Financial Results Briefing for the Full Year of FY2023 (Ended December 31, 2023)
<Securities code: 6440>

February 14, 2024

JUKI CORPORATION

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1. Full-year results for FY2023

1.1 Full-year results for FY2023

- Net sales: Decreased by 19.3% year on year due to delayed realization of capital investment in China and Southeast Asia that the largest markets, and the postponement of purchases caused by a shortage of foreign currency in emerging countries such as South Asia.
- Ordinary profit: Loss of 3,684 million yen due to a sharp decline in sales, thorough production adjustments, and also increase in overseas material costs and expenses due to the weaker yen.
- Net profit: Decreased by 7,035 million yen due to extraordinary losses due to special retirement allowance and fixed asset impairment by factory reorganization through cost structure reforms, and by reversal of a portion of deferred tax assets after reviewing the recoverability.

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

(Unit: mil. Yen)	FY2022/12	2023/Q1	2023/Q2	2023/Q3	2023/Q4	FY2023/12	YoY increase/ decrease	YoY increase/ decrease rate
Net sales	117,454	21,959	22,811	22,776	27,204	94,750	△22,704	△19.3%
Operating profit [Operating profit ratio]	2,858 [2.4%]	△1,190 [-]	△499 [-]	△1,181 [-]	171 [0.6%]	△2,699 [-]	△5,557	-
Ordinary profit [Ordinary profit ratio]	1,163 [1.0%]	△1,496 [-]	179 [0.8%]	△1,799 [-]	△568 [-]	△3,684 [-]	△4,847	-
Net profit [Net profit ratio]	△78 [-]	△1,385 [-]	△156 [-]	△2,522 [-]	△2,972 [-]	△7,035 [-]	△6,957	-
Dividend per share	20 yen	-	-	-	-	15 yen	△5 yen	-
Period average rate for USD	JPY131	JPY133	JPY138	JPY145	JPY147	JPY141	+JPY10	-
Period average rate for EUR	JPY138	JPY144	JPY152	JPY158	JPY159	JPY152	+JPY14	-

1.2 Results by Segment -Net Sales-

- **Sewing Machinery and Systems**
  Decreased by 27.2% year on year due to delayed realization of capital investment at sewing factories in China and Southeast Asia, and the postponement of purchases caused by a shortage of foreign currency in emerging countries such as South Asia.
- **Industrial Equipment and Systems**
  Decreased by 2.6% year on year as a whole. In the Industrial Equipment Business, sales declined year on year due to sluggish capital investment at a contract manufacturing plant for electronic components mainly in China.
  However, in Europe and Americas, sales grew year on year on the back of solid capital investment.
  In the Group Businesses such as contract processing mainly in Japan, performance was steady due to increased demand for capital investment in response to customers' supply chain disruptions, etc.

(Unit: mil. Yen)	FY2022/12	2023/Q1	2023/Q2	2023/Q3	2023/Q4	FY2023/12	YoY increase/ decrease	YoY increase/ decrease rate
Sewing Machinery and Systems	79,937	13,465	13,983	14,633	16,123	58,204	△21,733	△27.2%
Industrial Equipment and Systems	37,253	8,400	8,750	8,067	11,014	36,231	△1,022	△2.6%
Others	263	92	79	74	69	314	+51	19.8%
Total	117,454	21,959	22,811	22,776	27,204	94,750	△22,704	△19.3%

1.3 Results by Segment -Ordinary Profit-

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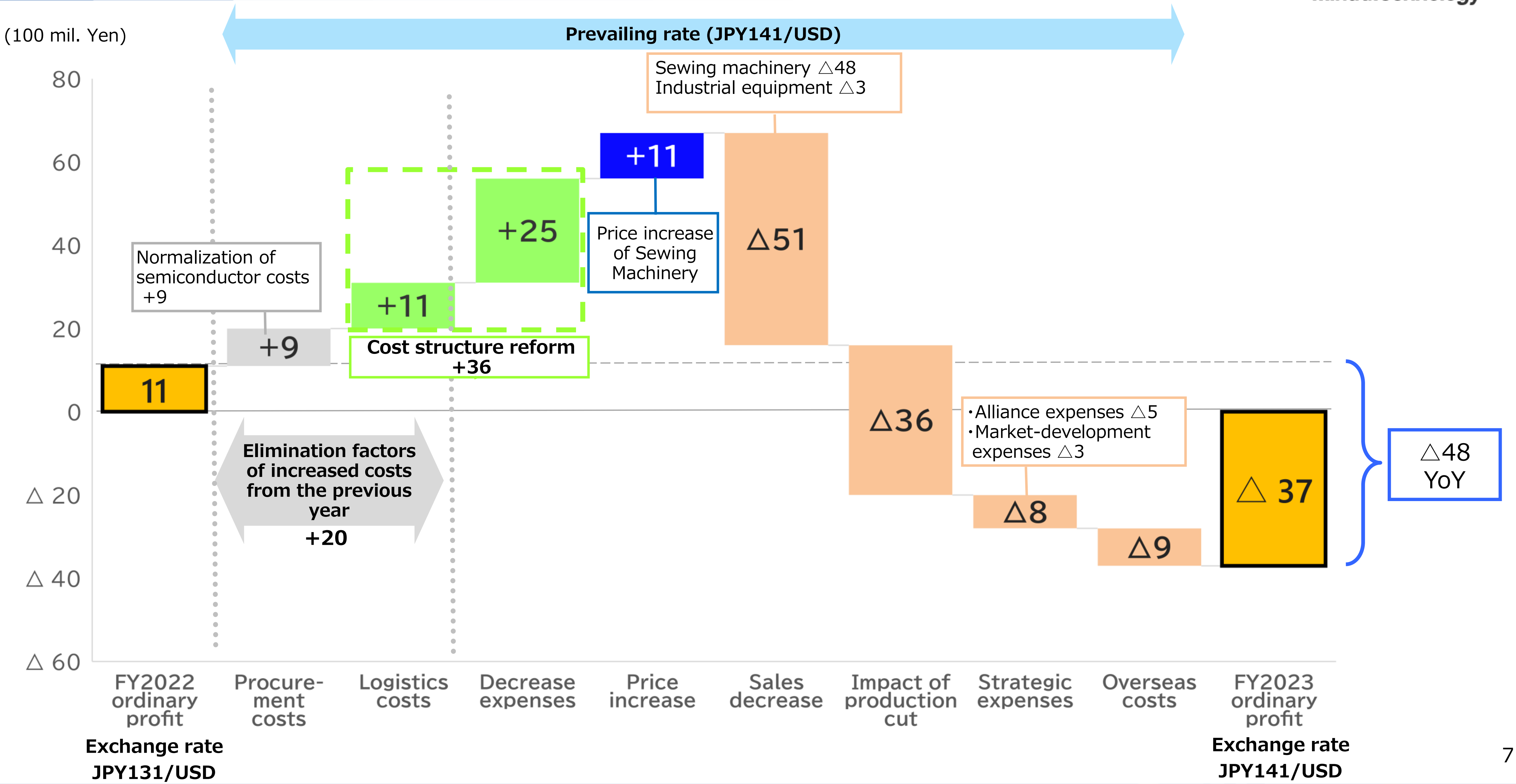
- **Sewing Machinery and Systems**
  Decreased by 3,419 million yen year on year mainly due to a sharp decline in sales and a decline in factory utilization rate. However, the company is beginning to reap the benefits of cost structure reforms by normalizing of semiconductor costs, and reducing of logistics/sales/production costs.
- **Industrial Equipment and Systems**
  Decreased by 1,550 million yen year on year mainly due to a decline in sales in China and a decline in factory utilization rate in Industrial Equipment, and an increase in overseas costs due to the weaker yen.

