



To Our Shareholders

Business Report for the First Half of the 110th Business Term

(January 1 through June 30, 2024)



JUKI CORPORATION

Securities code: 6440

TOP MESSAGE



Representative
Director & President

**Atsushi
Narikawa**

We aim to create a sustainable JUKI by taking on new challenges.

The world economy in the relevant accounting period is burdened with geopolitical uncertainties and risks such as the prolonged conflict in Russia and Ukraine, the ongoing conflict in the Middle East, soaring costs due to high resource prices and global inflation, delayed economic recovery and restrained investment activities in China, and foreign currency shortages in emerging countries.

Net sales of the JUKI Group rose by only 2.5% year-on-year to 45.8 billion yen as a result of the slow recovery in China, sluggish growth in Europe and the United States, and the impacts of measures to improve factory operating ratios by balancing sales and production levels. To stay on a sound financial footing, we pressed ahead with our production adjustments to reduce inventories and strove to stabilize the prices of the products and services sold. On the profits front, cost structure reforms such as the integration of our sales companies in China, the U.S., and Thailand were successful in reducing fixed costs, but production adjustments to reduce inventories and additional related costs resulted in an ordinary loss of 2.1 billion yen.

The environment in which we do business remains severe. In the second half of the current fiscal year we expect to see a recovery of sales by our mainstay Industrial Sewing Machinery Business in China and Asia, and growth in our automotive-related business in the U.S. We also expect our IoT platform business to expand steadily in response to rising demand for equipment automation.

We expect our businesses to enter a growth trajectory very soon. In our quest to take on new challenges, we will strengthen our efforts to make JUKI a sustainable company by building a lean and highly efficient business structure for the future and by promoting initiatives to reduce environmental load through product development, etc. based on ESG management.

We would like to ask our shareholders for their ongoing support for JUKI.

Business Performance Highlight

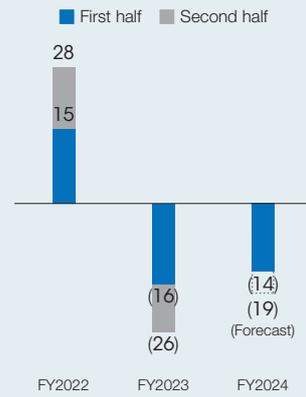
Net sales

(Unit: 100 million yen)



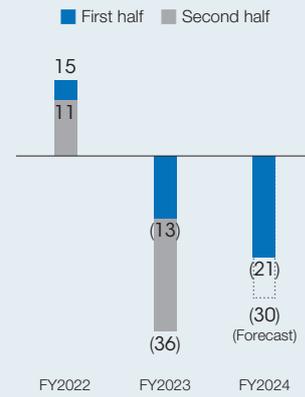
Operating profit

(Unit: 100 million yen)



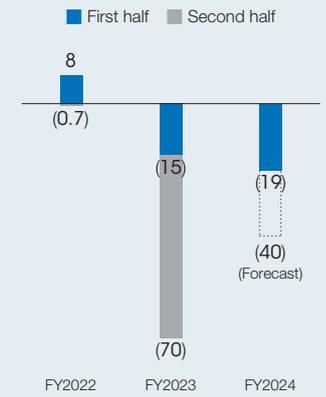
Ordinary Profit

(Unit: 100 million yen)



Profit attribution to owners of parent

(Unit: 100 million yen)



JPY145/USD

[Revision of consolidated full-year business forecasts for the fiscal year ending December 31, 2024]

Sales : We expect sales to fall short of the initial forecast by about 10%, largely due to two factors: measures to stabilize factory operations by leveling out sales, and the negative impact of the delayed recovery of the Chinese market on our Electronics Assembly & Systems Businesses.

Profits : We expect the full-year forecast to be lower than the initial forecast because of lower sales and additional expenses for inventory reduction.

In light of the above, we have revised our full-year consolidated business forecasts to net sales of 101.0 billion yen, an operating loss of 1.9 billion yen, an ordinary loss of 3.0 billion yen, and a net loss of 4.0 billion yen.

