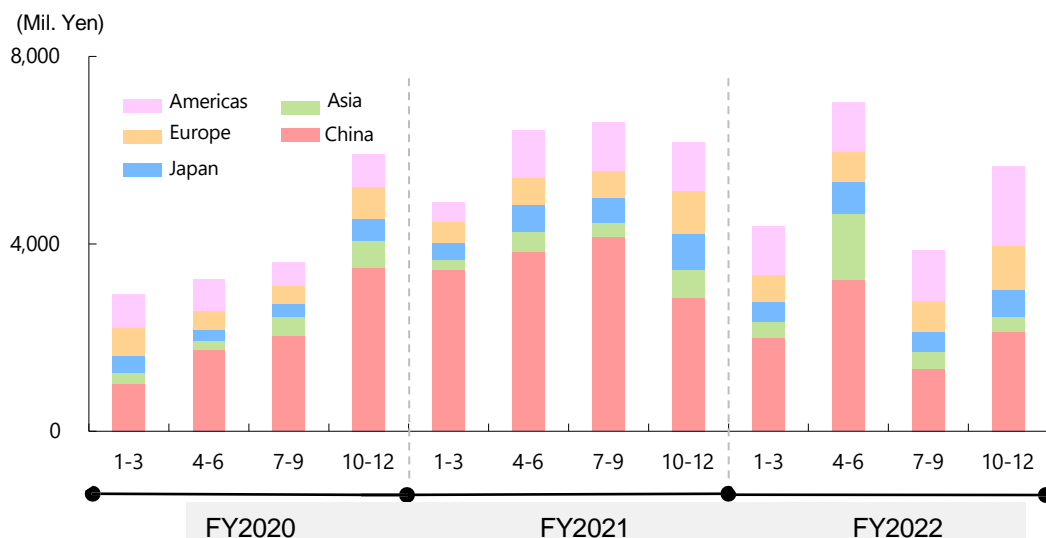
	FY2021 (1-12)	FY2022 (1-12)	Increase/ Decrease	Increase/ Decrease rate
China	110	112	+2	+2%
Asia	260	387	+127	+49%
China + Asia	370	499	+129	+35%
Japan	23	25	+2	+9%
Europe	85	110	+25	+29%
Americas	73	92	+19	+26%
Total	551	726	+175	+32%

Note: Asia here excludes Japan and China.

Reference Info 2: Changes in the Net Sales by Segment -Industrial Equipment and Systems-

- Net sales of electronics assembly & systems businesses declined by 13% year-on-year due to sluggish investment demand attributed to the zero-COVID-19 policy in China.
- Net sales of group business remained firm, mainly for the domestic market, however, largely due to the heightened investment demand to cope with supply chain fragmentation.

1. [Changes in the sales of electronics assembly & systems by region] (on a monthly aggregate basis) (Incl. parts and services)

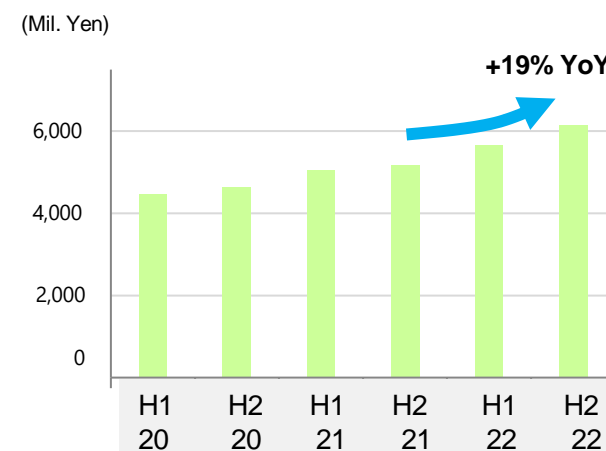


[Net sales: YoY]

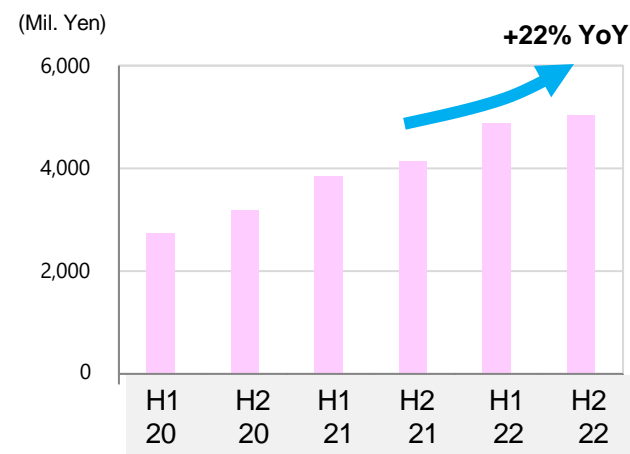
(Unit: 100 mil. Yen)

	FY2021 (1-12)	FY2022 (1-12)	Increase/ Decrease	Increase/ Decrease rate
China	143	87	△56	△39%
Asia	15	24	+9	+60%
China + Asia	158	111	△47	△30%
Japan	22	21	△1	△5%
Europe	26	28	+2	+8%
Americas	35	49	+14	+40%
Total	241	209	△32	△13%

2. [Changes in the sales of group business] (on a monthly aggregate basis)



3. [Changes in the sales of parts business] (on a monthly aggregate basis)



Note: Asia here excludes Japan and China.