(Unit: mil. Yen)	FY2022/12	2023/Q1	2023/Q2	2023/Q3	2023/Q4	FY2023/12	YoY increase/ decrease	YoY increase/ decrease rate
Sewing Machinery and Systems [Ordinary profit ratio]	119 [0.1%]	△1,259 [-]	△271 [-]	△1,400 [-]	△370 [-]	△3,300 [-]	△3,419	-
Industrial Equipment and Systems [Ordinary profit ratio]	1,942 [5.2%]	△127 [-]	2 [0.0%]	△237 [%]	754 [6.8%]	392 [1.1%]	△1,550	△79.8% [△4.1 pt]
Others	45	16	18	23	25	82	+37	82.2%
Adjustment	△943	△126	428	△184	△976	△858	+85	-
Total [Ordinary profit ratio]	1,163 [1.0%]	△1,496 [-]	179 [0.8%]	△1,799 [-]	△568 [-]	△3,684 [-]	△4,847	-

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

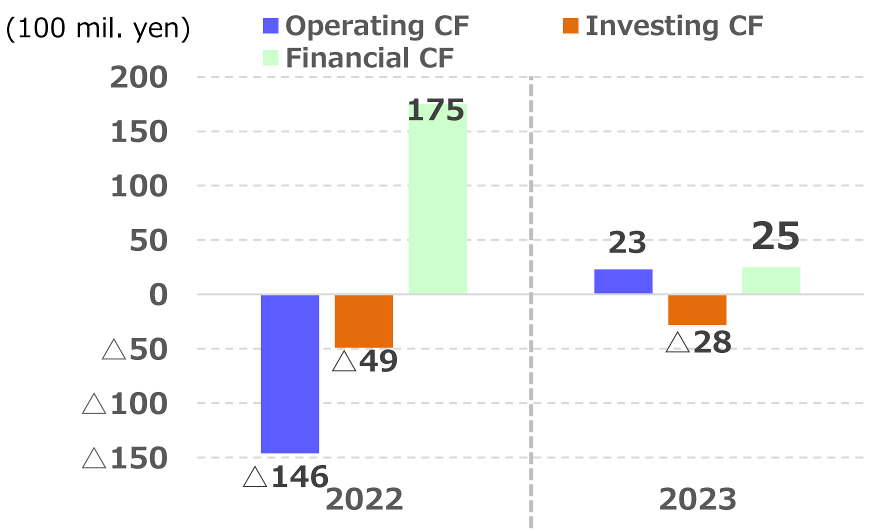


1.5 Major financial items

- Inventories decreased 8.9 billion yen in real terms due to production adjustments.
- Improving the financial structure by reducing inventories and interest-bearing debt will continue to be a top priority.

(Unit: mil. Yen)	FY2022/12	FY2023/12	Increase/ Decrease
Total assets	145,169	139,304	△5,865
Net assets	37,482	32,370	△5,111
Equity Ratio	25.3%	22.7%	△2.6%
Trade receivables [Turnover period]	37,537 [3.8 months]	36,169 [4.6 months]	△1,367 [+0.8 months]
Inventory [Turnover period]	62,429 [6.4 months]	56,924 *[7.2 months]	△5,505 [+0.8 months]
Trade payables [Turnover period]	13,258 [1.4 months]	8,810 [1.1 months]	△4,447 [△0.3 months]
Interest-bearing debt	79,320	84,004	+4,683
Cash and deposits	4,931	7,199	+2,268
Net D/E ratio	1.98	2.37	+0.39
Period end rate for USD	JPY133	JPY141	+JPY8

[Cash Flow]



Reduced 8.9 billion yen year on year excluding the impact of exchange rates

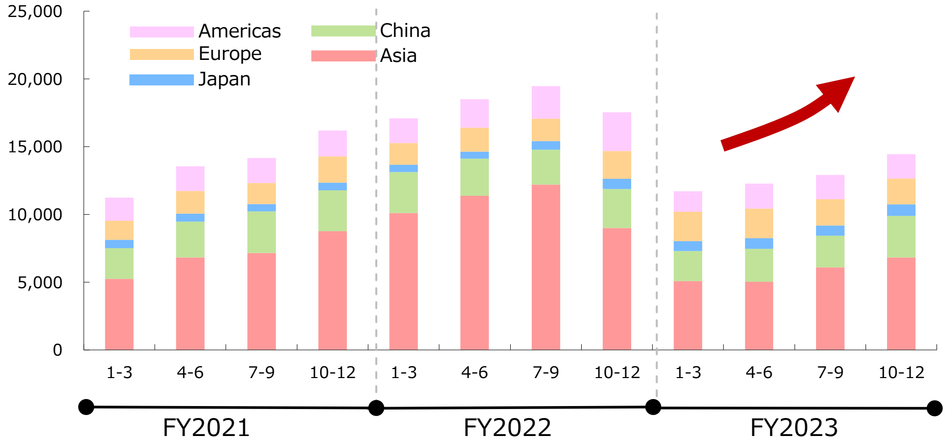
*Improved to 6.3 months in Q4

Decreased from Q3 due to inventory reductions

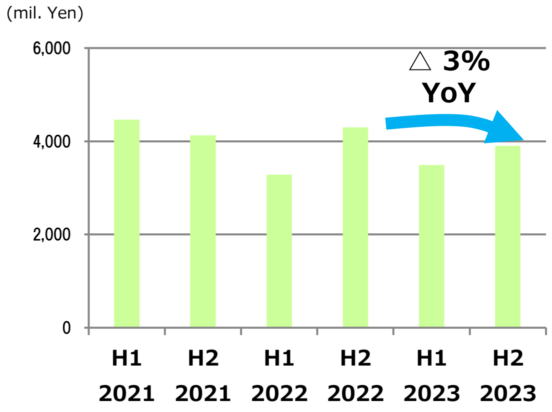
Reference Info 1 :Sales Trends by Segment -Sewing Machinery and Systems-

