This material contains forward-looking statements concerning future plans, target, strategies and assumptions of JUKI CORPORATION and its consolidated subsidiaries in light of the economic, financial and other data currently available when the material was prepared. 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.

Editorial Policy

JUKI Corporate Report 2016 integrates a corporate profile and environmental report together into a single document. This year’s report offers more detailed information on ESG (Environment, Society, and Governance) to ensure that JUKI’s shareholders, investors and all other stakeholders understand the risk to long-term creation of value by the JUKI Group.
JUKI has supported production in various fields all over the world through advanced and valuable technologies focused on JUKI's core Sewing Machinery Business.

Ratio of net sales by business

JUKI has won strong support from customers all over the world by operating a sales and service network in about 180 countries.

Ratio of net sales by area
JUKI machines and systems make everyday products the public knows.

Products made using JUKI products

- Products made using Industrial Sewing Machines
- Products made using Household Sewing Machines
- Products made using Electronic Assembly Systems

What JUKI aims for
What kind of company is JUKI?
JUKI's businesses
Data sections
Power to support the creation of corporate value
JUKI has worked to create corporate value for its stakeholders—customers, suppliers, employees, shareholders, investors, and society—by stressing three “management policies.”

JUKI’s growth cycle strengthens the company as an innovative and active company and further enhances the creation of JUKI’s corporate value.

**Flow for the creation of JUKI’s Corporate Value (Business model)**

JUKI generates corporate value through close cooperation between all of its people working in development, production, sales, and technical support.

**JUKI’s growth cycle**

- **Strengthening the competitiveness of products**
  - Providing competitive and highly value-added products and services
  - Providing products around the world through JUKI’s global network

- **Expanding growth investment**
  - Positive investment in advanced development
  - Realizing truly “smart” production factories
  - Reinforcing investment in human resources (nurture and treat)

- **Improving earning capacity and reinforcing financial foundations**
  - Expanding high-margin business domains
  - Enhance the equity ratio to 100%

- **Solid business foundations**
  - Strengthening non-apparel field and the high-end apparel field
  - Strengthening solution sales with proposals for automation, etc.

  - **[Sewing Machinery Business]**
    - Strengthening solution sales
    - Expanding the sales of alliance products

  - **[Electronic Assembly Systems Business]**
    - Strengthening line solution sales
  - Expanding the sales of alliance products

- **[Group Business]**
  - Paving a one-stop service from materials to machining and assembly
  - Expanding the sales of alliance products

**JUKI’s three “management policies”**

- Quality for Brand Value
- Innovative and Active
- Global Management Approach

**Process for creating corporate value**

JUKI generates corporate value through close cooperation between all of its people working in development, production, sales, and technical support.

- **Development**
- **Production**
- **Sales**
- **Technical support**
Ever since its establishment, JUKI has positioned “manufacturing (Monodzukuri)” at the center of its business and continued offering new value to the market. By creating corporate value in its forte operations of “Development,” “Production,” “Sales” and “Technical support,” JUKI also continues to pursue valuable technologies, products, solutions and support for its stakeholders.

Process for creating corporate value (JUKI’s advantage)

JUKI’s businesses

Creation of JUKI’s corporate value

Stakeholders
Tell us about JUKI’s business performance in fiscal 2015.

In fiscal 2015, JUKI achieved net sales of 112.9 billion yen, ordinary income of 5.7 billion yen and current net income of 3.9 billion yen. We recorded a decrease in profits in spite of an increase in sales. Overall, we can rate business performance as satisfactory. We performed well enough to pay our shareholders a dividend, mainly through expanding sales.

Nevertheless, capital investment has declined since August because of the economic slowdown in China. This weighed on the sales of the Electronic Assembly Systems Business, in particular, keeping it at a plateau. Sales by the Sewing Machinery Business expanded in emerging countries and sales by the Group Business increased smoothly. Looking at performance as a whole, however, it is a big problem for us as we head into the future that our profit has declined.

Tough competition in the market is largely behind this result. Competition has tightened further even in the markets for industrial sewing machines and mounters, resulting in stricter price competition and lower profits.

Could you give us a breakdown of the situation in each business domain?

We worked to expand our business domains in every field in order to establish earning foundations in today’s globally competitive environment.

First, in the industrial sewing machine of our Sewing Machinery Business, we have aggressively expanded the production of machines for non-apparel products such as cars and bags, as well as the production of our globally dominant machines for apparel. We have also set up a representative office in Africa (Ethiopia and South Africa), a region we expect to become the next growing market, while strengthening our system in Asia in response to the emigration of production areas from China. On a third front, we have executed an area strategy by dealing with growing numbers of customers in Latin America, as well.

Turning to household sewing machines, we have patiently worked to achieve “a business that burns bright” in spite of its relatively small scale. We have no plans to build a global user base for our tailor-use sewing machines, small lock sewing machines, or quilt-making sewing machines, product lines where JUKI offers strong advantages. As we see it, our survival and success hinge on our ability to offer high-level advice together with our sewing machines to customer segments in target areas. We are willing to invest...
in high levels. Under this circumstance, we set up a “Super-monozukuri” to Japan, a trend driven by factors such as China, India, Europe, and America.