1.6 Full-year Forecast for FY2023

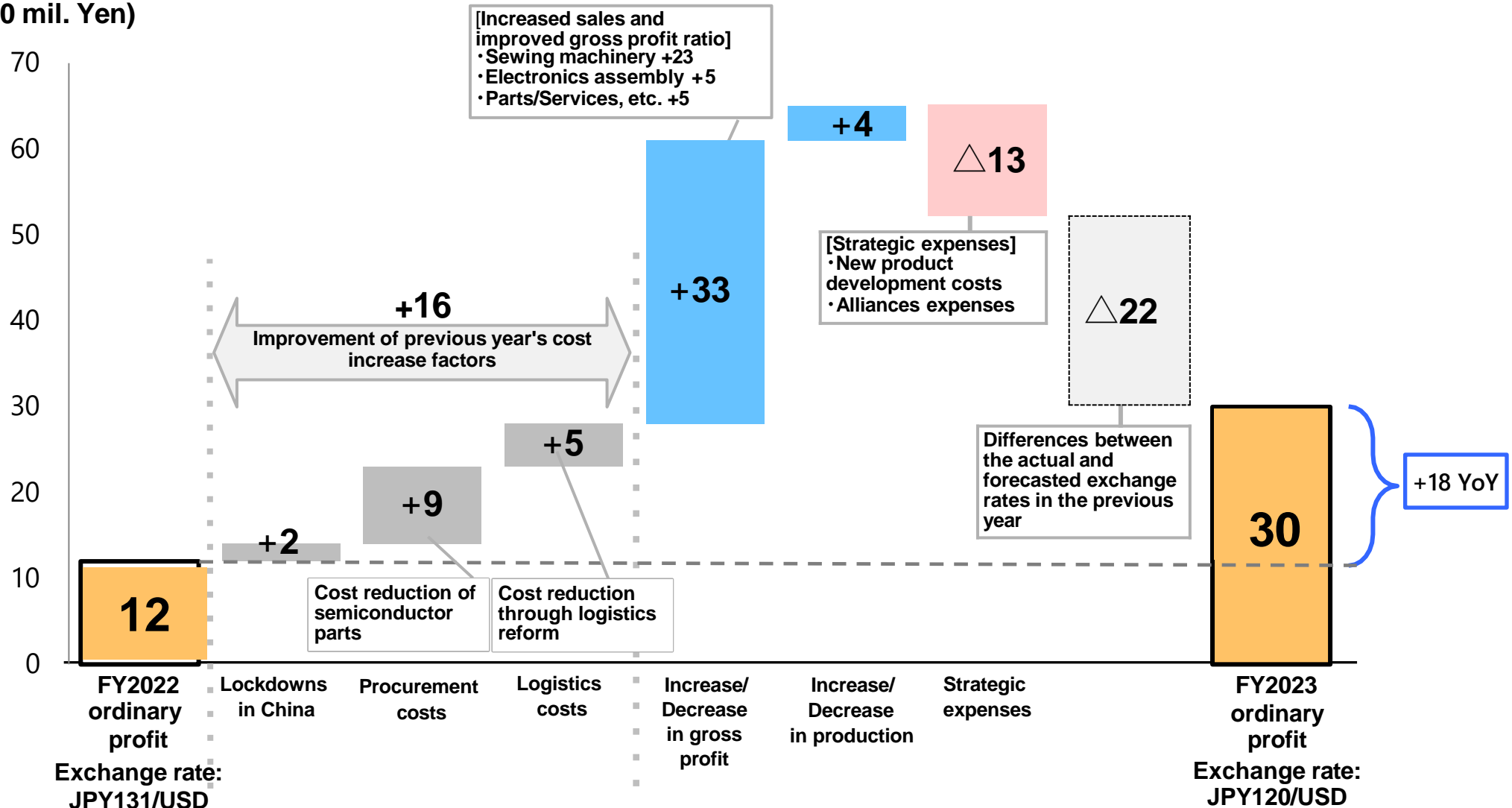
- The full-year net sales forecast for FY2023 is 127 billion yen, up by 8.1% from the previous year, and ordinary profit forecast is 3 billion yen, up by 1.8 billion yen.

(Unit: 100 mil. Yen)	FY2022 (Jan-Dec) full-year results	FY2023 (Jan-Dec) full-year forecast	YoY increase/decrease	YoY increase/decrease rate
Net sales	1,175	1,270	+95	8.1%
(Sewing machinery and systems)	(799)	(835)	(+36)	(4.5%)
(Industrial equipment and systems)	(373)	(430)	(+57)	(15.3%)
Operating profit	29	35	+6	+22.4%
Ordinary profit	12	30	+18	+157.8%
Net profit	△1	19	+20	-
Dividend per share	20 yen	25 yen	+5 yen	-
Period average rate for USD	JPY131	JPY120	△JPY11	-

1.7 Factors for Increases/Decreases in the Full-year Ordinary Profit for FY2023

- JUKI will improve profitability by addressing the factors that drove up costs in the previous year, increasing revenue through value-added structure reforms, and making its strategic investments to expand business domains and strengthen competitiveness through new product development.

(100 mil. Yen)



2. Medium-term Management Plan -Growth & Transformation Plan 2025-

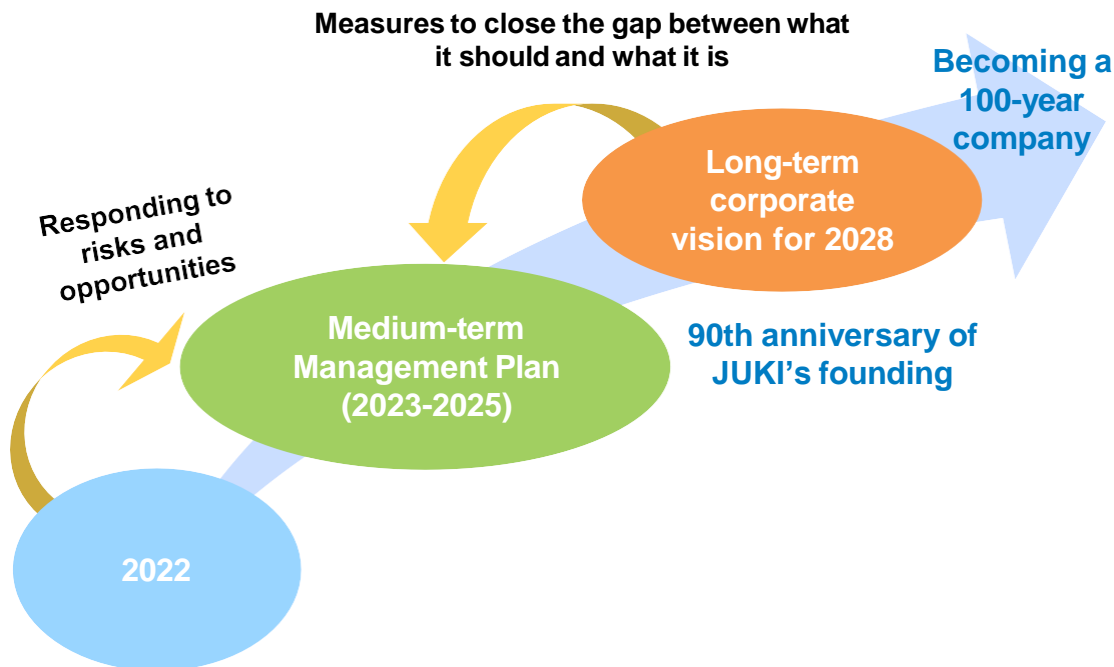
2.1 Business Environment Awareness (Risks and Opportunities)