- **In the Industrial Sewing Machinery Business, decreased by 29% year on year due to delayed realization of capital investment at sewing factories in China and Southeast Asia, and the postponement of purchases caused by a shortage of foreign currency in emerging countries such as South Asia.**

1. [Sales Trends of Industrial Sewing Machines by Region] (Monthly aggregation basis)



2. [Sales Trends of Household Sewing Machines]



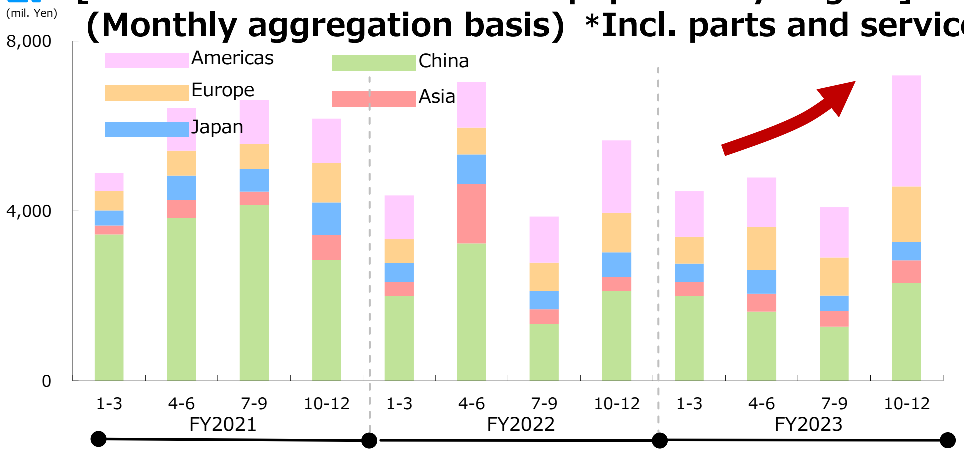
[Net sales: YoY comparison] (Unit: 100 mil. yen)

	FY2022 (Jan-Dec)	FY2023 (Jan-Dec)	Increase/ Decrease	Rate of Increase/ Decrease
China	112	101	△11	△10%
Asia	427	230	△197	△46%
China + Asia	539	331	△208	△39%
Japan	25	31	+7	+27%
Europe	71	82	+11	+15%
Americas	92	70	△22	△24%
Total	726	513	△212	△29%

Reference Info 2: Sales Trends by Segment -Industrial Equipment and Systems-

- In the Electronics Assembly & Systems Business, decreased by 2% year on year due to sluggish capital investment at a contract manufacturing plant for electronic components mainly in China. However, in Europe and Americas, sales grew year on year on the back of solid capital investment.
- In the Group Business, performance was steady due to increased demand for capital investment in response to customers' supply chain disruptions, etc.

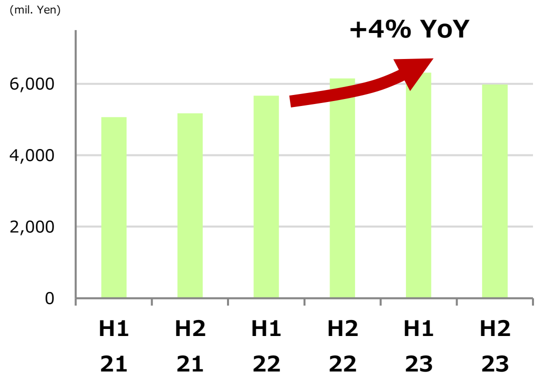
1. [Sales Trends of Industrial Equipment by Region] (Monthly aggregation basis) *Incl. parts and services



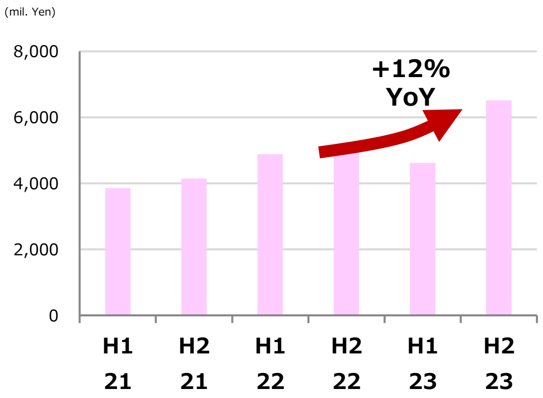
[Net sales: YoY comparison] (Unit: 100 mil. yen)

	FY2022 (Jan-Dec)	FY2023 (Jan-Dec)	Increase/ Decrease	Rate of Increase/ Decrease
China	87	72	△15	△17%
Asia	24	17	△7	△31%
China + Asia	111	89	△22	△20%
Japan	21	18	△4	△17%
Europe	28	38	+11	+38%
Americas	49	60	+11	+23%
Total	209	205	△4	△2%

2. [Sales Trends of Group Businesses]



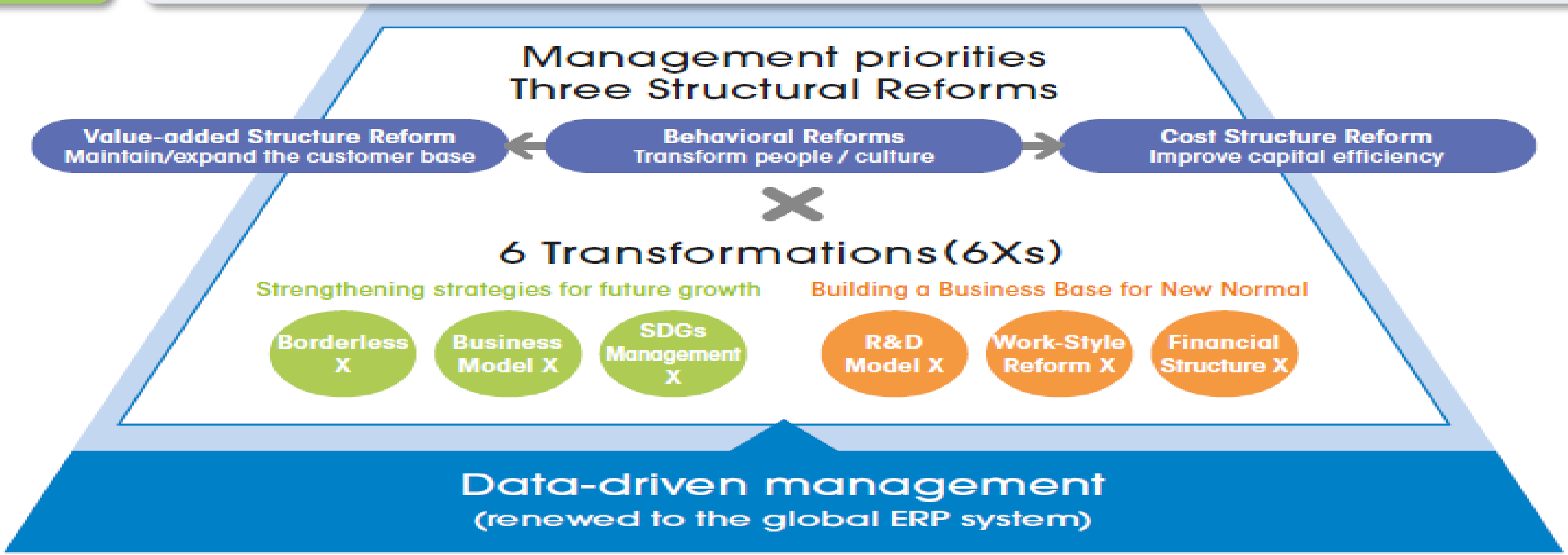
3. [Sales Trends of Parts Business]



