

## CORPORATE GOVERNANCE REPORT

JUKI CORPORATION

Last Update: March 26, 2024

**JUKI CORPORATION**

Akira Kiyohara

Representative Director Chairman CEO& COO

Contact: General Affairs Department

Securities Code: 6440

<https://www.juki.co.jp/en/>

The corporate governance of JUKI CORPORATION (the “Company”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

The Company regards the appropriate maintenance and operation of its corporate governance system as one of its most important matters from the viewpoint of ensuring sound and efficient management and responding to the trust of stakeholders and strives to develop and enhance it. We will also increase management transparency through timely and accurate disclosure of information.

#### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Company complies with all the principles of the Corporate Governance Code.

#### **[Disclosure Based on the Principles of the Corporate Governance Code] **UPDATED****

[Principle 1.4 Cross-Shareholdings]

##### **1. Policy on Cross-Shareholdings**

Cooperative relationships with various companies are essential for business expansion and sustainable development. From a medium- to long-term perspective, the Company aims to increase its corporate value by comprehensively considering factors such as the importance of business strategies, business relationships with business partners, returns and risks, and by holding shares that are strategically necessary.

Each year, the Company examines the appropriateness of the purpose of cross-shareholdings, the status of transactions, and the benefits and risks associated with holding such as dividend income, in relation to the cost of capital. If, as a result of such verification, it is determined that the shares are not worth holding, the Company will reduce the number of shares as appropriate.

At the meeting of the Board of Directors held in July 2023, the Board of Directors examined the listed shares held by the Company as of the end of 2022 from the viewpoints of the appropriateness of purpose, investment profitability, business benefits, and holding risks in accordance with the above examination criteria and determined that the holding will continue.

##### **2. Exercise of voting rights**

While respecting the management policies of the investee companies, the Company will exercise its voting rights by comprehensively deciding whether to vote for or against each proposal from the perspectives of medium - to long-term corporate value improvement, shareholder return policy, corporate governance, and social responsibility. In particular, the Company will carefully decide whether to approve or disapprove proposals that may damage corporate value, such as proposals for the election of officers, proposals related

to anti-takeover measures, and proposals related to organizational restructuring, in the event that the investee company's business performance continues to be sluggish over the medium to long term or if misconduct or other similar incidents occur.

[Principle 1.7 Related Party Transactions]

The Company requires approval and reporting by the Board of Directors for conflict of interest transactions with officers.

In addition, the Company conducts transactions in compliance with laws and regulations in its corporate activities and conducts fair, transparent, and free competition in its commercial transactions. The same principle applies to transactions when a business partner is a major shareholder. In addition, the Company has established the "JUKI Group Employee's Code of Conduct" based on this policy to ensure that transactions with related parties do not harm the interests of the Company and shareholders.

[Principle 2.4 Policies and Goals for Ensuring Diversity in the Promotion to Core Human Resources]

[Supplementary Principle 2.4.1]

(1) Embracing diverse values

The employees of JUKI Group companies around the world come from diverse social backgrounds and have diverse values. To secure excellent human resources and innovate, a company must recognize the diversity of its employees regardless of gender, age, or nationality and create an attractive environment in which every employee can play an active role. JUKI aims to maximize organizational performance by promoting three pillars of diversity & inclusion: "promotion of women's activities," "deployment of global human resources," and "promotion of specialized employee activities." To raise the percentage of women in management positions to 10% by 2025, JUKI is offering women more opportunities to play active roles by gaining more work experience and expanded job assignments.

(2) Providing opportunities for growth

JUKI will provide opportunities for "relearning," opportunities for autonomous career development to encourage the growth of employees individually, and other opportunities to link personal growth to the sustainable growth of the organization. JUKI will circulate human resources both domestically and internationally to improve individual capabilities using a personnel system based on careers and expertise. Overseas training will be provided for new employees, and rotations will include overseas offices. JUKI will also accept diversity and values and absorb shared know-how. JUKI actively promotes national staff to management positions in its overseas locations.

(3) Comfortable and rewarding work environments

JUKI actively introduces satellite offices and free address systems for workplaces to ensure that employees can carry out their work comfortably. JUKI provides equal opportunities regardless of age or gender and develops systems well aligned with the way individuals want to work (hours, type of work, region, etc.).

At a "Health & Well-being at Work Declaration" ceremony hosted by Tama City, home to the head office, in July 2022, JUKI declared its commitment to the health of its employees and to the promotion of work life balance and diversity-oriented work styles. JUKI continues to improve its work systems and environment to follow through on that commitment. Detail of the Company's actions for ensuring diversity is in the Company's website as linked below.

(JUKI Integrated Report)

<https://www.juki.co.jp/en/ir/library/>

(4) Promotion of Reskilling

In September 2022, we made a "Declaration of Re-learning for All Employees", and the Company is continuing the reskilling program for all employees in FY2023 and FY2024. The company is actively investing in human resources by providing learning opportunities and educational support to employees who are willing to learn and improve their knowledge and skills to achieve results, as well as to those who aim to improve their careers.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company manages defined benefit corporate pension plans in accordance with its agreement. For the management of reserves, we have established a basic policy for asset management and set a policy asset

composition ratio. In addition, the Pension Funds Management Committee, which consists of members selected from the Human Resources, Accounting and Finance Departments, has been established to select fund managers and products and monitor fund managers (including those engaged in stewardship activities). We will strive to improve the quality of our operations by assigning persons with appropriate qualifications to be in charge of the operations and conducting periodic training.

(5) Introduction of a re-employment system up to the age of 70

In April 2024, we will introduce a re-employment system that will allow older employees to continue to be employed until a maximum age of 70. By employing such people until they reach the age of 70, we will promote the creation of an organizational environment in which a more diverse range of employees can play an active role.

[Principle 3.1 Full Disclosure]

1. Company objectives (e.g., management principles), management strategies, and management plans

The Company has clarified its basic ideas in the “Corporate Philosophy,” “Basic Management Policy,” “Corporate Slogan,” and “JUKI Corporate Code of Conduct,” and posted them on the Company's website.

In addition, management strategies, management plans (medium-term management plans), and management initiatives in each business field are also posted on the Company's website as “Results briefing materials” and “Business Report.”

2. Basic Views and Policies on Corporate Governance

As described in [1. Basic Views].

3. Policies and Procedures for Determining Remuneration for Senior Management and Directors

The relevant information is stated under [Director Remuneration] in [1. Organizational Composition and Operation] from [II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management] in this report.

4. Policies and Procedures for Appointment and Dismissal of Senior Management and Nomination of Candidates for Directors and Audit & Supervisory Board Members

With regard to the appointment of senior management and the nomination of candidates for Director, the Company comprehensively examines them from the perspective of placing the right person in the right position, while taking into account appropriate and prompt decision-making, risk management, monitoring of business execution, and a balance that can cover each function of the Company and each business division.

With regard to the nomination of candidates for Audit & Supervisory Board Members, the Company comprehensively examines the matter from the perspective of placing the right person in the right position while ensuring a balance between knowledge on finance and accounting, on laws, and diverse perspectives on corporate management.

Nomination of candidates for Directors and Audit & Supervisory Board Members is subject to deliberation and decision by the Board of Directors upon receiving a report from the Designation and Reward Advisory Committee based on the above policy.