Turning to the Group Business, the return of manufacturing (Monozukuri) to Japan, a trend driven by factors such as the weak yen, has pushed up the outsourcing demand for high-precision machining parts or finished products to every business base. In autumn of 2015, JUKI SINGAPORE PTE LTD. was launched as an area headquarters to serve such a function. We will be practicing a field-oriented policy in every country of Asia with this company at the core.

Let’s innovate technologies that respond to “mass customization” and attract customers who “want everything from JUKI.”

What approach is JUKI taking toward fiscal 2016? We will continue to make all-out efforts to drive the growth cycle this fiscal year by putting the three basic policies into practice under our vision as a “global manufacturing company surviving in the 21st century”.

We will mainly achieve a line solution proposal that enhances the productivity of whole factories for customers and seek differentiation from the competitors. While JUKI has developed and marketed a long succession of new products equipped with new functions, it is difficult for one person to be familiar with all of the times is certainly the latter, which means that it’s time for JUKI to show its stuff. I want the people in charge of sales to deepen their knowledge of industrial engineering, plant engineering, and so on and respond properly to the customers’ expectations as professionals of this company at the core.

The growth cycle is energized by a line solution proposal that enables the integrate support for our customers.

Vision and Basic Policies

Global “Monozukuri” manufacturer equipped to survive in the 21st century

- A company at which employees who are innovative and vigorous, combine their capabilities to respond to changes and form a strong business -

Basic policy 1
Constructing a business structure capable of continuously yielding profits

Basic policy 2
Developing powerful personnel with the expertise to implement our strategy

Basic policy 3
Constructing a smart business foundation

What JUKI aims for

What kind of company is JUKI?

JUKI’s businesses

Data sections

Power to support the creation of

- "What approach is JUKI taking toward fiscal 2016?"
- Could you tell us how we should achieve it?
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- Could you tell us how we should achieve it?
Every person works hand in hand flexibly, which would bring about innovative power to open up JUKI’s future.

The goal is to develop a line solution proposal that helps our customers control a whole factory through automation, robotics, digitalization, systemization, and so on. We will work vigorously to develop technologies that make our customers want to “ask JUKI for everything.”

The requests we receive vary by customer. Many overseas customers have so far deployed large-lot production, that is, “mass production.” But customers who demand small-lot production, namely, “mass customization,” are on the increase now that the consumer’s sense of value is diversifying. JUKI will also have to switch to a business model that responds to the customer’s need for equipment capable of “mass customization.”

JUKI will be more attractive by pursuing diversity and inclusion (acceptance of diversity).

――By working to improve corporate value, what kind of company will JUKI grow into in the future?

JUKI is deploying a business built upon the ideas expressed in the words “innovation,” “global,” and “quality.” These words lead directly an improved corporate climate.

(Comment: a) is a better expression, with the words instead of the passwords)

The road we will walk from now on is filled with unknowns. Depending on the circumstances, we will also need to collaborate with the other companies. We will not stick to a principle of self-sufficiency, but be innovative by cooperating flexibly.

We also expect overseas national staff to play active roles. Overseas national staff has already been brought into our group management meeting, a meeting of group companies from Japan and overseas attended not only by the presidents of our sales group companies in the United States and Europe, but also branch managers from local companies in India and Sri Lanka. In pace with these movements, we will also try to apply a carrier development program and practice a system of cross-border job rotation of employees. By getting our national staff to experience different businesses in different environments over 6 to 12-month periods, we expect to plant seeds for further growth.

Seeing the working styles of the overseas national staff, we are often impressed with their hunger to acquire information and the speed with which they apply the information for business. By contacting them, I expect that the working style of our domestic employees will change through contact with the overseas national staff, and JUKI culture will change as well.

Such movements also lead to the promotion of diversity. Customers as well as overseas national staff have different cultures and values. The essence of diversity is “the acceptance of difference in others.” By playing active roles and interacting, overseas national staff in every country will further enhance JUKI’s corporate value. We, top management, will be creating the new environment to encourage these changes.

JUKI will drive the growth cycle of “strengthening the competitiveness of products,” “firm business foundations,” “improving earning capacity,” and “expanding growth investment” while continuing to aggressively work on improving its corporate value.
Sewing Machinery Business

Sales of both the industrial sewing machine business and household sewing machine business did well in fiscal 2015. Net sales of the sewing machinery business recorded an increase of 11% year-on-year. For our industrial sewing machines, we will try to expand sales of sewing machines for non apparel, automatic machines, and sewing machines for knitwear while expanding sales in Africa and Latin America following Southeast Asia and South Asia.

For household sewing machines, we will try to expand sales in Europe and America with a focus on the quiltmaking sewing machines and household sewing machines we launched last year.

Industrial Sewing Machinery Business

Vision and growth strategy

Vision: Number one share business in all sectors and areas

— Creating a FA (Factory Automation) business model through the full-scale deployment of line solutions (smart sewing system sales) —

Growth strategy

JUKI’s industrial sewing machine business holds an approximately 30% share of the global market, making it the undisputed market leader.

We will further expand business domains for sewing machines for non apparel, automatic machines, and sewing machines for knitwear while expanding sales in emerging countries of Asia and Africa, and aim to take the top market share in all industries and all areas.

• Expansion of our line solution proposal

JUKI has broken away from conventional single-item sales and aggressively worked on a line solution proposal that solves problems for customers. JUKI has suggested the introduction of automatic machines and a system for the overall automation and digitalization of a sewing factory while promoting a “one-stop line solution” by procuring the products from alliance partners to supplement the products not developed in-house but our customers require.