Risks	External environment	<ul style="list-style-type: none">• Interest-rate hikes in major countries• Ongoing turmoil, etc. caused by Russia's invasion of Ukraine
	Competitive climate	<ul style="list-style-type: none">• Intensifying proposals by competitors for smarter customer factories* Accelerated market entry by different industries
Opportunities	External environment	<ul style="list-style-type: none">• Zero-COVID-19 policy shift in China• Recovered capital investment demand in automotive, IoT, etc.• Accelerated technological innovations such as AI, IoT, and 5G• Changes in markets and customers to adjust to life with COVID-19
	In-house environment	<ul style="list-style-type: none">• Establishing a new business model or management base that responds to the new normal environment• Taking initiatives to realize a sustainable society

2.2 Medium-term Management Plan -Positioning-

- Goals set for 2023 to 2025 to make JUKI a 100-year company: Strengthen our response to risks and opportunities based on the business environment to fill in the gaps between *what it is today* and *what it should be in 2028*, the 90th anniversary of JUKI's founding.

[Positioning of the Medium-term Management Plan (2023-2025)]

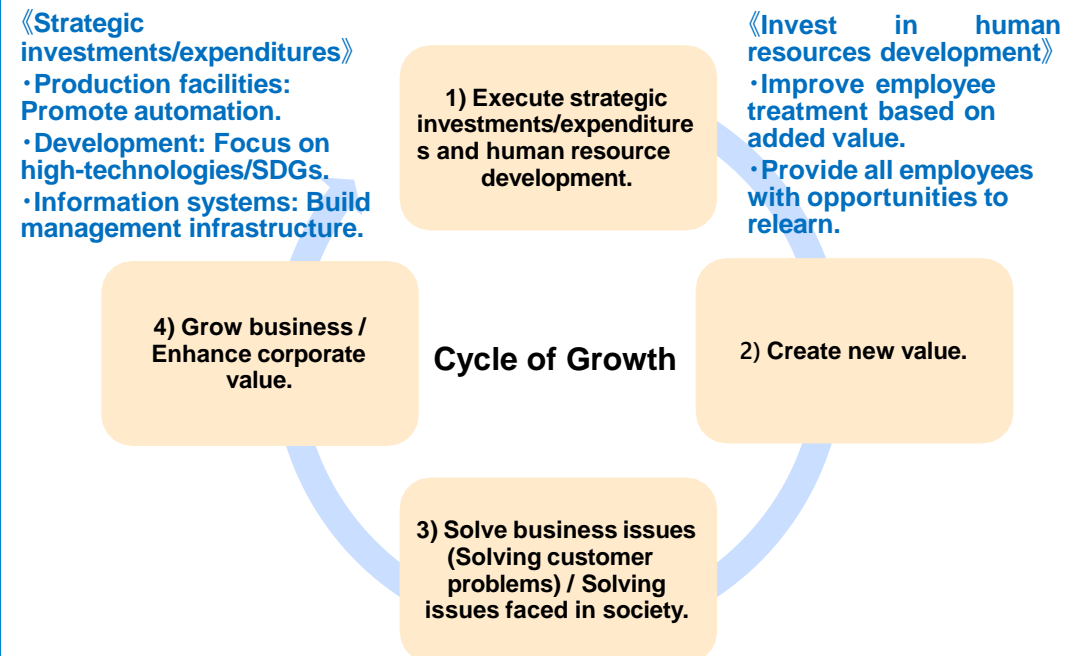


* JUKI rolls the plan over every year based on changes in the business environment and the measures taken.

What must JUKI do to ensure its ongoing growth?

- Expand its horizons and activities to capture business opportunities.
- Actively use forefront and differentiating technologies.
- Take strong sustainable actions that allow society to grow sustainably.

JUKI practices the above to continue driving JUKI's cycle of growth.



2.3 Medium-term Management Plan -Corporate Visions-

Long-term vision

To be a global and creative *Monodzukuri* (Manufacturing) and *Kotodzukuri* (Value-creation) company that survives in the 21st century

Vision for 2025

To "continue to serve customers as a solutions partner that delivers 'good impressions' and 'peace of mind,' and as a practitioner of robust ESG management that is trusted and needed by society."

Value proposition

[Solving customer problems] 1) Improve QCD. 2) Increase productivity. 3) Sophisticate management. 4) Accelerate global deployment.
[Solving issues faced in society] 1) Grow the sewing/SMT/manufacturing industry. 2) Create jobs in emerging countries. 3) Achieve zero CO2 emissions.