The Designation and Reward Advisory Committee annually evaluates the status of business execution, including business performance, of senior management, and deliberates on whether or not to appoint Directors, and reports the results to the Board of Directors. With regard to the dismissal of senior management, the Designation and Reward Advisory Committee has established standards for dismissal in advance. If the Committee determines that such standards are met, the Designation and Reward Advisory Committee deliberates on the appropriateness of dismissal and reports its opinion to the Board of Directors. Based on this, the Board of Directors deliberates on the appropriateness and decides whether or not to dismiss.

5. Explanation of individual appointments and nominations

The Company discloses the backgrounds of each candidate for Director and Audit & Supervisory Board Member, as well as the election in the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 3.1.3]

(1) The Company's Sustainability Initiatives

The Company aims to realize a sustainable society and achieve sustainable growth of the Company by incorporating solutions to various issues related to sustainability in the Medium-Term Management Plan and

thoroughly implementing management that emphasizes the ESG perspective (ESG management). In August 2022, we established a new Sustainability Promotion Committee chaired by the President. The Committee, the Management Strategy Council, and the Risk Management Committee work together to develop long-term corporate strategies to promote management from a sustainable perspective. We also committed to achieving carbon neutrality by 2050 by further increasing our efforts to reduce CO2 emissions in our product development, production activities, and operational activities. In July 2022, we endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) established by the Financial Stability Board and announced our participation in the “TCFD Consortium”, which is comprised of companies that support the recommendations. We will continue to promote information disclosure based on TCFD recommendations. For details, please refer to the JUKI Integrated Report, and for details of disclosure based on the TCFD recommendations, please refer to the attachment.

(JUKI Integrated Report)

<https://www.juki.co.jp/en/ir/library/>

(2) Investment in human capital

Development and assignment of human resources including investment in human capital is mentioned in Principle 2.4.1 above.

(3) Investment in Intellectual Property

In order to maintain and improve the competitiveness and continuity of our products and services, the Company is actively engaged in research and development activities in line with its “Corporate Value Creation Process”. With regard to investment in intellectual property rights, the Company is making efforts to develop and operate an intellectual property strategy from the perspective of accumulating and utilizing its own intellectual property and respecting the rights of third parties, as an important asset for securing competitive advantage and achieving continuous business growth. Investment in development research activities and IP activities are disclosed in the Annual Securities Report (Japanese version only) and JUKI Integrated Report.

(JUKI Integrated Report ,Annual Securities Report (Japanese only))

<https://www.juki.co.jp/ir/library/>

[Principle 4.1 Roles and Responsibilities of the Board of Directors (1)]

Supplementary Principle 4.1.1

The Company has established rules for the Board of Directors, clarifying what the Board of Directors makes decisions on its own, and delegating other matters to the management.

The management team is engaged in management based on the authority rules determined according to the scale and nature of transactions and operations.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

In addition to the requirements under the Companies Act, the election of Outside Directors focuses on their abundant experience and deep insight in corporate management, etc., as well as their sufficient knowledge of corporate governance systems. The Company has designated independent directors who satisfy the requirements for independent directors set forth by the stock exchanges on which they are listed and who are unlikely to have conflicts of interest with general shareholders.

[Principle 4.10 Use of Voluntary Mechanisms]

1) The Company has established the Nomination and Compensation Advisory Committee, a voluntary advisory committee of the Board of Directors, consisting of one internal director and three independent outside directors, in order to seek appropriate advice and involvement of independent outside directors in the nomination and compensation of senior management and directors and the nomination of corporate auditors.

2) The committee is chaired by an independent outside director, thereby strengthening the independence, objectivity and accountability of the Board of Directors with respect to the nomination and compensation of senior management and directors.

3) In FY2023, all four (4) committee members attended the meeting, which was held ten (10) times. The committee deliberated on such matters as compensation for executives and succession planning and reported back to the Board of Directors.

See \*II "Status of establishment of voluntary committees, composition of committee members, and attributes of the chairperson (chairman)".

[Principle 4.11. Preconditions for Board of Directors and Audit & Supervisory Board Effectiveness]

[Supplementary Principle 4.11.1]

The Company strives to maintain a small number of members of the Board of Directors in order to enhance the substance of discussions at the Board of Directors.

The Board of Directors consists of Directors who are elected based on the fields and experience of each business necessary for business operations. The Board of Directors consists of six (6) members as of the date of this update: three (3) full-time and three (3) outside members and strives to maintain transparency and soundness of management while maintaining a balance.

The composition of the Board of Directors (Skill Matrix) is shown at the end of this document.

[Supplementary Principle 4.11.2]

The Company discloses important concurrent positions held by Directors and Audit & Supervisory Board Members at other listed companies in the Business Report and Reference Materials for the General Meeting of Shareholders.

[Supplementary Principle 4.11.3]

The operating status of the Company's Board of Directors is as follows.

- 1) In accordance with the Board of Directors Regulations, the Board of Directors selects all important matters as proposals and meets monthly in principle to discuss them in a timely and appropriate manner.
- 2) Prior to deliberation by the Board of Directors, problems, issues, risks and their countermeasures are clarified at meetings such as the Corporate Strategy Committee, and the effectiveness of discussions is enhanced.
- 3) In order for the Board of Directors to conduct smooth and active discussions and conduct sufficient deliberations, materials for the Board of Directors are distributed in advance, and in particular, the content is explained to Outside Directors and Outside Audit & Supervisory Board Members in advance.

The Company conducts self-evaluation through questionnaires once a year for Directors and Audit & Supervisory Board Members, and after totaling the self-evaluation, the Board of Directors conducts "Analysis and Evaluation of the Effectiveness of the Board of Directors."

In the evaluation for fiscal 2023, we confirmed that the effectiveness of the Board of Directors as a whole is ensured for the following reasons.

- 1) The composition of the Board of Directors is appropriate in light of the content and scale of the Company's business.
- 2) The management of the Board of Directors is appropriately conducted from the viewpoints of the frequency of meetings and the content of materials.
- 3) The deliberations of the Board of Directors are appropriate from the perspective of the content of the deliberations, such as the selection of agenda items, the deliberation time, and the statements of the attendees.
- 4) The system to support Directors is appropriate from the perspective of opportunities to exchange information with top management or to deepen understanding of the contents of proposals and business other than the Board of Directors.

In the "Analysis and Evaluation of the Effectiveness of the Board of Directors," it was pointed out to the Company's Board of Directors that the materials of the Board of Directors meetings were too large, and the text was too small, etc. In the future, we will work to improve the materials to further deepen discussions by making them more focused, simplified, and easier to understand and continue to make efforts to ensure the effectiveness of the Board of Directors by further enhancing the exchange of opinions at Board of Directors meetings, aiming to build a more substantial corporate governance system and further enhance corporate value.

[Principle 4-14. Training for Directors and Audit & Supervisory Board Members]

Supplementary Principle 4.14.2

The Company has appointed persons who can fully fulfill the roles and responsibilities expected of Directors and Audit & Supervisory Board Members, including Outside Officers.

In light of this, the Company promotes the understanding of the roles and responsibilities expected of Directors, including legal knowledge, of newly appointed officers, who have been promoted internally, by utilizing external training sessions and such.

As for Outside Directors and Outside Audit & Supervisory Board Members, the Company conducts activities to understand the business and functions of the Company at the time of their appointment and periodically thereafter.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

In order to promote constructive dialogue with shareholders, the Company provides easy-to-understand explanations of its management company's management policy and management status, and strives to gain the understanding of shareholders.