• More efforts in emerging countries

In recent years, one of the world’s major sewing production regions has migrated from China to Southeast Asia and South Asia. The trend has been driven by rising labor expenses and a dwindling labor supply in the sewing factories of China. Southeast Asia and South Asia provide sizeable labor pool and would be sewing production regions with strong prospects for ongoing growth. Looking at the figures by region, net sales to the market in Southeast Asia and South Asia now accounts for 56% (more than half) of the company’s total net sales. This share is expected to increase.

Expanding JUKI’s line solution proposal

JUKI has worked on business solutions for customers by offering three “smart solution” proposals.

The first is “production system in which human skill and automation collaborate;” introduction of a sophisticated automatic machine, automation and manpower-saving to assist workers on the line, and a digitalized sewing production system.

The second is “one-stop line solution;” to provide all products customers need with alliance products to supplement pre- and post-sewing processes of a line.

The third is promoting “system linkage by IoT” and networked production lines to reinforce a system that supports the management of sewing factories deployed worldwide.

Creating a “smart factory line” based on a line solution proposal - Proposing a people - and environment - friendly factory with high productivity where human skill and automation collaborate -

Example of a polo shirt sewing line

By systematizing a sewing line that usually requires 13 operators, in addition to digitalizing and automating the line and introducing automatic machines, sewing operation with four operators is enabled, effectively doubling productivity.

Main contents of JUKI’s line solution proposal

- Suggesting the most suitable product, layout, and production system according to the production item

- Reducing adjustment time and achieving the most suitable seams using digitalized sewing machines

- Proposing a system that allows our customer to know the output and progress toward the target number on the sewing line in real time

- Providing products for pre- and post-sewing processes of a line as alliance products
An example of a line solution proposal introduced

**Apparel products**

**Line solution proposal for sewing jeans**

**Sewing process**
- Cutting
- Production of parts
  - Front body part sewing
  - Back pocket sewing
- Assembly
  - Mold belt sewing
  - Belt loop sewing

**Line solution proposal for polo shirt sewing**

**Sewing process**
- Cutting
- Production of parts
  - Fly sewing
  - Box stitch sewing
  - Sleeve fly (cuff) sewing
- Assembly
- Finish

**Non-apparel products**

**Line solution proposal for car seat sewing**

**Sewing process**
- Cutting
- Production of parts
- Joining of materials
- Fold of fabrics
- Top stitch stitching
- Finish

**Line solution proposal for sports shoes sewing**

**Sewing process**
- Cutting
- Production of parts
- Upper sewing
- Upper formation
- Outside sewing
- Sole combination

**Examples of effects gained from its introduction**

- **Manpower-saving**
  - An approximately 20% reduction in operator staff

- **Productivity improvement**
  - A productivity increase of about 1.8 times

- **Space-saving**
  - An approximately 40% reduction in the production area

**Examples of effects gained from its introduction**

- **Manpower-saving**
  - An approximately 35% reduction in operator staff

- **Productivity improvement**
  - A productivity increase of about 2.5 times

- **Space-saving**
  - An approximately 40% reduction in the production area

**Examples of effects gained from its introduction**

- **Productivity improvement**
  - An approximately 40% reduction in production time

- **Manpower-saving**
  - An approximately 40% reduction in operator staff

- **Space-saving**
  - An approximately 40% reduction in the production area
We have cosponsored or made presentations at quilt shows and handmade events held around the world.

We not only exhibit sewing machines but also hold hands-on sewing workshops and teach how to use a sewing machine there. We have, not just selling sewing machines, promoted handmade hobby culture and the pursuit of free expression by customers who like to create.

Household Sewing Machinery Business

Vision and growth strategy

Vision: A business that’s both strong and bright
- Emphasizing contact points with consumer markets and using industrial sewing machine technologies -

JUKI, as a comprehensive manufacturer, has developed and distributed sewing machines by incorporating the highly precise technologies it has cultivated for its industrial sewing machines into all of the other sewing machines it produces, from household sewing machines to tailor-use sewing machines, compact lock sewing machines, and quilt-making sewing machines with long arms. The high-quality stitches and user-friendly operability achieved in JUKI’s uniquely wide range of industrial sewing machine products and technologies has been extensively supported by customers of all levels of sewing expertise, from beginners to professionals. JUKI will continue to deploy a business from customer viewpoints to ensure that real sewing can be enjoyed comfortably at home.

JUKI household sewing machines loved by a wide range of people

JUKI has made regular presentations at events such as hobby shows and provided sewing machines for exhibits and cosponsored events.

JUKI has made sewing machines available to customers to give them hands-on experience and conducted workshops for the production of small products made with sewing machines. JUKI’s household sewing machines business is its only business that comes into direct contact with general consumers first hand. We gain valuable opportunities to talk directly to them at events such as shows.

More efforts in emerging countries: JUKI will find new customers in Africa and Latin America in addition to Southeast Asia and South Asia.

Southeast Asia and South Asia are growing as the world’s most attractive sewing production bases by dint of their abundant labor and lower wage costs compared to China. Popular sewing industries are also emerging in countries like Ethiopia and South Africa in Africa. JUKI assigned an area headquarters function to JUKI SINGAPORE PTE. LTD. in October of last year to expand sales and reinforce management in these growing sewing production areas.