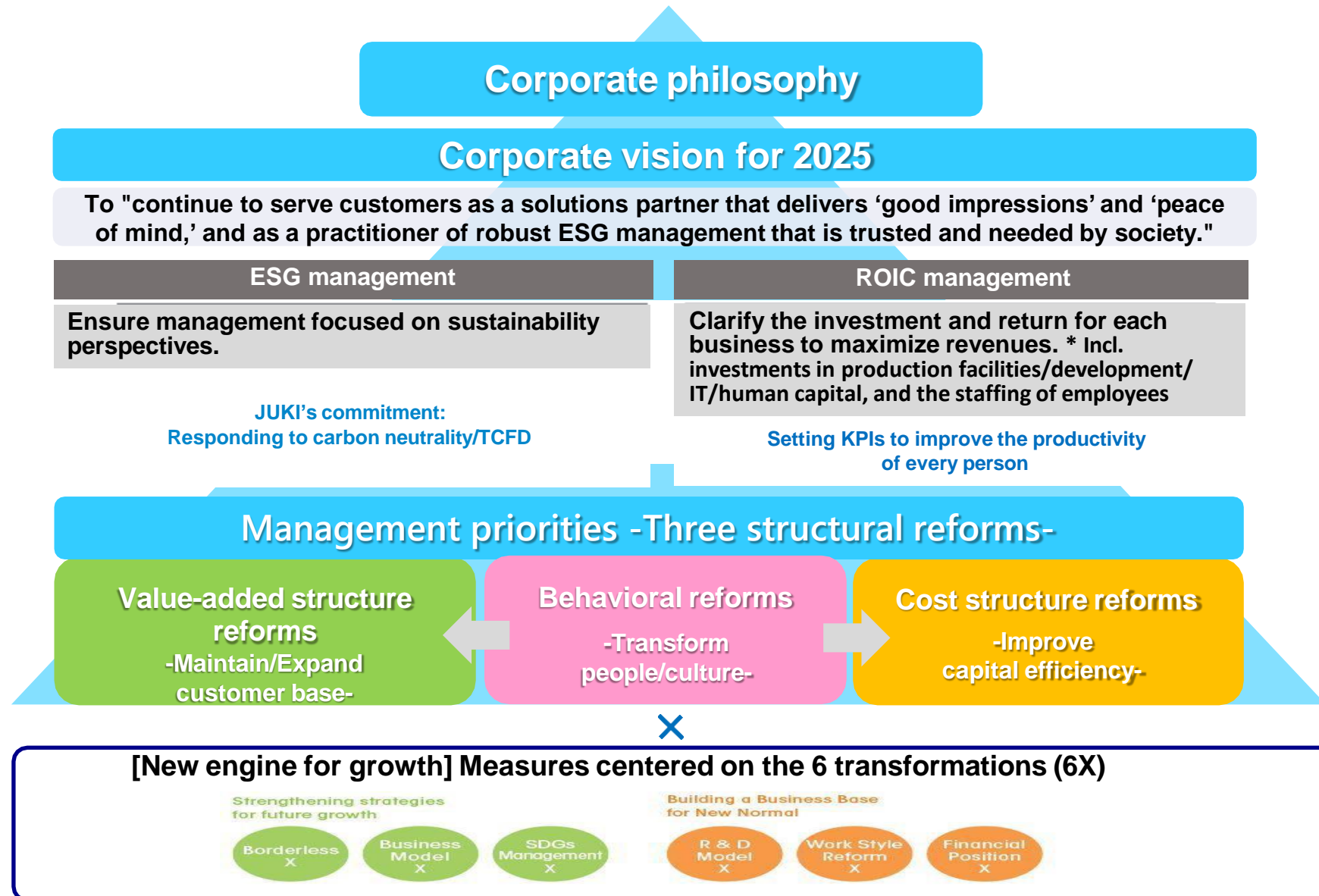
Main target items

Increase in sales and profits – Net sales: 160 billion yen, Ordinary profit: 10 billion yen * Exchange rate: JPY120/USD
Financial base – Equity ratio: 40% or more, ROIC: 10%

What it should be

1) Maintain and expand customer base by strengthening high value-added fields.
2) Review cost structure in light of changes in business environment.
3) Strengthen each employee's ability to implement measures.
⇒ Ensure management with clear "investment and return" for each business. (ROIC management)