2. Medium-term management plan
-Growth & Transformation Plan 2025-
(Revised from 2024 to 2025)

2.1 Medium-term Management Plan for 2024-2025
-Overall Vision (Corporate Goals) and Framework-

Long-term corporate vision	To be a global and creative Monodzukuri (Manufacturing) and Kotodzukuri (Value-creation) company that survives in the 21st century
Corporate 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."



2.2 Medium-term Management Plan (2024-2025) -Business Environment Recognition-

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Market environment (Risks and Opportunities)

■ Emergence of geopolitical risks caused by prolonged conflict between Russia and Ukraine, and continued tension between Americas and China.

■ Delay economic recovery in China and Southeast Asia.

◪ Change in values of markets/customers in post COVID-19.

□ Capital investment is expected to expand in the growing economic zone*, despite variations depending on region and industry.
*India/Europe (Eastern Europe)/Americas (Latin America)/Africa

□ Acceleration of technological innovations such as AI/IoT/5G/VR.

□ Increasing social demands for the realization of a Sustainable Society.

Competitive trends

■ Intensifying competition from other companies in the mainstay industrial sewing machines and industrial equipment.

◪ Acceleration of product price reductions in overseas markets.

2.3 Medium-term Management Plan (2024-2025) -Review Policy-

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■ Review from the second year onwards based on the review of the first year.

Review of the previous year

・Delay in responding to changes in the market and customers in growth areas.
・The scenarios for achieving targets was unclear.

Medium-Term Management Plan (2024-2025) Review Policy

Redefine the business after examining the growth of the target market, competitive situation, and company's growth potential

Sustainable Mainstay Foundation	Base businesses necessary for corporate sustainability ・Industrial sewing machines (fabrics) ・Home sewing machines ・Industrial Equipment (Mounter, AOI/SPI)
Expand Growth Foundation	Businesses that will grow significantly based on market growth and business development potential ・Industrial sewing machines (knitwear, non-apparel) ・Industrial Equipment (Model Parts Inserting Machine) ・Group Business (Contract Manufacturing) ・IoT Platform (Parts/Service/System/Automation Equipment) ・Storage business
New Exploration Foundation	Businesses that will be newly developed as pillars of the next generation ・Group Business (Inspection and Measurement Instruments, Semiconductor Equipment) ・Business developed by JPS (Vital Sensing, etc.)

- Thorough focus on investment of management resources (human resources and strategic investments) through "Selection and Concentration"
- Strengthen execution capabilities by reviewing the organizational structure and executive officers.

2.4 Medium-term Management Plan (2024-2025) -Target Value-

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■ **Review each major target item by FY2025 based on the previous year's review and the review policy of the Medium-term Management Plan.**

[Growth Potential]
Building a solid market position as a global company.
・・・ Net sales 140 billion yen or more

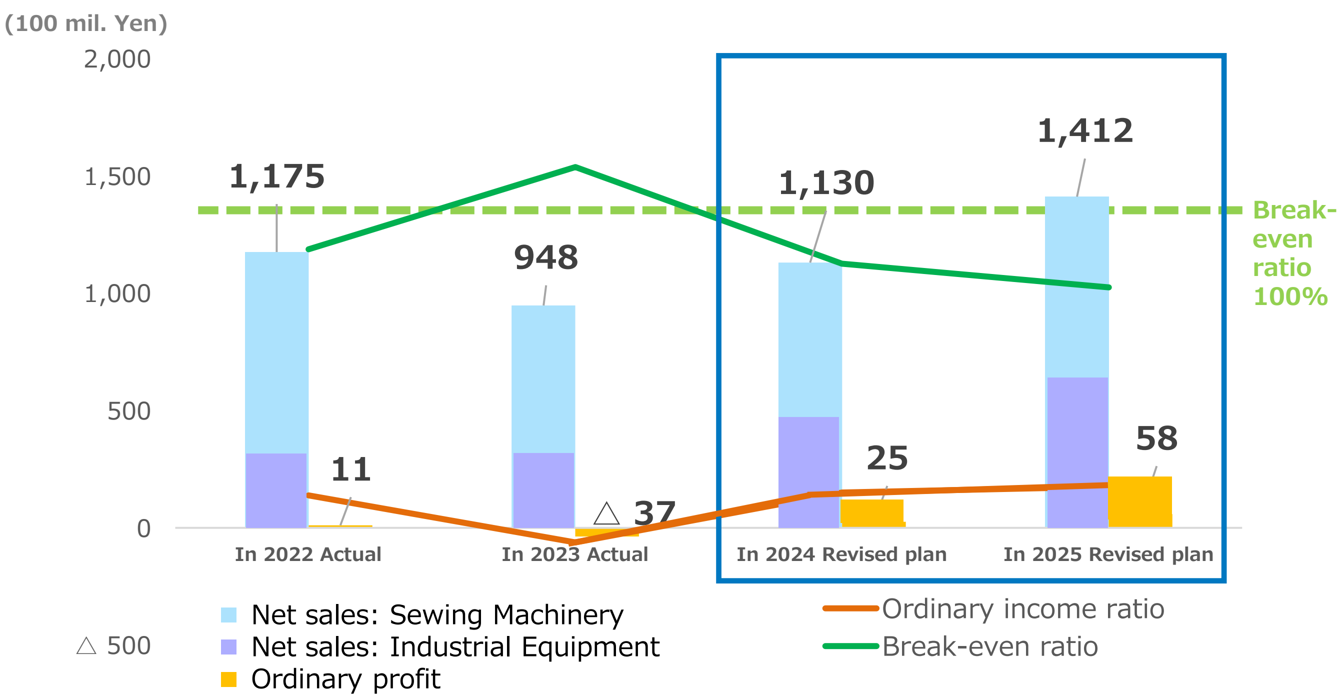
[Profitability]
Establish a profit structure that can respond to market risks.
・・・ Improvement of break-even ratio/
Ordinary profit ratio: 4% or more

[Financial strength]
Building a stable financial base.
・・・ Equity ratio: 30% or more /Net D/E ratio: 1.5 or less

[Comprehensive strength]
Establish a business foundation with high capital efficiency.
・・・ ROE: 10% or more /ROIC: 4% or more