Our customers are also globalizing their sewing factories. The sewing factories of customers in China, for example, are actively immigrating to Southeast Asia. JUKI assigns overseas national staff in China as a representative stationed in Southeast Asia and has strengthened its global system by responding to the needs of Chinese customers and so on.

We will continue to deploy strong sales activities from customer viewpoints in a drive to achieve a number one market share in these regions.

We will continue to deploy strong sales activities from customer viewpoints to ensure that real sewing can be enjoyed comfortably at home.

Sales network managed by JUKI SINGAPORE PTE. LTD.

[South East Asia]
Vietnam, Laos, Cambodia, Thailand, Myanmar, Malaysia, Singapore, Indonesia, and Philippines (South Asia)
India, Pakistan, Bangladesh, and Sri Lanka

[Middle East]
Dubai, Saudi Arabia, and Bahrain

[Africa]
Ethiopia and South Africa

JUKI SINGAPORE PTE. LTD. (Area headquarters)

Sewing Machinery Business
Many electronic products and mobile devices such as smartphones, tablets, televisions, cameras, cars, and game machines are used in our daily life. The electronic circuit boards included in these products serve as “the brains.” Manufacturers who assemble electronic circuit boards, our customers, are working on various problems to improve the productivity of their whole SMT lines and manufacture high-quality products.

JUKI aims to improve the production efficiency of a whole factory by its line solution proposal for solder paste printers, PWB inspection machines, and mounters, with help from alliance products.

JUKI has also helped create user-friendly production environments by making system proposals to automate processes traditionally done by hand. JUKI will respond to customer needs and continue proposing to meet even better the needs of our customers. In the situation where demand for manpower-saving, efficiency, and reliable quality become stronger and stronger, JUKI will deploy highly useful products, systems, and aftersales services with a forceful and comprehensive commitment to help the customer.

**System proposal for the whole factory**

Net sales of the Electronic Assembly Systems Business

![Graph showing net sales of the Electronic Assembly Systems Business](image)

Sales of new mounters, labor-saving equipment, and so on increased in fiscal 2015, but net sales decreased by 9% due to a sharp decline in investing demand linked to the slowdown in China, the biggest market, from the latter half of the year. We will focus on not only a “line solution proposal” that improves the productivity of the whole SMT line, but also a total solution proposal encompassing the provision of alliance products such as storage systems to respond to customer needs.

**Production of the whole SMT floor of a factory**

**An example of a storage system introduced (automated parts storage)**

Substantial manpower-saving and space-saving for parts management will be achieved through the introduction of a JUKI storage system (ISM-2000).

- Parts management personnel: Reduction of about 50%  
- Parts storage space: Reduction of about 70%

**Case of Electronics Assembly Systems**

**Vision and growth strategy**

_Vision:_ Business with outstanding capabilities for the deployment of line solutions

— Creating a business model for thoroughly tracking customer needs and offering solutions —

_Growth strategy_

The need for high density and high accuracy continues to grow in the board assembly market. In the past we proposed a line solution with solder paste printers, PWB inspection machines, and mounters. In recent years, however, we see a fast-rising need for a whole-factory solution proposal linking with network elements such as “customer key systems,” the “IoT (Internet of Things),” and “ERP.”

Differentiation poses difficulty for the efficient running of the SMT line. Improved productivity and quality management through automation in other process are now demanded.

To meet this demand we will offer the total line solution proposals for SMT floor of a factory, which only JUKI can provide, including products with efficiency and manpower-saving advantages outside of SMT lines, while further strengthening our rapid-response system for technical support. We are convinced that we can lead JUKI’s growth by contributing to creation of an “EASY to USE” factory in response to customer needs and offering solutions for customer problems and worries as a true business partner.
Group Business and others

In fiscal 2015, JUKI increased net sales by 8% year-on-year through strengthened cooperation with its nine domestic group companies and one overseas group company and the aggressive deployment of underlining activities in an environment where some major customers began bringing their production bases back to Japan. JUKI will further strengthen its cooperation with its domestic and overseas group companies to ensure that they can expand sales by delivering manufacturing capabilities beyond what the customer expects.

Group Business

Vision and growth strategy

Vision: Becoming a manufacturing (Monodzukuri) company group strong in high-precision machining and assembly through cooperation with domestic and overseas group companies.

Growth strategy

The Group Business is a business that mobilized the manufacturing (Monodzukuri) capabilities of 10 JUKI manufacturing companies, 9 from Japan and 1 from overseas. The development capabilities of the Group Business have been cultivated in processes ranging from the design and development of industrial sewing machines, household sewing machines, and mounters, our core products, to parts manufacturing and product assembly. The Group Business has the wide-ranging, high-level manufacturing (Monodzukuri) capabilities of precision casting, precision processing, sheet-metal processing, metallic mold casting and so on. JUKI's Group Business intensifies and combines manufacturing (Monodzukuri) technologies and works to expand sales by embodying them as products customers want.

Various manufacturing methods in the Group Business

JUKI's Group Business utilizes the various manufacturing capabilities grown in the development and production of JUKI's main products such as industrial sewing machines and mounters, enabling all phases of manufacturing (Monodzukuri) from planning and development to consignment of the whole of unit production and parts manufacturing. The Group Business meets customer demands in wide-ranging fields such as optical equipment, OA/FA-related equipment, medical equipment, and aircraft parts.