2.4 Medium-term Management Plan -Overview-

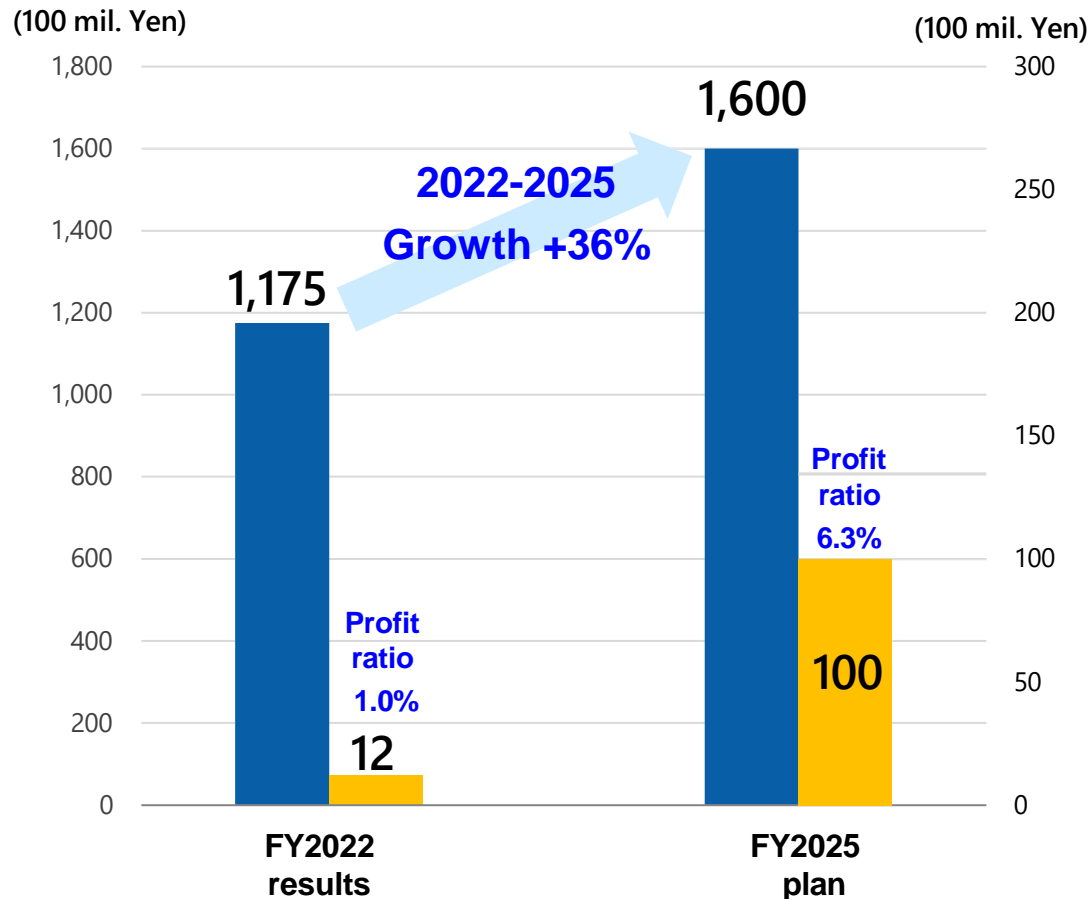


2.5 Medium-term Management Plan -Numerical Targets-

- JUKI aims to achieve sustainable growth by strengthening its customer base through value-added structure reforms and improving its revenue base and financial structure through cost structure reforms.

Net sales and ordinary profit

Exchange rate: Actual for FY2022 and forecasted for FY2025 at JPY120/USD
Graphs: ■ Net sales (left) , ■ Ordinary profit (right)



Major financial items

Exchange rate: Actual for FY2022 and forecasted for FY2025 at JPY120/USD

(100 mil. Yen)	FY2022 results	FY2025 plan
Trade receivable (Turnover days)	375 (3.8 months)	400 (3.0 months)
Inventory (Turnover days)	624 (6.4 months)	400 (3.0 months)
Cash conversion cycle	264 days	120 days
Interest-bearing debt (Net of cash and equivalents)	745	350
Equity ratio	25.3%	40.0%
Net D/E ratio	1.99	0.70

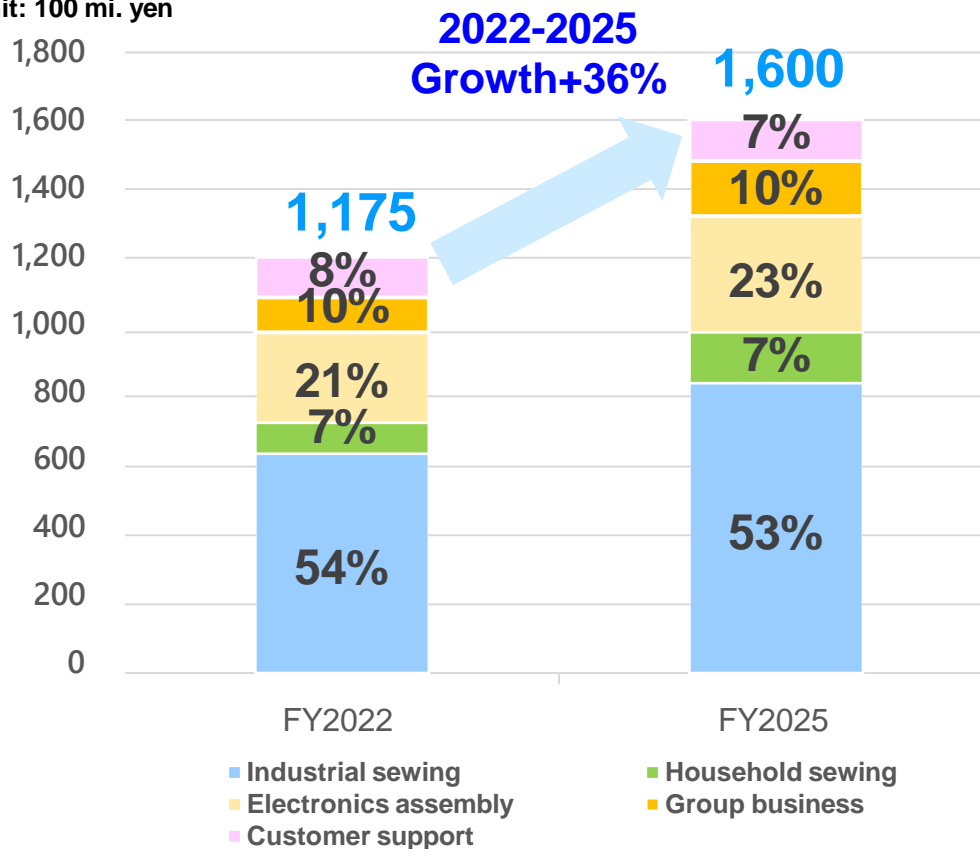
2.6 Medium-term Management Plan -Business Portfolio-

- **Net sales:** JUKI will achieve the ongoing growth of every business with a focus on expanding business domains in priority fields.
- **Gross profit:** JUKI will raise profitability by growing high-value-added areas such as electronics assembly & systems and customer support businesses.