Net sales/Ordinary profit/Break-Even Point Ratio

Exchange rate: 2022/2023 prevailing rate, 2024 JPY130/USD, 2025 JPY120/USD



Major financial items

Exchange rate: 2022/2023 prevailing rate, 2024 JPY130/USD, 2025 JPY120/USD

(Unit: 100 mil.yen)	2022 Actual result	2023 Actual result	2024 Revised plan	2025 Revised plan
Inventory	624	569	472	358
Equity Ratio	25.3%	22.7%	24.8%	30.1%
Net D/E Ratio	1.98	2.37	2.28	1.47
ROE	△0.2%	△20.6%	2.7%	11.7%
ROIC	1.6%	△4.6%	0.8%	4.3%

2.5 Medium-Term Management Plan (2024-2025) -Business Portfolio-

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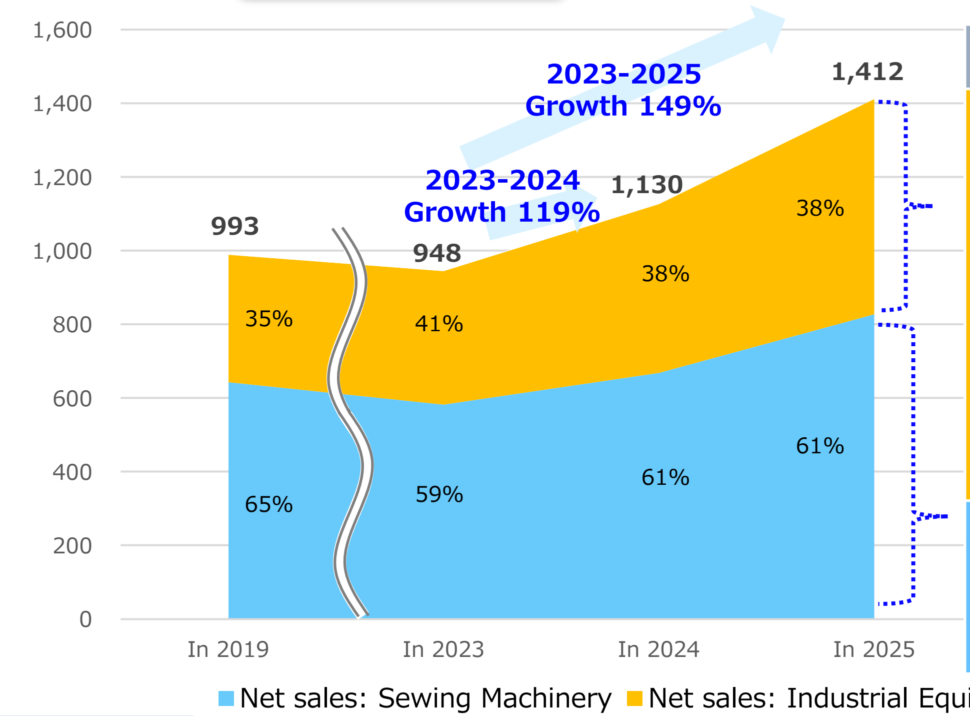
- Invest management resources intensively centered on “Expand Growth Foundation”.
- Improve the portfolio steadily by expanding our business focusing on the high-value-added fields in particular Industrial Equipment and Systems.

Net Sales Portfolio

Exchange rate: 2022/2023 prevailing rate, 2024 JPY130/USD, 2025 JPY120/USD

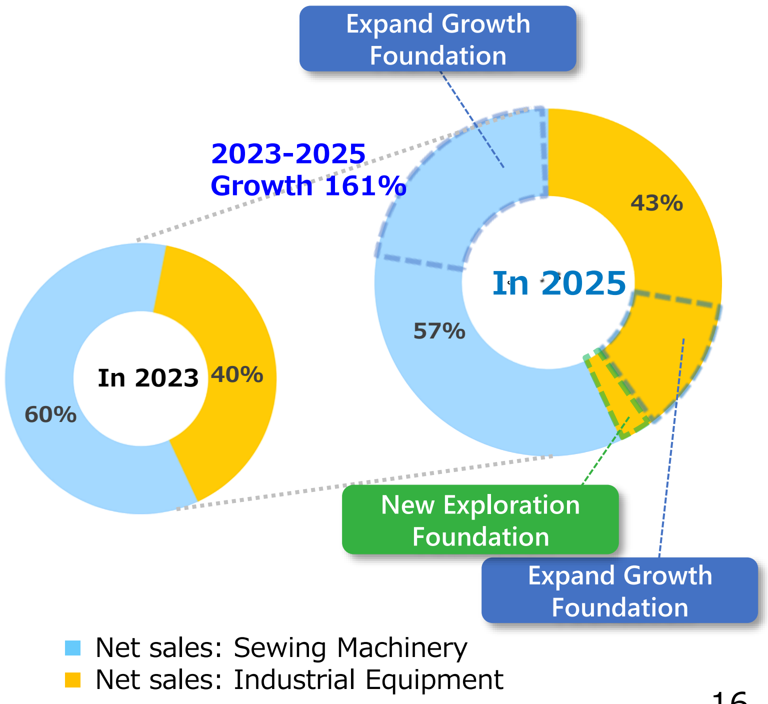
Sustainable Mainstay Foundation	Base businesses that are necessary to sustain the company despite the slow speed of market recovery
Expand Growth Foundation	Businesses that will grow significantly based on market growth and business development potential
New Exploration Foundation	Businesses that will be newly developed as pillars of the next generation



Business Segment	Our business	Net sales in 2025 compared to 2023
Industrial Equipment and Systems	·Group Business (Inspection and Measurement Instruments, Semiconductor Equipment) ·Business developed by JPS (Vital Sensing, etc.)	Net sales 2 billion yen or more over 2 years
	·Storage business	229%
	·IoT platforms (Parts/Services/Systems/Automation Equipment)	172%
	·Group Business (Contract Manufacturing)	130%
	·Industrial Equipment (Model Parts Inserting Machine)	157%
	·Industrial Equipment (Mounter, AOI/SPI)	134%
Sewing Machinery and Systems	·Industrial sewing machine (knitwear, non-apparel)	187%
	·Industrial sewing machines (fabrics)	140%
	·Home sewing machines	123%

Gross Profit Composition

Expand the sales centered on the “Expand Growth Business” and the “New Exploration Business”. Gross profit is 161% of the 2023 level in 2025.