- 1) Dialogue with shareholders is supervised by the officer in charge of IR, and efforts are made to enable constructive dialogue through activities such as financial results briefings and individual interviews.
- 2) In order to support dialogue with shareholders, the Company cooperates with related divisions such as finance and accounting, and actively cooperates in creating materials and sharing necessary information.
- 3) As a means of dialogue other than individual interviews, the Company holds financial results briefings for institutional investors and analysts twice a year (in the interim and at the end of the fiscal year) in which the President himself provides explanations.

Every year, after the General Meeting of Shareholders, we hold product tours at our exhibition room for those who wish to attend.

- 4) Opinions obtained through dialogue with shareholders are aggregated as necessary and reported to the management and related divisions to share information.
- 5) The period prior to the announcement of financial results is a silent period in which dialogue with investors is restricted.

## 2. Capital Structure

|                            |               |
|----------------------------|---------------|
| Foreign Shareholding Ratio | Less than 10% |
|----------------------------|---------------|

### [Status of Major Shareholders] **UPDATED**

| Name / Company Name                                  | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2,815,100              | 9.53           |
| PEGASUS CO., LTD.                                    | 1,045,600              | 3.54           |
| Mizuho Bank, Ltd.                                    | 938,064                | 3.17           |
| Nippon Life Insurance Company                        | 732,193                | 2.48           |
| Asahi Mutual Life Insurance Company                  | 569,000                | 1.93           |
| The Dai-ichi Life Insurance Company, Limited         | 511,600                | 1.73           |
| Custody Bank of Japan, Ltd. (Trust Account)          | 470,600                | 1.59           |
| Meiji Yasuda Life Insurance Company                  | 460,000                | 1.56           |
| Mizuho Trust & Banking Co., Ltd.                     | 401,000                | 1.36           |
| JUKI Client Shareholding Association                 | 351,812                | 1.19           |

|   |      |
|---|------|
| Controlling Shareholder (except for Parent Company) | -    |
| Parent Company                                      | None |

### Supplementary Explanation **UPDATED**

\*The status of major shareholders is as of December 31, 2023

\* Percentages are calculated deducting 325,926 treasury shares held by the Company.

### 3. Corporate Attributes

|   |   |
|---|---|
| Listed Stock Market and Market Section  | Tokyo Stock Exchange Prime Section        |
| Fiscal Year-End   | December                                  |
| Type of Business  | Machinery                                 |
| Number of Employees (consolidated) as of the End of the Previous Fiscal Year  | More than 1000                            |
| Sales (consolidated) as of the End of the Previous Fiscal Year <b>UPDATED</b> | From ¥10billion to less than ¥100 billion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | From 10 to less than 50                   |

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

|      |
|------|
| None |
|------|

### 5. Other Special Circumstances which may have Material Impact on Corporate Governance

|      |
|------|
| None |
|------|

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

|                   |  |
|-------------------|--|
| Organization Form | Company with Audit & Supervisory Board |
|-------------------|--|

#### [Directors]

|   |   |
|---|---|
| Maximum Number of Directors Stipulated in Articles of Incorporation | 13 persons  |
| Term of Office Stipulated in Articles of Incorporation              | 1 year  |
| Chairperson of the Board  | Company Chairperson (except when concurrently serving as President) |
| Number of Directors <b>UPDATED</b>                                  | 6 persons   |
| Appointment of Outside Directors                                    | Appointed   |
| Number of Outside Directors   | 3 persons   |
| Number of Independent Directors                                     | 3 persons   |

Outside Directors' Relationship with the Company (1)

| Name            | Attribute            | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |  |
|-----------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|                 |                      | a                              | b | c | d | e | f | g | h | i | j | k |  |
| Kazumi Nagasaki | From another company |                                |   |   |   |   |   |   |   |   |   |   |  |
| Yutaka Hori     | Lawyer               |                                |   |   |   |   |   |   |   |   |   |   |  |
| Junko Watanabe  | From another company |                                |   |   |   | △ |   |   |   |   |   |   |  |

\* Categories for "Relationship with the Company"

- \* "○" when the director presently falls or has recently fallen under the category;
- "△" when the director fell under the category in the past
- \* "●" when a close relative of the director presently falls or has recently fallen under the category;
- "▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a(n) director/Audit & Supervisory Board member
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board member are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) **UPDATED**

| Name                | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment   |
|---------------------|-------------------------------------|---|--|
| Mr. Kazumi Nagasaki | ○                                   | —   | <p>He has served as Outside Director of the Company since 2014 and will have served for ten (10) years as of the conclusion of the most recent General Meeting of Shareholders. Based on his wealth of experience and knowledge as a corporate manager, as well as his high level of insight and supervisory capabilities regarding management, the Company expects that he will provide accurate advice and make decisions from an objective and neutral standpoint, and has judged that he is qualified as an Outside Director.</p> <p>The Company has determined that he is highly independent with no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p> |



*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

|   |   |  |  |
|---|---|--|--|
| Mr.<br>Yutaka<br>Hori   | ○ | —  | <p>He has served as Outside Director of the Company since 2016, and his term of office will have been eight (8) 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 providing pertinent advice and making decisions on corporate management 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> <p>The Company has determined that he is highly independent with no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p>                  |
| Ms.<br>Junko<br>Watanabe  | ○ | <p>Ms. Junko Watanabe worked for Mizuho Bank, Ltd., (formerly The Fuji Bank, Ltd.), a major lender to the Company, as an operating officer from April 1980 to August 2010. It has been more than 10 years since she retired from the bank, and she does not have any conflicts of interest that would cause conflicts of interest with general shareholders.</p> | <p>Ms. Junko Watanabe has served as Outside Director of the Company since 2023, and her term of office will have been one (1) year at the conclusion of this Ordinary General Meeting of Shareholders. The Company determined that she is an appropriate person to serve as Outside Director because she can be expected to play a role in 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> <p>The Company has determined that he is highly independent with no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p> |
| Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee |   | Established  |  |

Committee's Name, Composition, and Attributes of Chairperson

| Committee's Name      | Committee Corresponding to Nomination Committee | Committee Corresponding to Remuneration Committee |
|-----------------------|---|---|
| All Committee Members | 4   | 4   |
| Full-time Members     | 0   | 0   |
| Inside Directors      | 1   | 1   |

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| Outside Directors | 3                 | 3                 |
| Outside Experts   | 0                 | 0                 |
| Other             | 0                 | 0                 |
| Chairperson       | Outside Directors | Outside Directors |

Supplementary Explanation **UPDATED**

The Company has established the Designation and Reward Advisory Committee, a voluntary advisory committee of the Board of Directors, consisting of one (1) internal director and two (2) outside directors, with a view to seeking the appropriate advice and involvement of independent external directors in the nomination and remuneration of senior management and directors and the nomination of Audit & Supervisory Board members as of December 21, 2018. The Committee is chaired by an outside director. This committee, the independence, objectivity, and accountability of the Board of Directors regarding the nomination and remuneration of senior management and directors are strengthened.

In fiscal year 2023, the Committee held ten (10) meetings with the attendance of all three members, deliberated on the remuneration of directors and the development of successors, and reported to the Board of Directors.