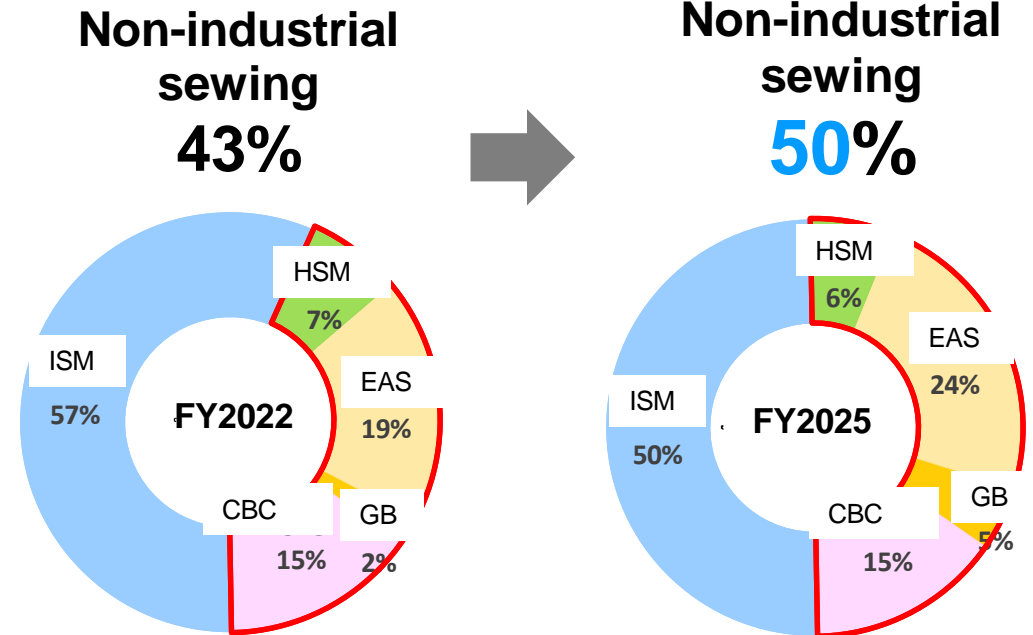
Net sales portfolio

Exchange rate: Actual for FY2022 and forecasted for FY2025 at JPY120/USD

Unit: 100 mi. yen



Gross profit composition



(Note)

ISM: Industrial sewing
HSM: Household sewing
EAS: Electronics assembly
GB: Group business
CBC: Customer support

2.7 Medium-term Management Plan

-Three Structural Reforms-

- JUKI will move closer to realizing the Medium-term Management Plan by developing human resources throughout the group companies and by adding a new "Behavioral Reform" that will strengthen its ability to implement the value-added structure and cost structure reforms.

Value-added structure reform

Maintain and expand JUKI's customer base by strengthening high value-added areas.

- Strengthening collaboration with alliance partners
- Building a new business model by expanding JUKI's business domains

(Unit: billion yen)

For 3 years in existing areas:

Net sales: **41.0**, Gross profit: **13.0**

For 3 years in new areas:

Net sales: **15.3**, Gross profit: **3.2**

Cost structure reform

Review the cost structure based on changes in the business environment.

- Rebuilding a production/logistics/procurement network
- Integrating the functions of locations. Streamlining

administrative and back-office departments.

Related costs:

 **3.9** billion yen from 2022

Behavioral reform

Strengthen every employee's ability to implement measures.

- Using diverse human resources globally
- Developing next-generation leaders. Re-learning at every employee level.
- Running a job-based management system according to performance and responsibility

Ratio of female managers:

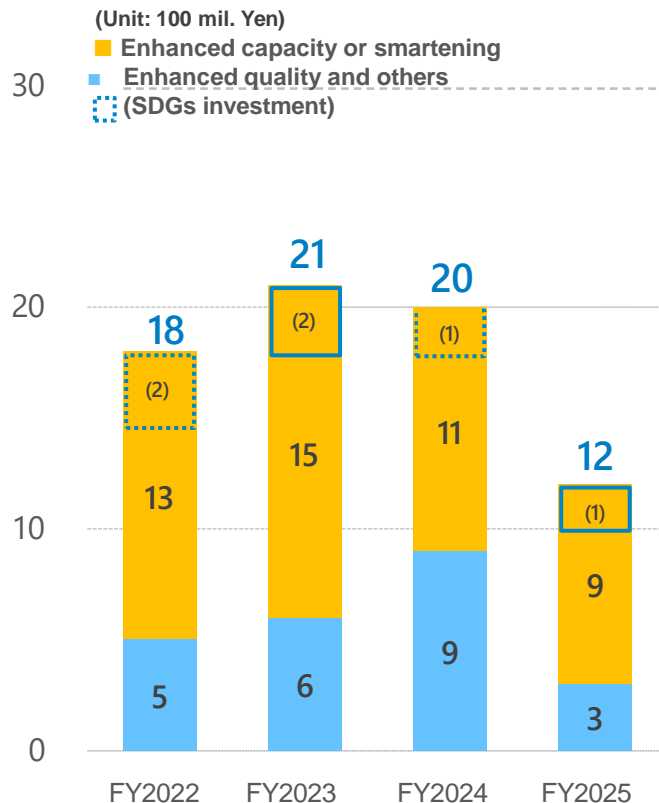
6% in 2022 to **10%** in 2025

2.8 Investment Plans -Production Facilities / Development / Information Systems-

- JUKI will steadily make investments and reap the results to realize the Medium-term Management Plan.
- JUKI will strategically invest in development, information systems, and SDGs for future growth.

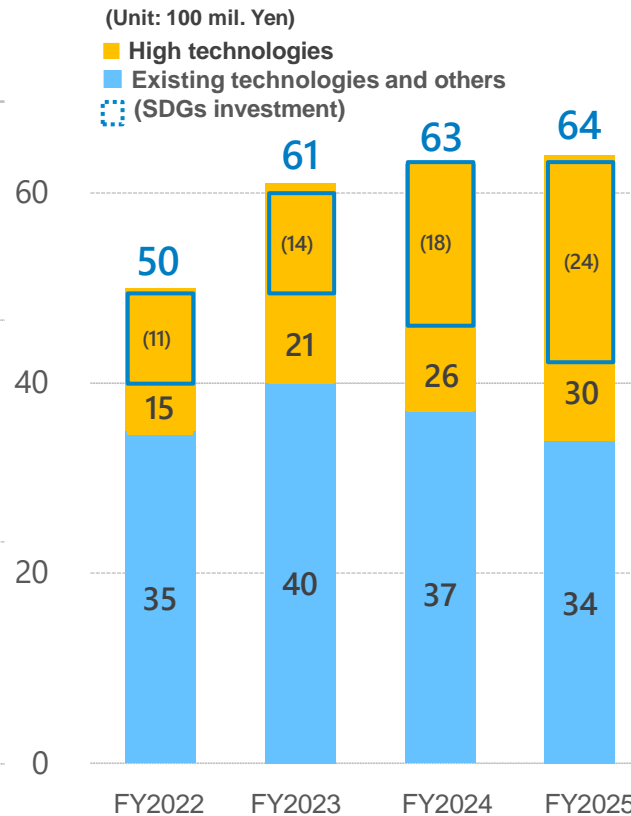
[Production facilities]