3. Earnings forecasts and Business planning for FY2024

3.1 Earnings forecasts for FY2024

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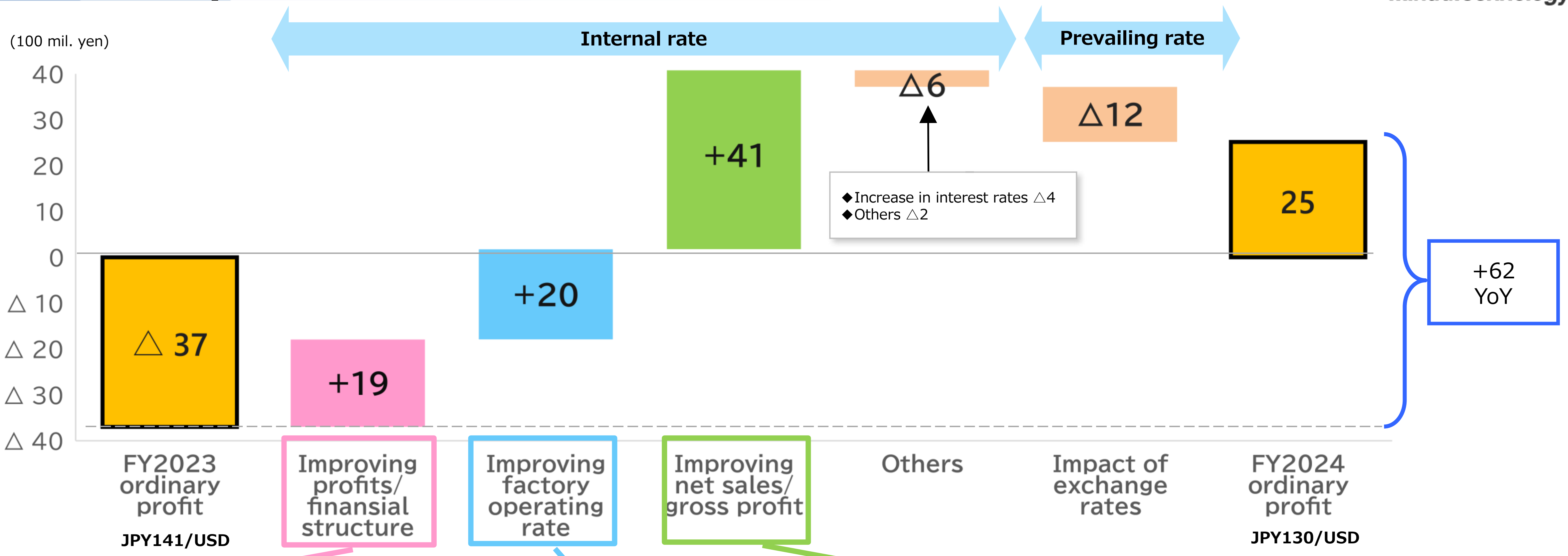
■ Earnings forecasts for FY2024 are higher sales and profits compared to FY2023.

(Unit: 100 mil. yen)	FY2023 (1-12) Actual result	FY2024 (1-12) Earnings forecast	YoY increase/ decrease	YoY increase/ decrease rate
Net sales	948	1,130	+182	19%
(Sewing Machinery and Systems)	(582)	(668)	(+86)	(15%)
(Industrial Equipment and Systems)	(362)	(458)	(+96)	(27%)
Operating profit	△27	39	+66	-
Ordinary profit	△37	25	+62	-
Net profit	△70	9	+79	-
Dividend par share	15 yen	20 yen	+5 yen	-
Period average rate for USD	JPY141	JPY130	△ JPY11	-

3.2 Factors for Increases/Decreases in the Full-year Ordinary Profit for FY2024



[Cost structure reform]

- Reorganization by consolidation of group companies
- Improve productivity at headquarters and worksites
- Building an efficient supply chain system

Work-style Reform X

[Optimization of PSI* balances]

- Restructuring PSI management system
- Reduction of surplus inventory

*PSI (Production/Sales/Inventory)

Financial structure X

[Value-added structure reform]

- Capturing demands in growing economic zone
- Shift to high-value-added fields
- Deploying differentiated products to the market

Borderless X

Business Model X

R&D Model X

3.3 Cost structure reform

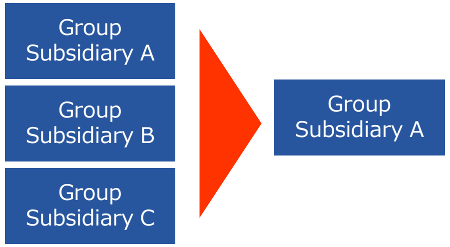
■ **Reduce fixed costs by 1.9 billion yen compared to the previous year and maintain them as foundation thereafter by reap the benefits of the previous year's measures surely and by developing new measures.**

Reorganization by consolidation of group companies

・Integration of sales companies
・Integration of manufacturing companies

Optimization organization and personnel

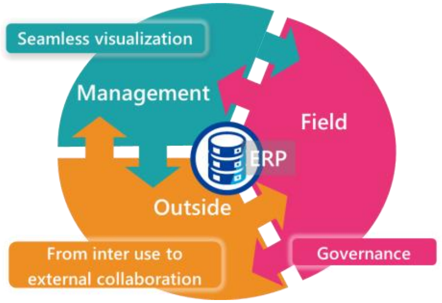
Image of Group Company Restructuring



Improve productivity at headquarters and worksites

・Efficient business operations through the introduction of new ERP.
・Promote automation at factories.

Image of the ERP management



Building an efficient supply chain system

Reduction of inventory and warehouse expenses by reviewing factories and logistics bases.

- Expansion: Vietnam factory
  5th plant started operation in May 2023
- Newly established: Indian factory
  Scheduled to start operations in Jun 2024
- Logistics bases: Significant reductions in each region

5th plant in Vietnam

3.4 Optimization of PSI balances

- **Optimize PSI* balances by reviewing the production volume determination process, and thorough reduction of surplus inventory across the group companies.**
- **Through the early realization of the above measures, increase the factory utilization rate and improve profitability.**

*PSI (Production/Sales/Inventory)