Case of products

- Spectrophotometer
- Meter display plate
- Artificial joint

Sleep Buster

Supporting the driver’s safe run

The Sleep Buster is a device developed to reduce traffic accidents and to prevent overwork driving. Sensor pads attached to the driver’s seat monitors physiological signals in driver’s upper body second by second. Built-in algorithms assess the degree of driver fatigue and issue warning displays or sounds whenever the driver’s concentration or physical condition decreases or suddenly changes (e.g., when the driver drifts toward sleep). The driver’s stress, concentration, arousal, and fatigue can all be analyzed in more detail by downloading the sensor data to a personal computer using JUKI’s exclusive software called “Human Tachometer.”

JUKI’s original information-processing system

A data entry system is a system for rapidly inputting large volumes of alphanumeric data. Insurance companies, banks, and other organizations that process great deals of information are members of the information-processing industry. JUKI is now developing equipment to enhance processing capabilities and reduce human error for these organizations. Foremost among their needs are the “protection of confidential and personal information,” “more efficient image entry with help from OCR processing,” and “deliveryless system using high-speed communications infrastructure.”
We believe that a company that seeks to achieve mutual benefits with its stakeholders in all of its activities will steadily increase its corporate value. We aim to be a company that all of its stakeholders need.

JUKI has worked to enhance a support system and the use of SNS to perfect its ability to hear the customer’s voice directly. JUKI continues to provide products and services that satisfy customers by increasing contact points with customers.

We strive to establish relationships with suppliers that encourage friendly competition from a viewpoint of “mutual harmony and benefit.”

We are striving to maximize the customer’s lifetime value by providing the products and services of the JUKI Group.

We are trying to further improve our financial strength and distribute dividends in a stable manner by boosting shareholder value.

We aim to deepen our exchanges with communities and society as a good corporate citizen and work on environmental issues seriously as a company that is valuable and attractive socially.

Production management consultation

The Smart Sewing System Department (Sewing Research Institute) has visited factories directly based on the results of more than 5,000 consultations, conducted surveys and analyses of the current situation according to customer needs, and provided appropriate advice for productivity improvement.

Support to dressmaking schools

JUKI SALES (JAPAN) CORPORATION supports education on techniques for using and performing regular maintenance on sewing machines at dressmaking schools (see the picture) and colleges around the country. The dressmaking schools and colleges have a class where the students use sewing machines to understand the apparel industry and JUKI employee sometimes contributes his/her time as a guest instructor in the class to demonstrate sewing machine operating methods, precautions, and so on. During enrollment season, when students make frequent sewing machine purchases, JUKI opens up a sales booth at the school and answers the questions on the way of choosing and using a sewing machine from the students. We also regularly provide maintenance service for the sewing machines delivered to the schools as equipment. We are now spreading similar cooperative arrangements with dressmaking schools overseas.

Communication with customers

JUKI magazine (jm)

This website magazine for apparel industry insiders reports practical case histories at factories, news on the business trends of apparel industries, and information on new products for the apparel business. Chinese and English editions are also available. “jm News,” a digest delivered by email, provides previews of upcoming content from JUKI Magazine and comprehensive information on apparel.

Facebook/YouTube

For household sewing machines, we post tutorials on the use of machine attachments on YouTube and provide information on various shows and products through Facebook.
The JUKI Group promotes green procurement with its vendors as a globally active company. Since 2011, the Group has adopted the industry standard "ECO MIND Declaration" together with its suppliers. The priority procurement and environmental preservation activities based on the "ECO MIND Declaration" and additional material management requirements in the evaluation process, regardless of the countries where they are based. The Group is preventing the unexpected contamination by analyzing hazardous chemical substances when parts and materials are delivered to its manufacturing bases.

The social responsibility and demand for environmentally sound practices are expected to rise in step with tightening environmental regulation. As the trend advances, the Group will position green procurement as an important priority and respond to regulations in every country by strictly confirming safety and health, approaches to intellectual property protection, and the quality, cost, and delivery conditions. JUKI requests suppliers to conduct fair evaluations with a "supplier evaluation system." The suppliers are treated equally in the evaluation process, regardless of the countries where they are based. Criteria include compliance with laws and regulations and prescriptive social norms, respect for fundamental human rights, conformance to the "JUKI Group Green Procurement Activity Guideline," approaches to occupational safety and health, approaches to intellectual property protection, and the quality, cost, and delivery conditions. JUKI requests suppliers to conduct social events with suppliers three times a year to communicate mutually. In the workshop during Quality Month every November, we present a lecture on the environment surrounding JUKI and the company’s future directions to all suppliers and award the "Excellent Company Award" and grant "Guaranteed Delivery Certificates" to suppliers that achieve outstanding performance. In 2015, 102 companies (or 106 persons) from Japan and overseas attended the workshop at the JUKI head office. Awards were bestowed upon one "Excellent Company" and six "Effortful Companies." "Guaranteed Delivery Certificates" were granted to 56 companies. JUKI is trying to maintain and grow its partnerships with suppliers.