To respond flexibly to the business environment



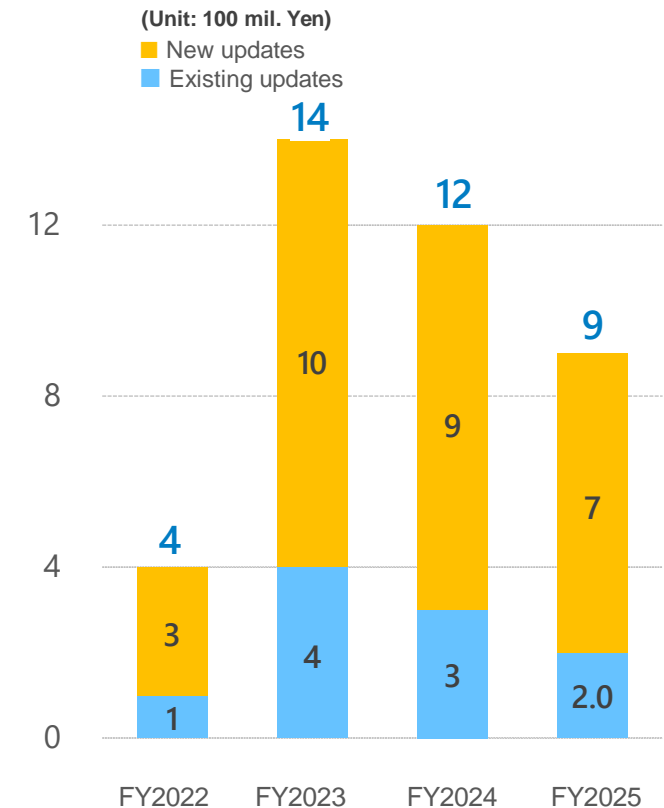
[Development]

To develop differentiated products and services























[Information systems]

To support the new management structure



2.9 ESG Management -Materiality / Main Initiatives-

- JUKI will analyze risks and opportunities and extract materiality (key issues in the organization) from the perspectives of both JUKI and its stakeholders.
- JUKI will create economic and social value by addressing customer business problems and issues faced in society through its core business.

Section	Materiality	Main initiatives	Corresponding SDGs
Environment (E)	Reducing environmental impact	<ul style="list-style-type: none"> Achieve carbon neutrality by 2050. Reduce environmental impacts incurred through business activities. Consider the environment throughout the product life cycle. 	    
Society (S)	Creating employment opportunities	<ul style="list-style-type: none"> Create new jobs in emerging countries. Improve the treatment of workers and increase the working population by supporting vocational education. 	    
	Promoting the social participation of various human resources		
	Ensuring occupational safety and health	<ul style="list-style-type: none"> Support the building of safe/secure sewing factories. 	
	Reducing clothing waste at the production sites	<ul style="list-style-type: none"> Provide a system to achieve production in adequate quantities. Promote upcycling activities using old clothes, waste materials, and by-products. Realize plants that produce good-quality products in a short time at low cost. Support smarter and more innovative technologies in sewing and surface-mounting plants. Improve the infrastructure for pre- and post-processes in surface-mounting plants. 	 
Society (S)	Supporting technological innovation by increasing productivity in the electronics industry		
	Improving the working environment	<ul style="list-style-type: none"> Promote diversity to revitalize the organization. Promote work-style reforms, rewarding work, and human resources training. 	   
Governance (G)	Strengthening governance	<ul style="list-style-type: none"> Enhance the corporate governance system. Ensure compliance and strengthen risk management. 	  

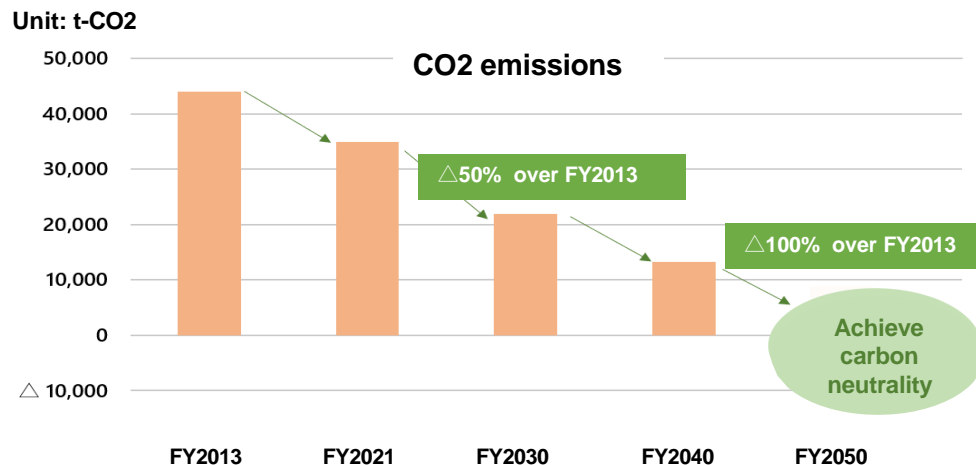
2.10 ESG Management -Initiatives for Environment-

[JUKI's commitments]

1) Achieve carbon neutrality by 2050. 2) Endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

[CO2 emissions reduction target * 1]

* 1 Reduce CO2 emissions by 50% over the 2013 level by 2030, and by 100% over the 2013 level by 2050 (SCOPE 1 and 2 emissions are already calculated, but the calculations for SCOPE 3 are still underway.)