**[Audit & Supervisory Board member]**

|   |             |
|---|-------------|
| Establishment of Audit & Supervisory Board  | Established |
| Maximum Number of Audit & Supervisory Board members stipulated in Articles of Incorporation | 4 persons   |
| Number of Audit & Supervisory Board members<br><b>UPDATED</b>                               | 4 persons   |

Cooperation among Audit & Supervisory Board members, Accounting Auditors and Group Internal Audit Department

The Group Internal Auditing Department has been established as an internal auditing organization consisting of seven (7) members. As part of its business activities, the Company conducts business audits of each department of the Company and group companies. In addition, the Audit & Supervisory Board Members' Audit is conducted in cooperation with the Group Internal Auditing Department and the accounting auditor in accordance with the audit policy and division of duties established by the Audit & Supervisory Board.

An audit report meeting is held regularly by the accounting auditor.

|   |           |
|---|-----------|
| Appointment of Outside Audit & Supervisory Board members                  | Appointed |
| Number of Outside Audit & Supervisory Board members<br><b>UPDATED</b>     | 3 persons |
| Number of Independent Audit & Supervisory Board members<br><b>UPDATED</b> | 3 persons |

Outside Audit & Supervisory Board member's Relationship with the Company (1)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

| Name             | Attribute                   | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------|-----------------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                  |                             | a                              | b | c | d | e | f | g | h | i | j | k | l | m |
| Hiroko Nihei     | From another company        |                                |   |   |   |   |   | △ |   |   |   |   |   |   |
| Minoru Takenaka  | Certified public accountant |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| Takashi Yoneyama | Lawyer                      |                                |   |   |   |   |   |   |   |   |   |   |   |   |

\* Categories for “Relationship with the Company”

- \* “○” when the director presently falls or has recently fallen under the category;
- “△” when the director fell under the category in the past
- \* “●” when a close relative of the director presently falls or has recently fallen under the category;
- “▲” when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Audit & Supervisory Board member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
- m. Others

Outside Audit & Supervisory Board member’s Relationship with the Company (2) UPDATED

| Name | Designation as Independent Audit & Supervisory Board member | Supplementary Explanation of the Relationship | Reasons of Appointment |
|------|---|---|------------------------|
|      |   |   |                        |

|                            |   |   |  |
|----------------------------|---|---|--|
| Ms.<br>Hiroko<br>Nihei     | ○ | Ms. Hiroko Nihei worked for Mizuho Bank, Ltd. (formerly Fuji Bank, Ltd.), a major lender to the Company, as an operating officer from April 1999 to March 2008. After retiring from the bank, she has been practicing as an attorney-at-law since 2009. It has been more than 10 years since his retirement from the bank, and she does not have any conflicts of interest that would cause a conflict of interest with general shareholders. | Ms. Hiroko Nihei has served as Outside Audit & Supervisory Board Member of the Company since 2023, and her term of office will have been one (1) year at the conclusion of this Ordinary General Meeting of Shareholders. The Company determined that Ms. Hiroko Nihei is an appropriate person as Outside Audit & Supervisory Board Member because the Company can expect her to be capable of providing pertinent 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. The Company has designated her as an independent officer because she does not have any conflict of interest with general shareholders. |
| Mr.<br>Minoru<br>Takenaka  | ○ | —   | The Company has determined that Mr. Minoru Takenaka is an appropriate person as Outside Audit & Supervisory Board Member because he has experience in corporate auditing at an auditing firm and sufficient knowledge of accounting as a certified public accountant and tax accountant and can be expected to provide advice and conduct audits based on his professional knowledge and experience in order to strengthen the Company's auditing system. The Company has designated him as an independent officer because he does not have any conflict of interest with general shareholders.  |
| Mr.<br>Takashi<br>Yoneyama | ○ | —   | The Company determined that Mr. Takashi Yoneyama is an appropriate person as Outside Audit & Supervisory Board Member because the Company can expect him to be capable of providing advice and conducting audits in areas such as compliance, intellectual property disputes, and risk management based on his vast experience in international legal matters and the legal expertise he has built up as an attorney. The Company has designated him as an independent officer because he does not have any conflict of interest with general shareholders.  |

**[Independent Directors/Audit & Supervisory Board members]**

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

|  |           |
|--|-----------|
| Number of Independent Directors/Audit & Supervisory Board members <b>UPDATED</b> | 6 persons |
|--|-----------|

Matters relating to Independent Directors/Audit & Supervisory Board members

—

#### [Incentives]

|                                  |  |
|----------------------------------|--|
| Incentive Policies for Directors | Performance-linked Remuneration, Other |
|----------------------------------|--|

Supplementary Explanation

##### Performance-linked Remuneration

The Company pays performance-linked remuneration (bonus) to directors (excluding outside directors) at a certain time each year.

The total amount of performance-linked compensation (bonus) is calculated based on consolidated ordinary income, which is an important benchmark for the profitability of the Group, and by comprehensively taking into consideration the Company's performance in each fiscal year and dividends, etc. The performance and results of each individual are evaluated and determined.

##### Remuneration Based on Allocations of Restricted Stock

The Company introduced a stock compensation plan for directors (excluding outside directors) following approval at the 107th Ordinary General Meeting of Shareholders held on March 28, 2022. The stock compensation plan is designed to improve the Company's corporate value in a sustainable manner.

The stock compensation plan is intended to provide an incentive to continuously improve the Company's corporate value and to further promote value sharing with shareholders. The stock compensation plan provides a portion of the compensation as "restricted stock compensation" in order to provide incentives to continuously improve the Company's corporate value and to further promote value sharing with shareholders.

|                             |      |
|-----------------------------|------|
| Recipients of Stock Options | None |
|-----------------------------|------|

Supplementary Explanation

—

#### [Director Remuneration]

|  |                          |
|--|--------------------------|
| Disclosure of Individual Directors' Remuneration | No Individual Disclosure |
|--|--------------------------|

Supplementary Explanation **UPDATED**

The Company discloses the total amount of remuneration for all Directors in the "Annual Securities Report" and "Business Report".

The total amount of remuneration paid to directors in fiscal year 2023 was 124 million yen.

|  |             |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods **UPDATED**

1) The policy for determining the details of individual remuneration for Directors.

(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 considering 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 loss of the fiscal year 2023 stood at 3,684 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 four (4) Directors, including three (3) Independent Outside Directors, deliberates a remuneration plan proposed by the Representative Director Chairman & 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.

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) would be 480 million yen.

As of the conclusion of the General Meeting of Shareholders, the number of Directors was nine.

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.

**[Supporting System for Outside Directors and/or Audit & Supervisory Board members]**

The Company provides Outside Directors and Outside Audit & Supervisory Board Members with prior explanations regarding proposals submitted to the Board of Directors. The Company has established the Auditor's office, which reports directly to the Audit & Supervisory Board members.

## **2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **UPDATED****

The Company has adopted the form of a company with an Audit & Supervisory Board. By appointing highly independent Outside Directors and Outside Audit & Supervisory Board Members, we believe that the management supervision function and the audit function by the Audit & Supervisory Board are functioning effectively.

The Board of Directors consists of five Directors, Akira Kiyohara (Chairman: Representative Director Chairman & CEO), Shinsuke Uchinashi, Atsushi Narikawa, Hirokazu Nagashima, Kazumi Nagasaki (Outside Director), Yutaka Hori (Outside Director) and Junko Watanabe (Outside Director) as of the date of this update. The Board of Directors makes decisions on matters stipulated by laws and regulations and on important matters related to management, while continuously supervising the status of business execution.