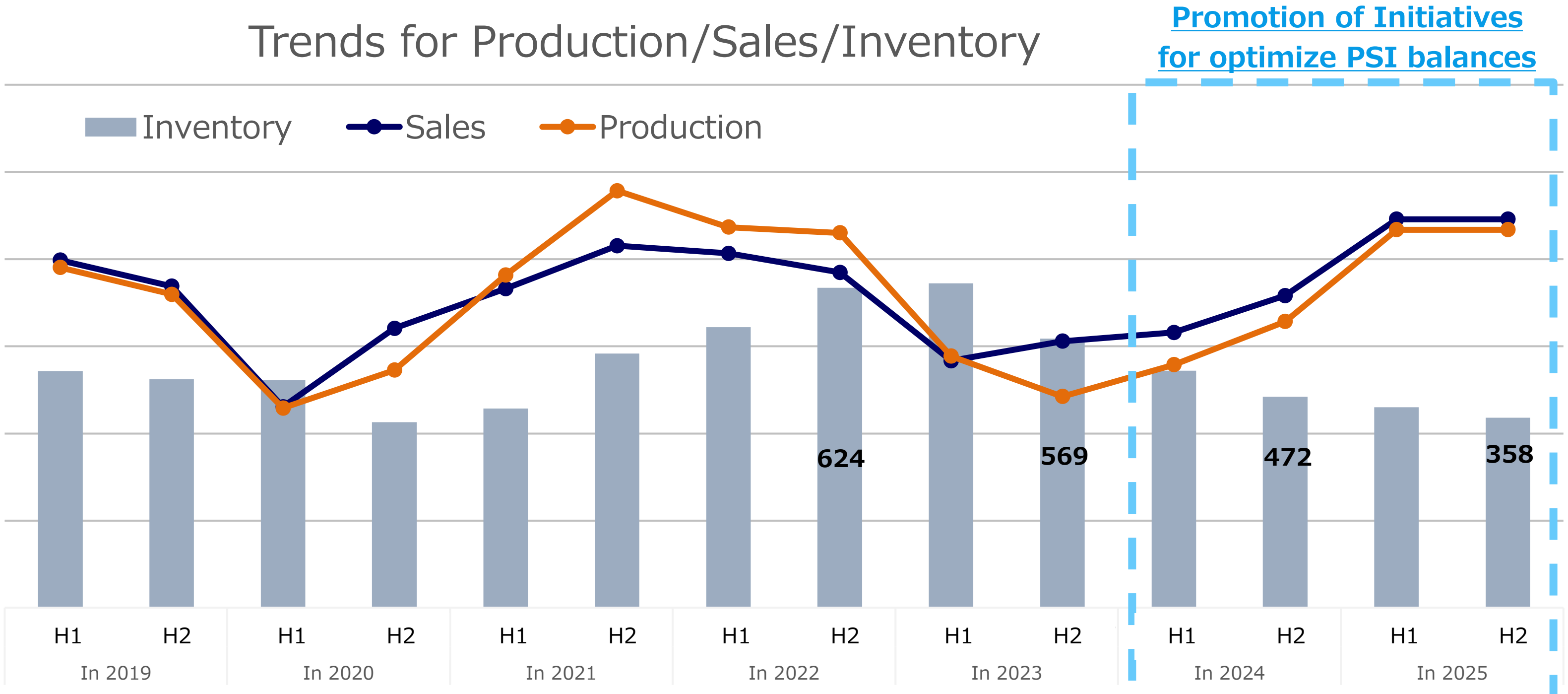
Restructuring PSI management system

Review of production volume determination process.

Reduction of surplus inventory

Starting the inventory reduction project team.

Trends for Production/Sales/Inventory



External environment	COVID-19 pandemic	Market recovery	Stagnant Chinese economy	Delayed economic recovery in China･South-east Asia
Internal	Production adjustment	･Difficulty in procuring ⇒ Strengthen parts procurement ･Distribution disruption ⇒ Securing product inventory	Sales decline/ Lack of production adjustment ⇒ inventory increase	Additional production cuts ⇒ Inventory decrease

3.5 Value-added structure reform

- **Concentrated investment of management resources in growing regions and business fields.**
- **At the same time, strengthen sales capabilities by developing differentiated products and developing markets.**

Capturing demand for capital investment in growing economic zone

・**Expand sales network in India, Europe (Eastern Europe), Americas (Latin America) and Africa, etc.**

・**Restructuring of the technical service network in line with the expansion of the sales network as above.**

Key target market

Shift to high-value-added fields

Shift Concentrated investment of management resources from "Sustainable mainstay foundation" to "Expand growth foundation*"
***IoT platforms, storage businesses, etc.**

Market development of differentiated products

Strengthen product development in line with business strategies.

[Sewing Machinery and Systems]
・Knitwear: Develop jointly developed products with PEGASUS *1
・Non-apparel: Strengthen product lineup for low-priced markets *2
[Industrial Equipment and Systems]
・Storage business: Deployment of automatic warehouse + AMR linkage options *3

※1 Knitwear (over-locked sewing machines)

※2 Non-apparel (electronic cycle sewing machines)

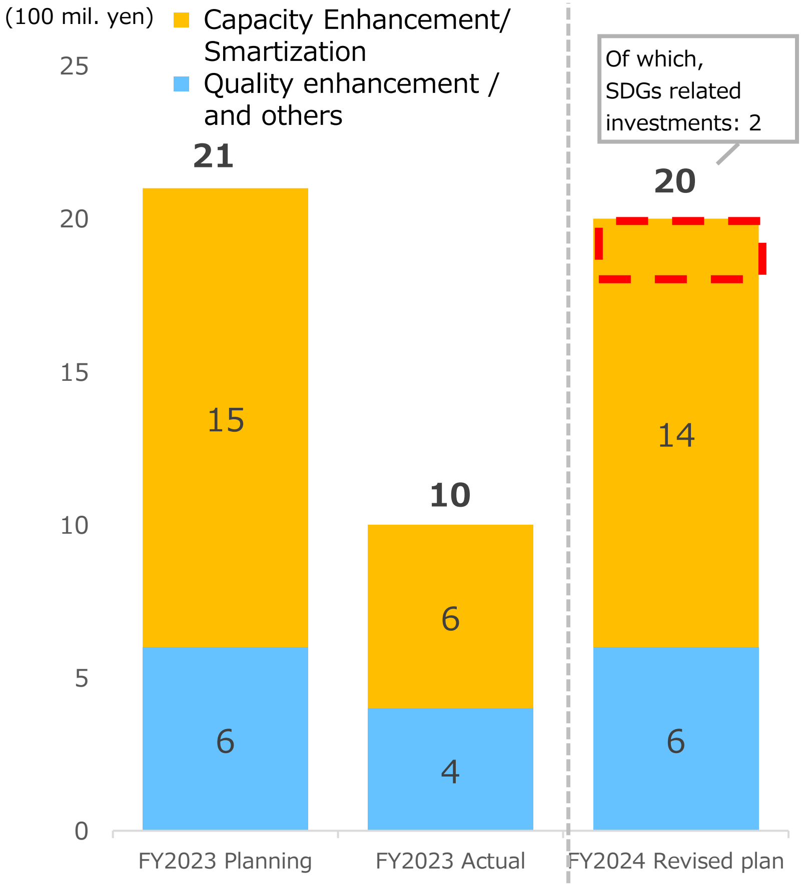
※3 Storage (automated warehousing + AMR linkage options)

3.6 Investment plan

■ While restraining investment through cost structure reforms, continue to invest for the future.