We have no plans to distribute a year-end dividend, in light of the above consolidated business forecasts for the full year.

Capture the QR code here to access more shareholder and investor information.



TOPICS 01

The JUKI LX-8 high-speed, flexible moulder wins “top prize (A Minister of Economy, Trade and Industry Award)” in the Machine Design Award (IDEA) 2024.

The “LX-8” is a dual-head, high-speed, flexible moulder that runs at the highest speed in its class and delivers high area productivity relative to its small footprint.

The demand for high-density mounting in electronic devices has grown significantly in recent years, driven by the need for enhanced performance coupled with reduced size and weight. And with the proliferation of IoT devices, the demand is growing for surface mounting technologies for a wide array of sensors and communication components. These technological approaches are now extending their reach into emerging sectors such as electric vehicles and robots. From an environmental standpoint, it will be crucial to adopt flexible production methods that minimize waste, such as high-mix low-volume production and variable-mix variable-volume production. In parallel, production sites are facing the challenges of rising manufacturing costs and employee shortages. JUKI has been highly evaluated for its proactive efforts not only to improve productivity, but also to solve social challenges such as labor saving, de-skilling, and environmental friendliness.



The LX-8, winner of the top prize in the Machine Design Award (IDEA) 2024



Award Plaque and Bronze Statue



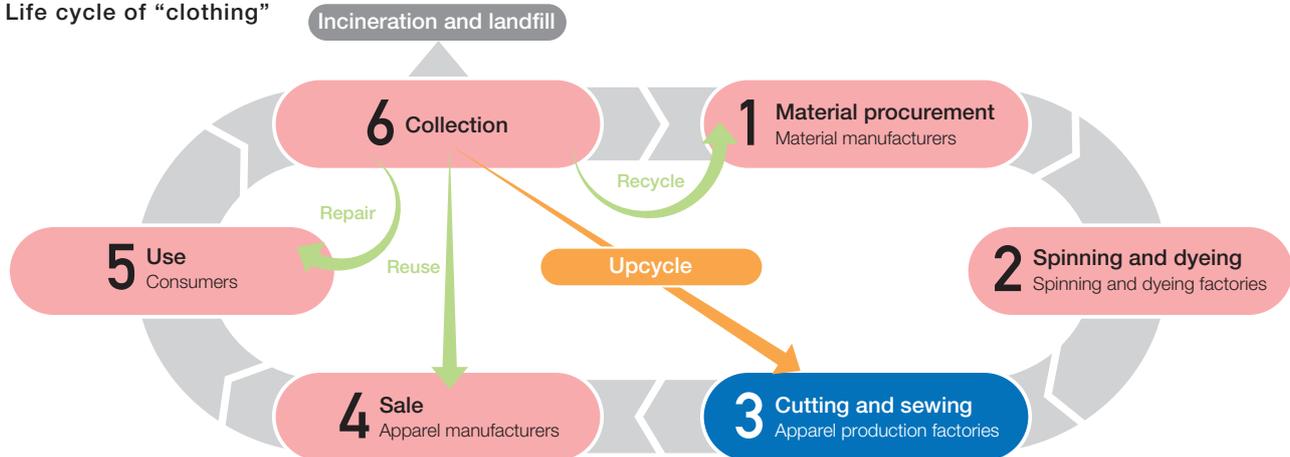
JUKI Chairman Akira Kiyohara receiving a Minister of Economy, Trade and Industry Award

Capture the QR code here to learn more about the Machine Design Award (IDEA).