The Audit & Supervisory Board consists of three Audit & Supervisory Board Members, Masahiko Suzuki (Chairman: Full-time Audit & Supervisory Board Member), Hiroko Nihei (Outside Audit & Supervisory Board Member), Minoru Takenaka (Outside Audit & Supervisory Board Member) and Takashi Yoneyama (Outside Audit & Supervisory Board Member) as of the date of this update. The Auditor's office has been established to assist the Audit & Supervisory Board Members. Each member conducts audits in accordance with the audit policy and division of duties established by the Audit & Supervisory Board, and audits the execution of duties by directors.

The Company has established the Group Internal Auditing Department, which consists of seven (7) members. As part of its business activities, the Company conducts business audits of each division of the Company and group companies.

In addition, the Company has established the Designation and Reward Advisory Committee as a voluntary advisory body under the Board of Directors for the purpose of strengthening the independence, objectivity and accountability of the functions of the Board of Directors regarding the nomination and remuneration of the senior management and Directors and Audit & Supervisory Board Members. The Committee consists of Yutaka Hori (Chairman: Outside Director), Kazumi Nagasaki (Outside Director), Junko Watanabe (Outside Director) and Akira Kiyohara (Representative Director Chairman & CEO) as of the date of this update.

The Company has introduced an Executive Officer system and a Corporate Officer system (for officers equivalent to Corporate Officers except Corporate Officers with special titles) to try to facilitate business executions and clarify responsibility. All Directors, excluding Directors Kazumi Nagasaki and Yutaka Hori, concurrently serve as Executive Officers. The number of Executive Officers is eight (8), and the number of Corporate Officers is fifteen (15) as of the date of this update.

Since April 1, 2020, the Company has positioned and nurtured Corporate Officers (officers equivalent to Corporate Officers except Corporate Officers with special titles) as successors to Executive Officers with special titles, and has promoted young employees to invigorate them.

The Company has established a Management Strategy Council under the Board of Directors. With regard to the corporate group consisting of the Company and the group companies, the Board of Directors, as well as the Executive Officers with titles in charge, the Corporate Officers in charge and the heads of departments in charge attend the council. The council deliberates from various angles on basic policies and strategies for management, thereby enabling more appropriate decision-making and business execution. The Board of Directors makes decisions on particularly important matters among those submitted to the Management Strategy Council.

As a risk management system, the Company has established the Risk Management Conference and the Anti-crisis Task Force.

And the Sustainability Promotion Committee deliberates and decides on the formulation of company-wide policies and targets regarding sustainability, establishes and maintains a system to put these policies and targets into practice, and monitors various measures.

|  |
|--|
|  |
|--|

### 3. Reasons for Adoption of Current Corporate Governance System

By appointing highly independent Outside Directors and Outside Audit & Supervisory Board Members, we believe that the management supervision function and the audit function by the Audit & Supervisory Board are functioning effectively. In addition, the Company has established an effective corporate governance system through the introduction of a Corporate Officer system to speed up and improve the efficiency of decision-making and business execution.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

|   | Supplementary Explanations  |
|---|---|
| Early Notification of General Shareholder Meeting | The Company has sent notifications more than three weeks prior to the date of the Ordinary General Meeting of Shareholders.   |
| Scheduling AGMs Avoiding the Peak Day             | The date has been set to avoid peak day.  |
| Allowing Electronic Exercise of Voting Rights     | The Company has been using the system of Mizuho Trust & Banking Co., Ltd., the shareholder registry administrator.  |
| Participation in Electronic Voting Platform       | We have joined the electronic voting platform for institutional investors operated by ICJ, Inc.   |
| Providing Convocation Notice in English           | The convocation notice for the General Meeting of Shareholders in English has been posted on the Timely Disclosure network of the Tokyo Stock Exchange and the Company's website before the mailing date. |

### 2. IR Activities

|   | Supplementary Explanations   |
|---|--|
| Regular Investor Briefings for Individual Investors                 | Although we do not regularly hold briefing sessions for individual investors, we are striving to provide information such as by sending “notification of General Meeting of Shareholders” printed in color with easy-to-understand manner using charts and graphs, and by publishing materials for IR Results Briefing materials on our website.   |
| Regular Investor Briefings for Analysts and Institutional Investors | The Company holds IR financial results briefings twice a year for institutional investors and analysts at the end of the fiscal year and in the middle of the fiscal year. The President explains the business results and management strategies for the fiscal year under review.   |
| Regular Investor Briefings for Overseas Investors                   | The Company does not regularly hold briefing sessions for overseas investors but responds to individual interviews from institutional investors and analysts as necessary.   |
| Posting of IR Materials on Website                                  | The URL for information regarding IR is <a href="https://www.juki.co.jp/ir/library/">https://www.juki.co.jp/ir/library/</a> . Information for investors posted on our website includes financial information and business results, securities reports, results briefing materials, JUKI Integrated Report, notification of General Meeting of Shareholders, and timely disclosure materials. |
| Establishment of Department and/or Manager in Charge of IR          | The Corporate Planning Department is assigned to be in charge of IR.   |
| Other   | We respond to individual interviews from institutional investors and analysts as necessary.  |



### 3. Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanations  |
|---|---|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | In order to fulfill our social responsibilities to our stakeholders, we have established the “JUKI Corporate Code of Conduct” on our website. This code serves as a specific guideline to be a company that not only complies with laws and regulations but also has value for society. |
| Implementation of Environmental Activities, CSR Activities etc.           | We have established our Environmental Philosophy and Environmental Action Guidelines. The “JUKI Integrated Report” is issued to disclose the Company’s approach to environmental conservation, as well as the Company’s initiative and implementations.                                 |
| Development of Policies on Information Provision to Stakeholders          | The “JUKI Corporate Code of Conduct” stipulates that the Company shall communicate with not only shareholders but also society at large, and shall actively and fairly disclose corporate information.  |

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

|  |
|--|
| <p>1 System to ensure that the execution of the duties of the directors complies with the regulations and articles of incorporation</p> <p>(1) We shall establish a “JUKI Corporate Code of Conduct” prescribing the basic ways we are to act as a company and clarifying the concepts of legal compliance.</p> <p>(2) We shall establish a “JUKI Group Employee’s Code of Conduct” as a detailed standard of behavior for employees in the execution of their duties, and shall strive to carry out thorough legal compliance.</p> <p>(3) Our “Regulations on Compliance” shall establish a system and procedures for the compliance of the whole business group consisting of our company and subsidiary companies (hereinafter “our group companies”).</p> <p>(4) We shall vigilantly oppose antisocial individuals and groups who adversely affect social order and our sound activities as a company.</p> <p>2 System to store and manage information on the execution of the duties of the directors.</p> <p>(1) With regard to information on the execution of duties, we shall establish a “Regulation on the Storage (Safekeeping) and Management of Important Documents.”</p> <p>3 Regulations to manage risks of loss at our company and group companies.</p> <p>(1) We shall establish a “Regulation on Risk Management” to manage the risks that we and our group companies face as a whole.</p> <p>(2) We shall establish a “Risk Management Conference” to examine important risks of the whole company, take appropriate measures to respond, and manage each department’s activities to manage risk.</p> <p>(3) An “Anti-crisis Task Force” shall take quick measures against inherent risks facing our company and the group companies.</p> <p>4 System to ensure that the execution of the duties of the directors, etc. is carried out efficiently.</p> <p>(1) We shall transfer some of the directors’ rights in the execution of duties to the executive officers and corporate officers to try and speed up the execution of duties using the Executive Officer System and Corporate Officer (for officers equivalent to Corporate Officers except Corporate Officers with special titles).</p> <p>(2) We shall transfer some of the directors’ rights in the execution of duties to employees in the “Regulation on Authority,” and improve the efficiency of decision-making.</p> <p>(3) We shall discuss important decision-making matters in the “Management Strategy Council,” and the Representative Director Chairman &amp; COO shall give his or her final approval on such matters.</p> <p>(4) We shall establish the respective roles in the execution of duties in the “Regulations on Organization” and make efforts toward the efficient execution of duties.</p> <p>5 System to ensure that the execution of the duties of our employees and the execution of the duties of the directors and employees of our group companies comply with the regulations and the articles of incorporation.</p> <p>(1) We shall establish a “JUKI Corporate Code of Conduct” prescribing the basic ways we are to act as a company and clarifying the concepts of legal compliance.</p> |
|--|