**Relationship with suppliers**

JUKI selects suppliers by conducting fair evaluations with a "supplier evaluation system." The suppliers are treated equally in the evaluation process, regardless of the countries where they are based. Criteria include compliance with laws and regulations and prescriptive social norms, respect for fundamental human rights, conformance to the "JUKI Group Green Procurement Activity Guideline," approaches to occupational safety and health, approaches to intellectual property protection, and the quality, cost, and delivery conditions. JUKI requests suppliers to conduct social events with suppliers three times a year to communicate mutually. In the workshop during Quality Month every November, we present a lecture on the environment surrounding JUKI and the company’s future directions to all suppliers and award the "Excellent Company Award" and grant "Guaranteed Delivery Certificates" to suppliers that achieve outstanding performance. In 2015, 102 companies (or 106 persons) from Japan and overseas attended the workshop at the JUKI head office. Awards were bestowed upon one "Excellent Company" and six "Effortful Companies." "Guaranteed Delivery Certificates" were granted to 56 companies. JUKI is trying to maintain and grow its partnerships with suppliers.

**Procurement policy**

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**Communication with suppliers**

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**Green procurement**

JUKI Group has been working on the earth-conscious environmental preservation activities based on the "ECO MIND Declaration" together with its suppliers. The priority procurement and purchase of materials, parts, and products with reduced environmental load reduces the discharge of hazardous chemical substances into the environment. Since 2011, the Group has adopted the industry standard JAMP AIS investigation tool for material management in its supply chain and has been developing environmental preservation activities in its bases in Japan and overseas. The Group is implementing the expected contamination by analyzing hazardous chemical substances when parts and materials are delivered to its manufacturing bases. JUKI selects suppliers by conducting fair evaluations with a "supplier evaluation system." The suppliers are treated equally in the evaluation process, regardless of the countries where they are based. Criteria include compliance with laws and regulations and prescriptive social norms, respect for fundamental human rights, conformance to the "JUKI Group Green Procurement Activity Guideline," approaches to occupational safety and health, approaches to intellectual property protection, and the quality, cost, and delivery conditions. JUKI requests suppliers to conduct social events with suppliers three times a year to communicate mutually. In the workshop during Quality Month every November, we present a lecture on the environment surrounding JUKI and the company’s future directions to all suppliers and award the "Excellent Company Award" and grant "Guaranteed Delivery Certificates" to suppliers that achieve outstanding performance. In 2015, 102 companies (or 106 persons) from Japan and overseas attended the workshop at the JUKI head office. Awards were bestowed upon one "Excellent Company" and six "Effortful Companies." "Guaranteed Delivery Certificates" were granted to 56 companies. JUKI is trying to maintain and grow its partnerships with suppliers.

**Length-of-service awards**

The SHANGHAI JUKI SEWING MACHINE CO., LTD. JUKI Group’s first overseas factory, celebrated the 25th anniversary of its 1990 founding. Letters of thanks and other tokens of appreciation were presented to four long-service employees who have contributed greatly to the development of the SHANGHAI JUKI SEWING MACHINE CO., LTD. and the JUKI Group over the last 25 years. While developing globally, we will try to create a corporate culture where employees work and support one another in pleasant workplace environments.

**Promotion of health management**

Below we introduce exemplary cases of health promotion efforts at JUKI.

Vegetables first: In June 2016, JUKI held a vegetable fair entitled the "Health Management Campaign in early summer" to promote healthy eating habits at the staff canteen of the head office. Small bowls of vegetables were served at a reasonable price to encourage a "vegetables first" mentality and create a nutritionally balanced set menu.

Total ban on smoking: The "JUKI Health Management Seminar - Are the Japanese the only ones who do not know the truth about the global cigarette standard?" - was held at the head office in Tama in July 2015. A total ban on smoking in the building and during working hours has been put into effect since October 2015.

Floor for company staff: In June 2014 the head office set up a special "floor for company staff" to promote the health and self-development of employees. The area is provided with light exercise equipment such as ping-pong tables, stationary bikes, and balance balls, as well as an area with seating chairs and place for using household sewing machines for fun.

**Approach toward an improved corporate culture**

On the occasion of its 75th anniversary, JUKI is conducting a Mandomi (caring) campaign to create a ‘caring corporate climate’ where employees will think of others seriously in the ensuing decades leading up to JUKI’s centennial. A circle of facilitators selected from various workplaces with a secretariat has been formed to stage the Mandomi (caring) campaign effective in forging a caring corporate climate.

**Joint training for “TWI-JI (Training Within Industry - Job Instruction)”**

The JUKI Group is conducting "TWI-JI education," a form of training that teach the managers of the manufacturing divisions the skills and methods to precisely and promptly instruct the workers how to perform their jobs. Six newly appointed managers of the manufacturing divisions of JUKI (SHANGHAI) INDUSTRIAL CO., LTD and eight managers of the manufacturing divisions of SHANGHAI JUKI SEWING MACHINE CO., LTD participated in TWI-JI in order that both companies may share the common skills and methods to instruct the workers of each company. Hands-on practice and case studies have been intensively incorporated into the program in the belief that "A skill can be mastered with training and practice." Participants use the know-how learned in the program to conduct business and make better work environments.
The JUKI Group is working to establish good relationships with society in every country where it does business.