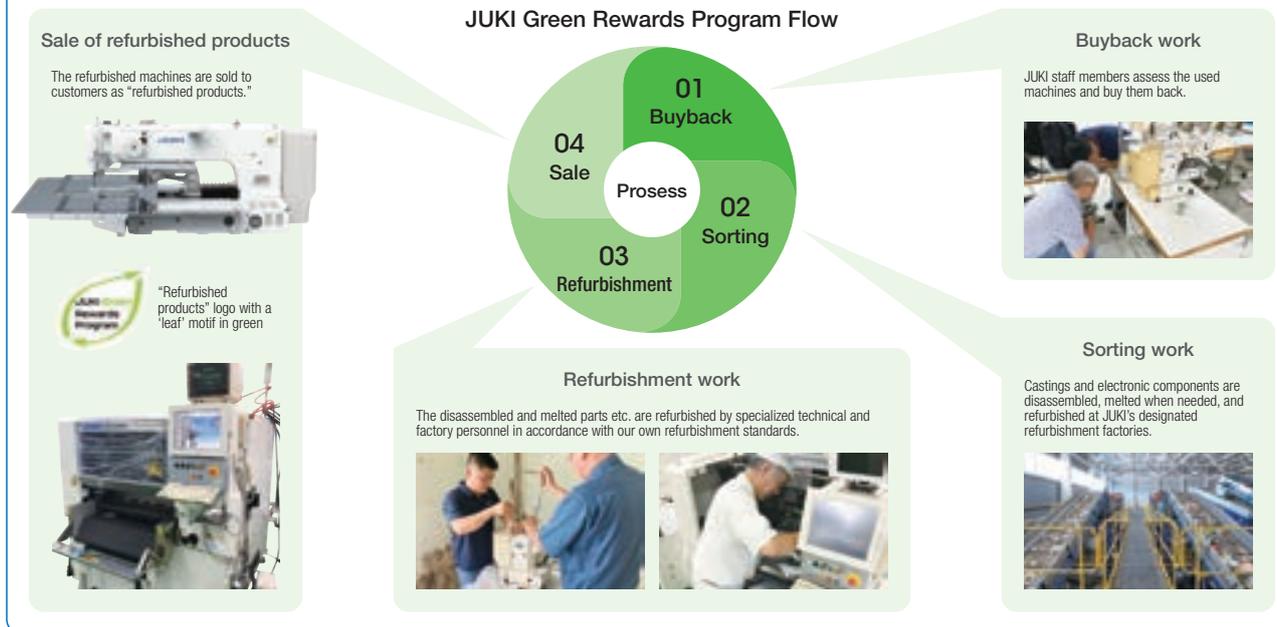
JUKI is deploying several initiatives to realize “sustainable ‘clothing’” as a company involved in “food, clothing, and shelter,” three essentials in people's lives. As a maker of sewing machines used for “cutting and sewing” in the early stages of the life cycle of “clothing,” we aim to make our products sustainable. JUKI is fully committed to becoming a company that coexists with the global environment by reducing waste and deploying upcycling activities that utilize old clothing and waste materials both inside and outside the company.

Life cycle of “clothing”



“JUKI Green Rewards Program” initiatives

Under the “JUKI Green Rewards Program” now underway, JUKI is collecting industrial sewing machines and electronics assembly & systems that have been used by customers, restoring them to mint condition using in-house technologies, and selling them as “refurbished products.” The Green Rewards Program will contribute to the building of a circular economy. Efforts to visualize product life cycles and reduce environmental load through the reduction of product disposal will eventually bring society closer to full carbon neutrality.



Deployment of “JUKI upcycling activities” utilizing old clothes and waste materials

We have focused on “upcycling” as an activity to recycle old clothes and waste materials that have outlived their usefulness into new and valuable articles. JUKI upcycling events have been held in-house since 2021. The “JUKI Upcycle Sewing Studios” are a group of 16 cooperating sewing machine stores that supported JUKI's upcycling efforts in 2023. The studios are now conducting several new activities to expand upcycling activities throughout Japan.

In the JUKI Upcycle Sewing Studio workshops held so far, participants have created PET bottle cases out of clothes and unwanted fabrics brought in from their homes. Going forward, we will enlist more cooperating sewing machine stores and promote upcycling activities nationwide.



A workshop to make “PET bottle cases using old clothes and scraps of cloth,” and an example of a finished piece.

Sewing Machine for Home and Semi Professional Win the “Good Design Award” and “Long Life Design Award” for 2023, respectively.