- (2) We shall establish a “JUKI Employee’s Code of Conduct” as a detailed standard of behavior for employees in the execution of their duties and shall strive to carry out thorough legal compliance.
- (3) In order to carry out thorough legal compliance, our department in charge of legal affairs shall conduct and disseminate education on compliance and managerial activities.
- (4) We shall appoint an officer in charge of internal control and compliance and endeavor to control the related organizations and activities.
- (5) Our “Regulations on Compliance” shall establish a system and procedures for the compliance of our company and the group companies.
- (6) We shall provide a “consultation service for employees” to directly respond to employees’ questions on compliance.

6 System for reporting to our company on matters regarding the execution of the duties of the directors of our group company, etc.

- (1) A group company shall report management policies and management plans to our company in “the Group Management Meeting” to enable our company to check and adjust the same.
- (2) A group company shall report to our company in accordance with the “Regulation on the Management of Group Companies,” regularly according to need.
- (3) The directors of a group company, etc. shall report promptly to our executive officer in charge of internal control and compliance in the event that there are facts indicating remarkable damage incurred by a company, fraudulence in a director’s execution of duties, or violations in regulations or the articles of incorporation.

7 Other systems to ensure adequate business in the business group consisting of our company and the group companies.

- (1) We shall establish a management control system according to our functional organization in our “Regulations on Organization” and “the Regulations on the Management of Our Group Companies”.
- (2) We shall establish a rule on decision-making on the distribution of management resources in our group companies in the “Regulations of Authority”.
- (3) Our Group Internal Auditing Department shall conduct internal audits of our group companies when needed.

8 Matters regarding an employee appointed by the Audit & Supervisory Board Members to assist them in the execution of their duties

- (1) We shall establish “Auditor’s office” that reports to the Audit & Supervisory Board Members as an organization to assist them.

9 Matters regarding the independence of the employee stipulated in the preceding clause from the directors and measures taken to secure the effectiveness of instructions from the directors to the said employee.

- (1) An Audit & Supervisory Board Member may remark on a personnel transfer and personnel evaluation of an employee who belongs to the Auditor’s office.
- (2) An employee who belongs to the Auditor’s office collects information necessary for the Audit & Supervisory Board Member’s audit promptly in accordance with their instructions.

10 System for enabling our directors, directors of our group companies and employees to report to the Audit & Supervisory Board Member

- (1) A full-time Audit & Supervisory Board Member shall attend meetings of important bodies such as the Board of Directors Meeting, Management Strategy Council, Group Management Meeting, Risk Management Conference, etc. to collect necessary information in person.
- (2) Our directors, directors of our group companies, and employees shall report to an Audit & Supervisory Board Member promptly upon becoming aware of any facts suggestive of the risk that the company will incur significant damage, that a director has committed fraud in the execution of duties, or that the regulations or articles of incorporation of the company are violated.
- (3) An Audit & Supervisory Board Member shall receive information directly from a department in charge, directors of our group companies, and employees in case that he or she judges to be necessary.

11 System to ensure that a person who has made a report stipulated in the preceding clause is not unfavorably treated on the grounds of making the said report.

(1) The “compliance regulations” clearly state that a person who reports to an Audit & Supervisory Board Member are not to be unfavorably treated for doing so, and our directors, directors of our group company, and employees shall be kept informed about this regulation.

12 Policies regarding procedures for advance payment of expenses or reimbursement of expenses that accrue during the execution of an Audit & Supervisory Board Member’s work or regarding the processing of expenses or debts that accrue during the execution of other work.

(1) We shall pay expenses that accrue during the execution of an Audit & Supervisory Board Member’s work and appropriate the budget he or she plans every year.

(2) When an Audit & Supervisory Board Member judges that the occurrence of expenses is necessary to ensure the effectiveness of an audit, we shall handle the expenses appropriately even if they are outside the budget stipulated in the preceding item.

13 Other systems to ensure that an Audit & Supervisory Board Member’s audit is conducted effectively.

(1) In addition to attending the board of directors’ meetings to express his or her opinions, he or she may exchange views with a representative director at any time to raise the effectiveness of the Audit & Supervisory Board Member’s audit.

(2) An Audit & Supervisory Board Member shall cooperate with the Group Internal Auditing Department and conduct audits as the need arises.

(3) An Audit & Supervisory Board Member shall cooperate with a corporate lawyer and an accounting auditor, and conduct audits as the need arises.

14 System to ensure the reliability of financial reporting.

(1) We shall prepare and operate a system that enables the effective functioning of the internal control of reliable financial reporting.

## 2. Basic Views on Eliminating Anti-Social Forces

The Company’s “Basic policy for building an internal control system” and the “JUKI Corporate Code of Conduct” stipulate that the Company will take a resolute stand against antisocial individuals and organizations that have a negative impact on social order and sound corporate activities.

## V. Others

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

Supplementary Explanation

The Company believes that increasing corporate value through further improvement of business performance is a matter of priority and has not introduced any “Anti-Takeover Measures” at present. However, the Company believes that appropriate measures are necessary for large-scale share acquisitions that do not contribute to the corporate value of the Company or the common interests of shareholders. We will carefully consider the necessity of introducing the system while paying attention to future legal systems and social trends.

### 2. Other Matters Concerning to Corporate Governance System

1. Timely Disclosure Policy

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

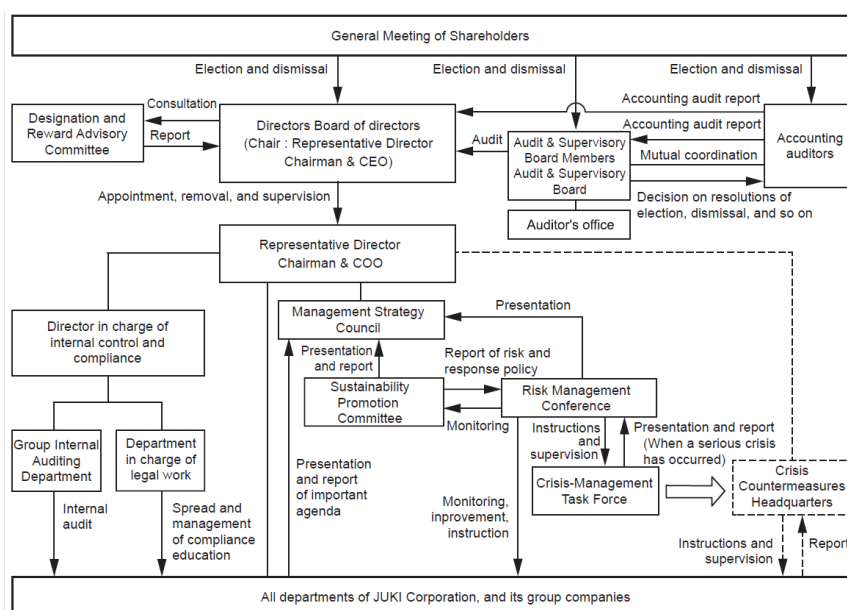
In view of the importance of information disclosure to investors, the Company has established an internal system based on promptness, transparency, and fairness, and is engaged in timely and appropriate information disclosure.