### Field trips to the head office

Fifth-year students from nearby elementary schools began taking field trips to the JUKI head office after its move to Tama-City, Tokyo under a JUKI program to build better relationships with the local community. In the sixth annual field trip hosted by JUKI in October 2015, some 195 people came to our office from Minamitsurumaki elementary school and Comsudsai elementary school. The students visited the rooftop garden, staff cafeteria, central monitoring room, showroom, and other parts of the head office complex. After the visit, the school presented a copy of the "JUKI shinbun (newspaper)" to the head office with a summary of what each student had learned.

### Donations to the local area

JUKI (CHINA) CO., LTD. has placed a donation box in its office since the latter half of 2015 as a social contribution activity. Funds collected from company employees and business travelers were presented to an Office Work Management Center (a local agency of the ward office) in Piru distric, Shanghai city. JUKI (CHINA) CO., LTD, invited the chief of the Management Center, Mr. Tang, and other two persons to visit its office for a presentation ceremony on February 3, on the occasion of the Chinese New Year. Mr. Goto, Chairman of JUKI (CHINA) CO., LTD, presented the funds. This company was highly applauded and thanked for this activity, the first such activity undertaken, by a foreign capital enterprise in the region. This company will strive to deepen cooperation with the local government and region and continue contributing to the community.

### Visiting classes at junior high schools

In October and November of 2015, Mr. Hiroyuki Watanabe, president of SUZUTAMI PRECISION INDUSTRY CO., LTD., presented lectures to 82 second graders from Helanomari junior high school on the theme, "Let’s learn about the world from a company in Nagoya." The Nagoya City Board of Education, the class planner, asked Mr. Watanabe to recount his actual experiences as an individual directly related to a local company and to give the children the opportunity to start shaping their future dreams. Mr. Watanabe, a company president experienced in living in China, told the children that an active life overseas requires an “ambition to take on new challenges.” Passively, he told them, would get them nowhere. One of the classes was reported in a local newspaper: the “Nagoya Nippo.”

### Tote bag-making workshop

Ninety people, parents and children paired into 44 teams, took part in “tote bag-making workshop with parents and children” over a two day period, July 23 and 24, 2015. This workshop has been held in summer holidays every year for nine years for the purpose of sharing the pleasure of using sewing machines and fun of manufacturing. After selecting their favorite fabric patterns, the parents sewed their own “bags in bags” accessories with zipper pockets while their children sewed practical tote bags for storing A4 size articles. We would like to continue to promote this activity to share the pleasure of using sewing machines and fun of manufacturing.

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### Relationship with shareholders and investors

JUKI holds an ordinary general meeting in March every year. The company has supplied products to customers in about 180 countries through its worldwide sales network.

### Reverse stock split and change in the share unit number

JUKI carried out a reverse stock split and changed the number of shares per unit of stock as of July 1, 2015 according to the policy of the Japanese Stock Exchanges. To unify the trading toll for domestic listed companies to 100 shares for the purpose of improving convenience for investors and other market participants and enhancing the international competitiveness of Japan’s securities markets.

The company carried out a reverse stock split to comply with the standard investment unit range (over 50,000 yen and under 500,000 yen) deemed desirable by the stock exchange.

Fifty years’ worth of shares have been made continuous efforts to respond to shareholder expectations by keeping track of their opinions.

### General meeting of shareholders

JUKI holds an ordinary general meeting in March every year. On March 29, 2016, JUKI held the “101th Ordinary General Meeting of Shareholders” at its head office and many general shareholders joined. The company also organized a tour for the shareholders and other market participants and enhancing the international competitiveness of Japan’s securities markets.

To ensure that more people attend, it schedules the event on days when few other companies hold shareholder meetings.

### Briefing of IR results

JUKI has worked actively to disclose information appropriately found promoting understanding of shareholders and investors in order to enhance communications with them. As one activity, briefings on JUKI’s performance are held twice a year for institutional investors. JUKI held a briefing of Japan Investor Relations and Investor Support, Inc. (Nihonbashi, Chuo-ku) on February 15, 2016 to present an “outline of achievements for the fiscal year ended December 31, 2015” and JUKI’s approach toward the Medium-Term Management Plan (2015 to 2018) and prior policies in fiscal 2016. JUKI is trying to engage in proactive dialogue by responding to inquiries from individual shareholders and taking individual interviews from securities analysts, fund managers and the like.

### Relationship with stakeholders

The JUKI Group is working to establish good relationships with society in every country where it does business.
Approach toward quality management

We, JUKI Group, will secure levels of quality that will satisfy our customers and make overall efforts to enhance the quality of our products and services and improve business as a “reliable JUKI” that aims for sustainable growth through ongoing effort.

JUKI GLOBAL QUALITY MANAGEMENT FORUM

The first “JUKI GLOBAL QUALITY MANAGEMENT FORUM” was held on November 24, 2015 with the attendance of 377 participants mainly composed of board members and company employees. This convention is a combination of the “QC Circle World Convention” conventionally held at JUKI’s manufacturing bases and “Top-down Activity Recital”. JUKI organized it as a company-wide activity within the JUKI Group for the “evolution of quality management,” one of JUKI’s management priorities. From many applications on management themes, seven top-down themes and four bottom-up themes were selected. Presentations of them gave us the opportunity to study excellent approaches toward quality in the whole JUKI Group. We continue to conduct an activity to deepen every employee’s understanding of quality management.