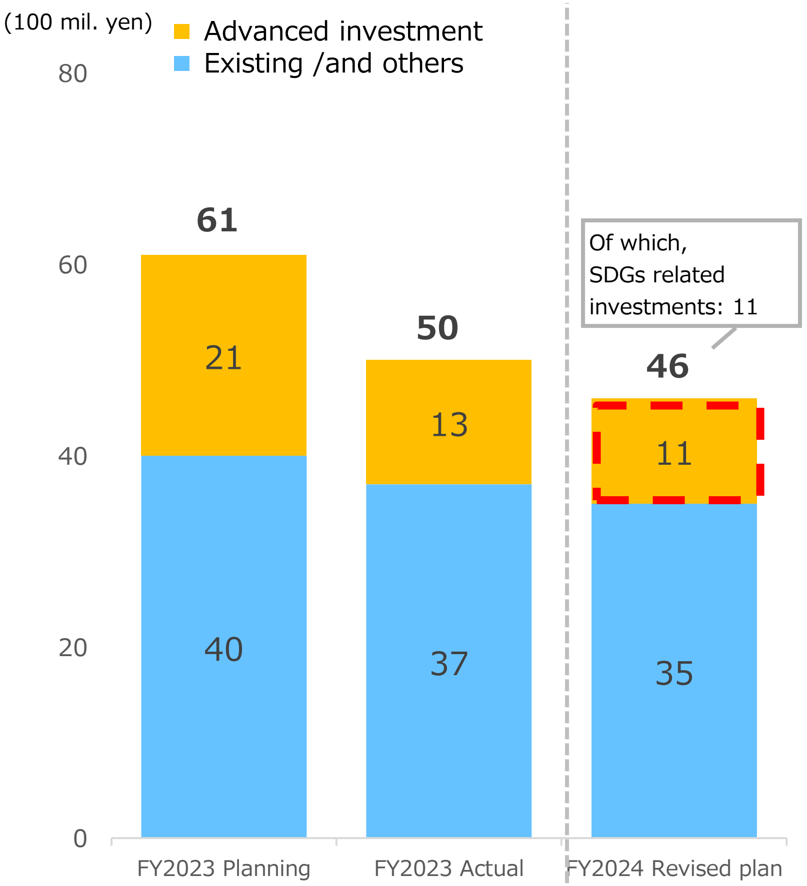
Capital Investment

Promotion of automation at each factory, and building a efficiency supply chain system.



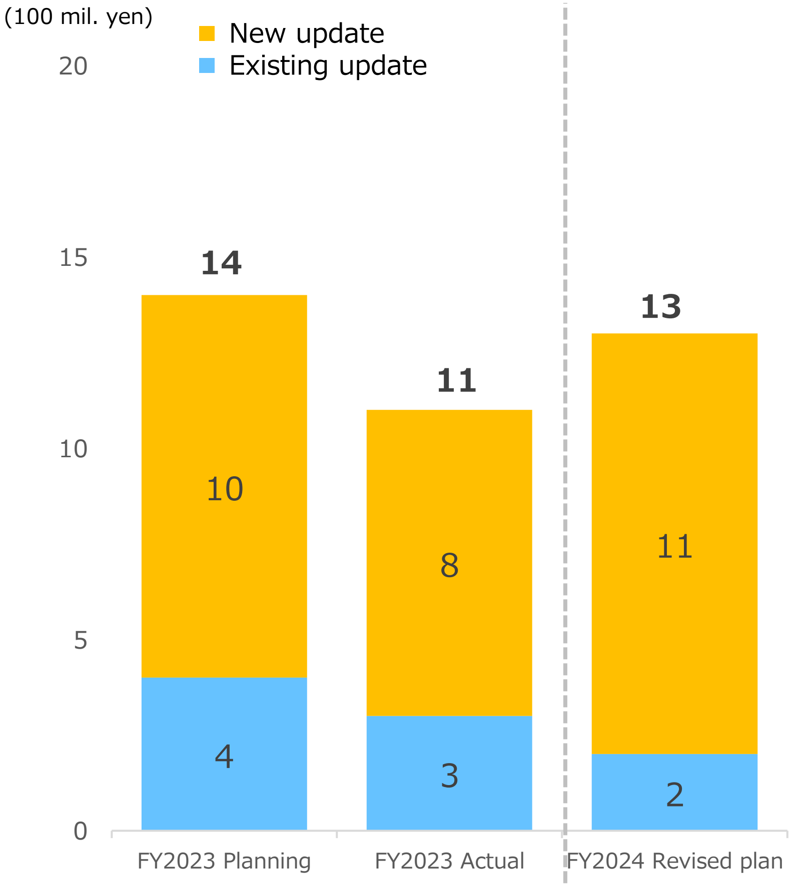
Development Investment

Develop differentiated products through “Selection and Concentration“.



IT Investment

Promote DX by introducing new ERP.



4. Initiatives for Sustainability

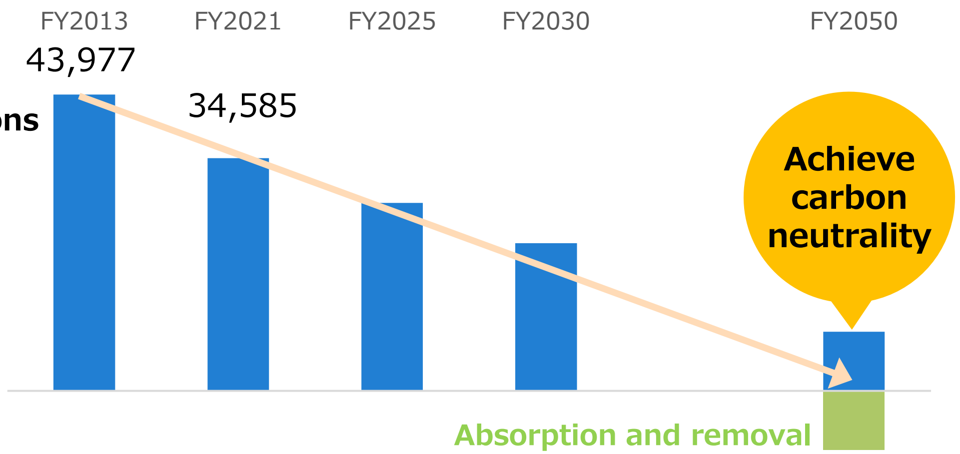
4.1 Initiatives for reduce environmental impact

[Commitment]
1.Achieving carbon neutral 2.Endorse the recommendations of the Task force on Climate related Financial Disclosures (TCFD)

[JUKI's CO_2 Reduction Objective (Scope1,2)*]

*Reduce CO_2 emissions by 50% over the 2013 levels by 2030, and by 100%over the 2013 levels by 2050. (SCOPE1,2 targets)

Scope 1,2 CO_2 emissions
(Unit: t-CO_2)



[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.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Information on the above will be disclosed in a timely and appropriate manner in line with the TCFD's recommendations.

[Initiatives to reduce environmental Impact]

SCOPE1/2	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		・Replacement with renewable energy
	Absorption Removable		・Use carbon credits (support for afforestation projects, etc.)
SCOPE3	Procure-ment/ Logistics	 	1) Increase the use of recycled materials. 2) Improve the logistics method during procurement.
	Develop-ment		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.

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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URL: https://www.juki.co.jp/en/

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.