## 2. System for Timely Disclosure

In accordance with the “Timely Disclosure Rules” of the Tokyo Stock Exchange, the Company discloses information in a timely and appropriate manner based on the communication of information from each division, subsidiary, and affiliated company, based on the judgment of the top management and the administrative divisions (General Affairs Department, Finance & Accounting Department, etc.) and the person responsible for information management.

In addition, important decisions, financial results, etc. are promptly disclosed after approval by the Board of Directors.

### Reference: JUKI’s Corporate Governance Structure



### Reference: Composition of Directors (Skill Matrix) **UPDATED**

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

| Name               | Independent Outside Director | Corporate management | Finance /Accounting | Legal /Compliance | Global | Sales /Marketing | Manufacturing /Quality control /Research and development | Environment /Society | Human resources and labor relations /Human resource development |
|--------------------|------------------------------|----------------------|---------------------|-------------------|--------|------------------|--|----------------------|---|
|                    |                              |                      |                     |                   |        |                  |  |                      |   |
| Akira Kiyohara     |                              | ○                    | ○                   | ○                 | ○      | ○                |  | ○                    | ○   |
| Shinsuke Uchinashi |                              | ○                    | ○                   | ○                 |        |                  | ○  | ○                    |   |
| Atsushi Narikawa   |                              | ○                    | ○                   | ○                 | ○      | ○                |  | ○                    | ○   |
| 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.

## Attachment

### Supplementary Principle 3.1.3

#### ■ Information disclosure based on TCFD recommendations

As the JUKI Group has products used by customer in 185 countries around the world, we believe that it is our mission as a global company to solve social issues and realize a prosperous life around the world by creating corporate value. Today, climate change is having a significant impact on the lives of people around the world. We believe that the JUKI Group should naturally contribute to the realization of a decarbonized society in which society as a whole is working to solve climate change.

The JUKI Group is committed to increasing its efforts to reduce CO2 emissions in its product development, production activities, and corporate activities, and to achieving carbon neutrality by 2050. In July 2022, the Group endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) established by the Financial Stability Board, and announced its participation in the TCFD Consortium, which is comprised of companies that support the recommendations. We will continue to promote information disclosure based on TCFD recommendations.

#### ■ Governance

In August 2022, the JUKI Group established the Sustainability Promotion Committee, chaired by the Chairman and CEO, with the aim of solving social issues and achieving sustainable growth of the Group as a whole, incorporating the concept of sustainability into its business activities, which aims to ensure that the environment, society, economy, and other areas continue to exist without losing their present value into the future.

The Sustainability Promotion Committee, the Management Strategy Council, and the Risk Management Committee work together to develop a long-term corporate strategy to promote management based on sustainability.

#### ■ Strategy (scenario analysis)

Regarding the risks and opportunities related to climate change that may affect the business of the JUKI Group from now on into the future, the JUKI Group has identified the risks (Note 3) and opportunities (Note 4) in the business of the JUKI Group by assuming two climate-related scenarios, a 1.5°C scenario (Note 1) and a 4°C scenario (Note 2).

Note 1: Rapid social change towards carbon neutrality 2050 will limit global mean temperature rise by the end of the 21st century to 1.5°C.

<Referenced Scenario>

· Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report SSP1-1.9 (Shared Socio-

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

economic Pathway SSP1 / Representative Concentration Pathway RCP1.9)

- RCP2.6 (Although the RCP2.6 scenario is close to the below 2°C scenario, some references are made to supplement the data.)
- International Energy Agency (IEA Net Zero by 2050)

Note 2: Lack of social change to reduce greenhouse gas emissions will lead to a global average temperature rise of more than 4°C at the end of the 21st century.

<Referenced Scenario>

- Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report SSP5-8.5 (Shared Socio-economic Pathway SSP5 / Representative Concentration Pathway RCP8.5)

Note 3: Identification in line with the Group's operations in terms of transition risks (policy / legal regulations, technology, market, reputation) and physical risks (acute and chronic)

Note 4: Identification in line with the Group's operations based on transition risks and physical risks, in terms of resource efficiency, energy sources, products / services, markets, and resilience.

JUKI Group's climate-change-related risks, opportunities and impacts, and measures which were identified as a result of scenario analysis are as follows.

| Scenario | Risk / Opportunity |                     | Timeline            | Business Impact   | Measures   | Financial Impact |
|----------|--------------------|---------------------|---------------------|---|--|------------------|
| 1.5°C    | Transition risk    | Policy / Regulation | Medium to long term | <ul style="list-style-type: none"> <li>• Increase in business costs due to introduction and strengthening of policies and regulations to cope with climate change such as carbon pricing (introduction of carbon tax, capital investment to cope with decarbonization, increase in raw materials prices, increase in transportation costs, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>• Promotion of decarbonization of production facilities (conversion to low-carbon fuels for electricity, H2, biomass, synthetic fuels, etc., and use of non-petrochemical fuels)</li> <li>• Restructure production / distribution / procurement networks in collaboration and cooperation with suppliers</li> </ul> | Medium           |
|          |                    | Technology market   | Medium to long term | <ul style="list-style-type: none"> <li>• Research to improve the environmental performance of products due to increased needs for products and services that lead to decarbonization. Increased use of products for development expenses use, reduced price competitiveness and</li> </ul>  | <ul style="list-style-type: none"> <li>• Further promote planning and development of products with high environmental performance (especially energy-saving)</li> <li>• Promoting the use of materials with less environmental impact (strengthening green procurement,</li> </ul>   | Medium           |

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

|  |             |            |                     |  |  |                |
|--|-------------|------------|---------------------|--|--|----------------|
|  |             |            |                     | reduced demand due to inability to respond<br><ul style="list-style-type: none"> <li>Price hikes due to changes in the supply-demand balance of raw materials and semiconductors due to decarbonization of society, and difficulty in procurement</li> </ul>                                 | improving the use of recycled materials, etc.)<br><ul style="list-style-type: none"> <li>More efficient use of raw materials by reducing product weight and size</li> </ul>  |                |
|  |             | Reputation | Short to long term  | <ul style="list-style-type: none"> <li>Delays in climate change measures will adversely affect procurement of funds and business relationships</li> </ul>  | <ul style="list-style-type: none"> <li>Systematic and steady promotion of efforts to realize carbon neutrality</li> </ul>  | Small          |
|  | Opportunity | Market     | Medium to long term | <ul style="list-style-type: none"> <li>Demand for products and services that contribute to the improvement of customers' productivity and energy saving, as well as products and services that contribute to the reduction of CO2 emissions in the circular economy and lifecycle</li> </ul> | <ul style="list-style-type: none"> <li>Provision of products and services that enhance production and energy-saving features, such as smartification of customers' plants and support and consulting for energy-saving plants</li> <li>Develop the used equipment business and establish recycling systems for products and parts after sales</li> </ul> | Large ~ Medium |
|  |             |            | Short to long term  | <ul style="list-style-type: none"> <li>Demand for substrates is rapidly expanding due to digitalization in all sectors contributing to decarbonization, and demand for our products is increasing</li> </ul>   | <ul style="list-style-type: none"> <li>Maintain planned production operations by maintaining production facilities capable of meeting increased demand</li> </ul>  | Medium         |