The MO-3000/2800 compact home-use lockstitch machines, winners of the Good Design Award, are equipped with UX/UI* elements that allow users to quickly perform their own operations, along with an Easy Threader (automatic looper threading) function that simplifies the threading of the upper and lower loopers, a cumbersome operation unique to lockstitch machines. Many parts of these machines incorporate world-class JUKI industrial sewing machine technologies. The MO-3000/2800 series incorporates eco-friendly features that help reduce fabric and thread waste.

The SL-700EX sewing machine for semi professional use, winner of the Long Life Design Award, responds to recent demands in the handmade market and delivers stable, high-performance sewing capabilities. A single machine performs outstandingly on fabrics of every weight, from thin to thick. The meticulously designed exterior and frame structure originated with the TL-90, a semi professional use lockstitch sewing machine released in 1990. These superb design elements have been inherited by successive generations of the machine for the last 34 years. The long life of the design can be credited to our determination to maintain the features JUKI customers love. These semi professional use lockstitch machines are lightweight and portable for easy use at home, practically designed with enhanced visibility and wide space from machine arm to needle, and incorporate the “automatic thread trimming” mechanism of JUKI’s industrial sewing machines.

*UX : Abbreviation for User Experience (The experience that users gain through the product or service)

*U I : Abbreviation for User Interface (All areas that users see and use.)

LONG LIFE DESIGN AWARD

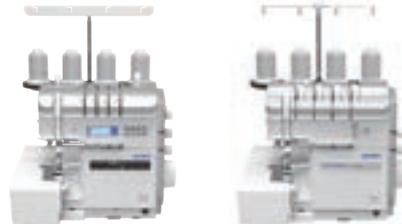


The SL-700EX sewing machine for semi professional use



The TL-90 lockstitch sewing machine for semi professional use released in 1990

GOOD DESIGN AWARD 2023



The MO-3000/2800 series compact overlock sewing machine for home use

Capture the QR code here to learn more about the Good Design Award.



Corporate Information (as of June 30, 2024)

Corporate Profile

Trade name	JUKI CORPORATION
Founded on	December 15, 1938
Paid-in capital	18,044.71 million yen
Head office	2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan
Fiscal year-end	December
Business items	Industrial sewing machines, SMT systems, household sewing machines, etc.
Number of employees	4,713 (on a consolidated basis)
Number of consolidated subsidiaries	25

Directors and Audit & Supervisory Board Members (as of July 1, 2024)

Representative Director & Chairman	Akira Kiyohara
Representative Director & President	Atsushi Narikawa
Director & in charge of Finance	Shinsuke Uchinashi
Outside Director	Kazumi Nagasaki
Outside Director	Yutaka Hori
Outside Director	Junko Watanabe
Audit & Supervisory Board Members (Full-time)	Masahiko Suzuki
Audit & Supervisory Board Members (Outside)	Hiroko Nihei
Audit & Supervisory Board Members (Outside)	Minoru Takenaka
Audit & Supervisory Board Members (Outside)	Takashi Yoneyama

Stock Information

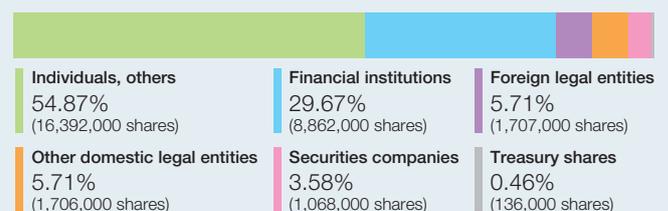
Total number of authorized shares	80,000,000 shares
Total number of issued shares	29,874,179 shares
Total number of shareholders	17,302

Major Shareholders

Shareholder name	Number of shares (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,701	12.45
PEGASUS CO., LTD.	1,045	3.52
Mizuho Bank, Ltd.	938	3.15
Nippon Life Insurance Company	732	2.46
Asahi Mutual Life Insurance Company	569	1.91

Note: The shareholding ratio is calculated by means of deducting treasury shares (136,691 shares) from the number of the issued shares.

Stock Distribution Status by Owner Type



JUKI CORPORATION

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

2-11-1, Tsurumaki, Tama-shi,
Tokyo 206-8551, Japan
Tel: +81-42-357-2211

JUKI
Website