[Structure to drive ESG management]

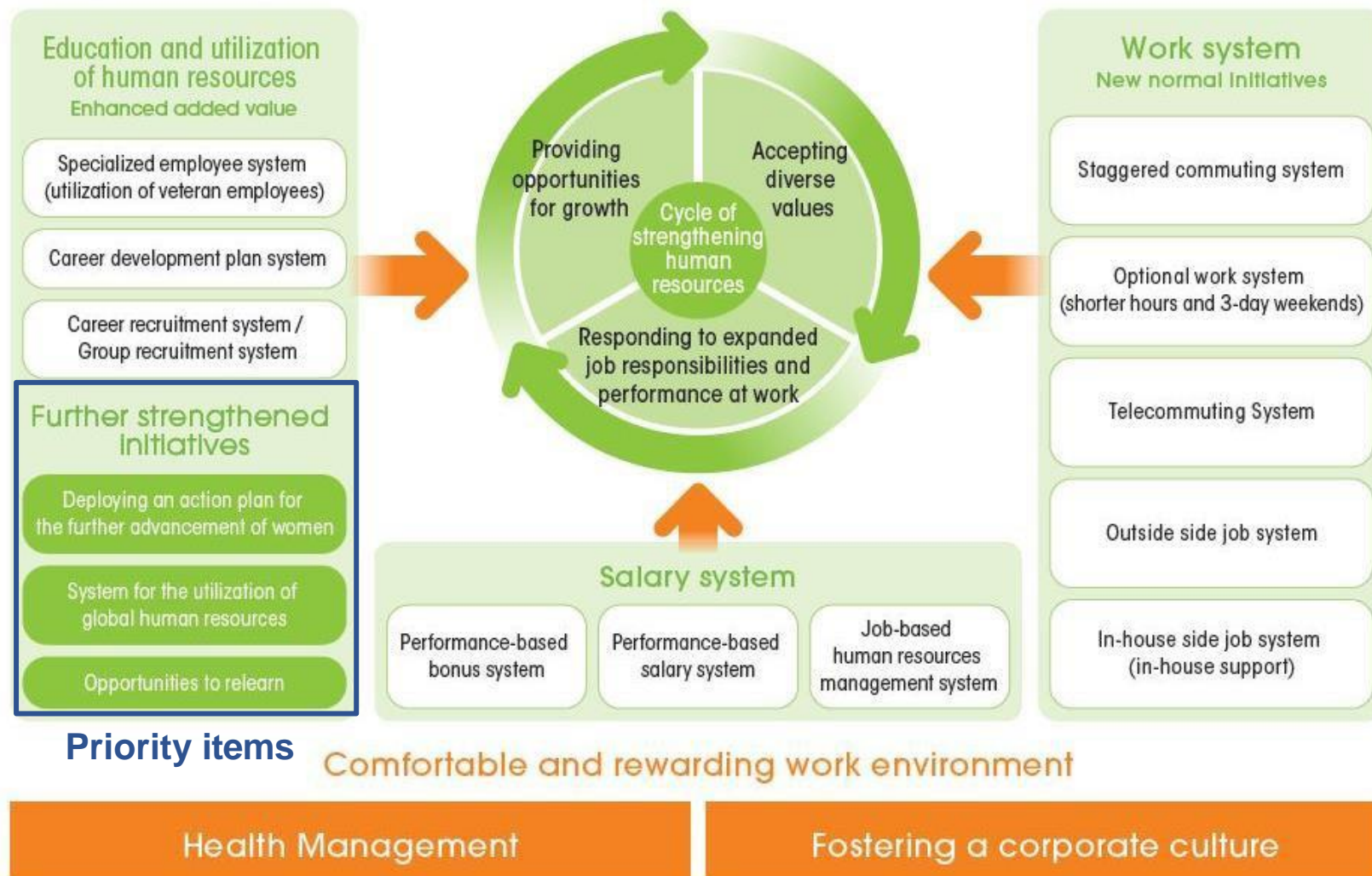
A Sustainability Promotion Committee was newly established in August 2022. Chaired by the Chairman and CEO, the committee meets four times a year to deliberate and decide on the policies, plans, and measures for sustainability, manage progress, and report and make proposals to the Board of Directors and other relevant bodies. Risks identified and examined by the Sustainability Promotion Committee will also be reported to the Risk Management Committee to strengthen governance.

[Initiatives to reduce environmental impact]

SCOPE 1 and 2	Production facilities		1) Switch to facilities with less environmental impact. 2) Switch to smarter production methods.
	Buildings		1) Visualize energy impact. 2) Switch to smarter production methods.
	Electric power		• Replace with renewable energy.
	Absorption/Removable		• Use carbon credits (support for afforestation projects, etc.).
SCOPE 3	Procurement/Logistics		1) Increase the use of recycled materials. 2) Improve the logistics method during procurement.
	Development		1) Promote the planning and development of energy-saving products. 2) Use materials with low environmental impact. 3) Minimize the weights and sizes of products.
	Products/Services		1) Provide support and consulting services to help customer factories become smarter and more energy efficient. 2) Promote a refurbishment business.

2.11 ESG Management -Investment in Human Resources Development-

- JUKI will create a system to further enhance every employee's abilities by accepting various differences in values on a group-wide basis and developing human resources capable of responding flexibly and robustly to the changing business environment in the new normal society.
[JUKI's personnel systems]



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

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JUKI CORPORATION

The motif for the key visual is the “6Xs,” the pillar to transform JUKI.

The 6Xs (six transformations) are Borderless X, Business Model X, SDGs Management X, R&D Model X, Work-style Reform X, and Financial Structure X.

JUKI CORPORATION