| Scenario | Risk / Opportunity |         | Timeline  | Business Impact  | Measures   | Financial Impact |
|----------|--------------------|---------|-----------|--|--|------------------|
| 4°C      | Physical risk      | Acute   | Long-term | <ul style="list-style-type: none"> <li>Due to an increase in natural disasters such as acute and long-term floods, severe typhoons, heavy rains, and high tides, damage to production facilities in the company's base and supply chain and loss due to suspension of operations may occur.</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen business continuity plans (BCP), including the supply chain</li> </ul> | Medium to Small  |
|          |                    | Chronic | Long-term | <ul style="list-style-type: none"> <li>Worsening of employees' working environment and increased risk of heatstroke</li> </ul>   | <ul style="list-style-type: none"> <li>Introduction of facilities to improve the working environment</li> </ul>          | Medium           |

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

|  |             |            |           |   |   |        |
|--|-------------|------------|-----------|---|---|--------|
|  |             |            |           | <ul style="list-style-type: none"> <li>Increased air conditioning and temperature management costs</li> </ul>   | <ul style="list-style-type: none"> <li>Promotion of labor-saving and automation of factories</li> </ul>               |        |
|  | Opportunity | Resilience | Long-term | <ul style="list-style-type: none"> <li>Contributing to the maintenance of customer's production system by providing a stable supply of products in the event of a long-term disaster</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen business continuity plans (BCPs) including supply chains</li> </ul> | Medium |

<Timeline> Short-term: about 5 years, medium-term: about 10 years, long-term: over 10 years

Scenario analysis confirmed that under the 1.5°C scenario, initiatives for the circular economy, such as providing products and services that improve the production and energy efficiency of customer factories, and promoting the recycling of products and parts, provide opportunities for business expansion, while increasing material procurement costs, decarbonizing production facilities, and increasing costs in response to low oxygenations in products pose risks. In addition, under the 4°C scenario, there are risks such as damage and suspension of operations of production facilities and supply chains due to intensified natural disasters, deterioration of the working environment due to rising temperatures, and increased costs to respond to such deterioration. On the other hand, it was confirmed that building a business continuity system including supply chains provides opportunities for business expansion.

Going forward, we will continue to identify and disclose the financial impact of this change while taking into account its impact on our business.

#### ■ Risk management

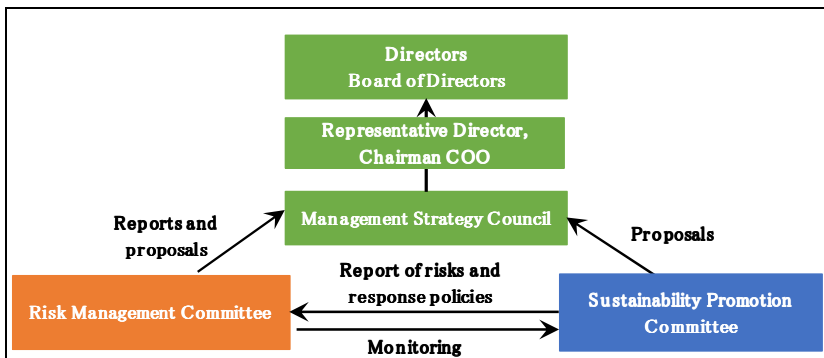
JUKI has established and operates a risk management system centered on the Management Strategy Council, which deals with strategic risks, and the Crisis Management Headquarters, which deals with business continuity, as well as the Risk Management Committee, which consists of executive officers and the heads of business divisions and Group companies. In order to respond to the ever-changing risk environment, we review our policy every fiscal year and conduct risk assessment and monitoring on a quarterly basis. The Board of Directors reports and deliberates on the details of our response to risks, including those that arise in the event of significant risks, in order to make continual improvements.

In August 2022, we established a new Sustainability Promotion Committee chaired by the Chairman and CEO (at that time, the current Chairman, CEO and COO). This committee deliberates and decides on sustainability policies, plans and measures, manages progress, and reports and makes proposals to the Board of Directors and other bodies four times a year.

Risks identified and considered by the Sustainability Promotion Committee are reported to the Risk Management Committee to strengthen governance.



*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*



■ Indicators and targets

The JUKI Group is committed to achieving carbon neutrality by 2050, using CO2 emissions as an indicator. To achieve this goal, based on Scope1 (direct emissions from our company) and Scope2 (indirect emissions from energy used by our company) we set a medium-term target of reducing CO2 emissions by 37% by fiscal 2025, and by 50% by fiscal 2030 compared to the fiscal 2013 level. We will aim to achieve this target by promoting energy-saving activities throughout our businesses, promoting decarbonization of production facilities in cooperation with suppliers, and introducing renewable energy power generation facilities, storage batteries, carbon free power, etc.

In fiscal 2022, we began calculating Scope3 emissions (emissions other than those in Scope1 and 2, which are generated in the procurement of raw materials, distribution, sales, and other value-chain activities related to our own operations). Category 1 (purchased goods and services), Category 4 (upstream transportation and distribution), Category 9 (downstream transportation and distribution), and Category 11 (use of sold products) account for the majority of CO2 emissions. Among these categories, Category 11 accounts for the largest volume of emissions. Therefore, the above four categories were given priority in conducting surveys. And we have calculated all Categories in fiscal year 2023. As a result, we found that Scope3 accounts for over 90% of the JUKI Group's CO2 emissions (total under Scope1,2,3). We will strive to reduce Scope3 emissions through development and supply of environmentally friendly products.

[Scope1/2 (target of reducing CO2 emissions (compared to the fiscal 2013 level)]

| FY2025 | FY2030 | FY2050                            |
|--------|--------|-----------------------------------|
| ▲37%   | ▲50%   | (Carbon neutrality goal achieved) |

[Scope1/2 (FY2022 Results)]

30,794 t-CO2

[Scope3 (FY2022 Results)]

669,677 t-CO2

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

(t-CO2)

| CATEGORIES  | CO2 emissions |
|---|---------------|
| 1 Purchased Goods and Services  | 190,210       |
| 2 Capital Goods   | 9,035         |
| 3 Fuel-and Energy-Related Activities Not Included in Scope 1 or Scope 2 | 5,166         |
| 4 Upstream Transportation and Distribution                              | 12,501        |
| 5 Waste Generated in Operations   | 702           |
| 6 Business Travel   | 605           |
| 7 Employee Commuting  | 1,879         |
| 8 Upstream Leased Assets  | N/A           |
| 9 Downstream Transportation and Distribution                            | 1,772         |
| 10 Processing of Sold Products  | N/A           |
| 11 Use of Sold Products   | 445,108       |
| 12 End-of-Life Treatment of Sold Products                               | 2,698         |
| 13 Downstream Leased Assets   | N/A           |
| 14 Franchises   | N/A           |
| 15 Investments  | N/A           |
| 合 計   | 669,677       |