Approach toward a quality assurance system and product safety

JUKI has worked on the manufacturing (Monodzukuri) with quality at the core since its establishment. The company won the Deming prize in 1981. This emphasis on quality has been inherited up to the present. JUKI’s quality management has been fully supported from the very beginning. We will continue to perform an activity focused on the maintenance and improvement of quality and deploy products and before- and after-services satisfactory to our customers. Considering it as one of the most important points in CS (Customer Satisfaction) to provide our customers with the products that can be used safely, the JUKI Group is making further progress toward total product safety.

Support system

The passion for “keeping customer manufacturing lines running without a halt” supports the generous support system of the Electronic Assembly Systems Business. The target is to respond to machine troubles within 24 hours. We have won the trust of customers by establishing a rigid support system, responding flexibly to unexpected situations, and ensuring safety for customers all over the world every day of the year.

Innovative approach

We are taking on new challenges such as sewing robot and smart factory to propose creative solutions for customers.
The Diversity Promotion Section was set up in the Human Resource Department on April 1, 2016. We will aim to enhance organizational performance and reform our ways of working by offering various human resources the opportunities to show their abilities to the full.

Aiming for organization where various human resources can show their abilities to the full

Ms. Eiko Nakano
section manager of the Diversity Promotion Section

Could you please tell us about the working environment of the JUKI Group?

(1) A shrinking labor force linked to factors such as Japan’s falling birth rate and aging population and (2) the globalization of JUKI’s business activity are bringing about big changes in the working environment within JUKI. Recognizing the importance of securing excellent human resources on an ongoing basis under these circumstances, the JUKI Group set up the Diversity Promotion Section in the Human Resources Department in April 2016. We respect differences in gender, age, nationality, etc. and would accept various working style such as shorter working hours or no transfers in order to create the working environments where company employees can show their abilities in their own current conditions. JUKI is nurturing innovative, vibrant company employees and a highly diverse corporate culture, and improve organizational performance, reform the ways of working, and improve productivity.

Could you tell us how you will approach diversity?

There are three pillars to JUKI’s approach toward diversity: (1) Promotion of the success of female employees, (2) global arrangement of human resources, and (3) promotion of outstanding performance of skilled and contact employees. We will work to encourage the success of female employees as the main pillar. We will try to get rid of factors that obstruct the success of female employees and cultivate a work environment where females play more active roles through the enhancement of job experience and skill development. As for global arrangement of human resources, we will maintain our system to enable the appointment of overseas national staff (company employees hired at overseas subsidiaries) to senior positions and personnel exchanges in the group for the betterment of leaders who will shoulder the responsibilities of building the JUKI Group of the future. For the outstanding performance of skilled and contact employees, we will flexibly match the ways of working with the treatments to help employees show their respective abilities to the full. We will continue to encourage active discussions among company employees from various backgrounds with different viewpoints in the company and JUKI Group, and make it a springboard for the creation of a vibrant corporate culture.

Purpose of a diversity management

To achieve the policy of the Middle Term Management Plan, the “global-manufacturing (Monodzukuri) company surviving in the 21st century,” we will secure the excellent human resources and strengthen the foundation of human resources.

Diversity of attributes

Gender Age Nationality

Diverse ways of working

Place of work Job type Working years

We accept diversified human resources and various ways of working to create an environment where their abilities can be displayed.

We spearhead the creation of such an environment with a view to enhancing organizational performance, reforming ways of working, and improving productivity.

Main themes to work on

1. Promotion of the success of female employees

<table>
<thead>
<tr>
<th>Action plan for promoting the success of female employees</th>
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<tr>
<td><strong>Action plan 1</strong></td>
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<tr>
<td><strong>Action plan 2</strong></td>
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<tr>
<td><strong>Action plan 3</strong></td>
</tr>
<tr>
<td><strong>Action plan 4</strong></td>
</tr>
</tbody>
</table>

2. Promotion of the outstanding performance of global human resources

With the advancement of globalization of the JUKI Group, 62% of JUKI’s 6,245 employees work overseas. In addition to transferring Japanese employees to overseas business offices, we now aim to establish a system to enable overseas employees to play more active roles on transfer assignments between overseas bases. We will also promote a training program to impart the knowledge and skills employees from Japan and overseas will need to play active roles globally.

Opinion-exchange meeting of female managers from group companies

As a first-time effort, JUKI held an opinion-exchange meeting between female managers from group companies at its head office on July 12, 2016. Female managers from Japan and overseas (the head office and area controlling bases) gathered and discussed issues such as the problems faced in JUKI’s diversity management and the ways female employees play active roles at the various bases. They shared the ideas on management problems that will emerge when company employees from various backgrounds start acting toward the same targets. Participants in positions to manage organizations exchanged the following opinions on the success of female employees and so on with each other.

- To achieve a good work-life balance, the operational efficiency, fosterage of subordinates, and decentralization of work due to the delegation of authority are required.
- To keep the business from being disrupted even if any company employee is absent from office with urgent private business, management designed for multi-skilled development is required.
- To prevent long working hours, managing deadlines and prioritizing tasks are required.

Work-life balance support system for JUKI’s employees

- Short working hour system
  - This system can shorten working hours per day by up to two hours.
  - The system is available for an employee who is bringing up an elementary school child (up to the sixth grade) or has a family member requiring nursing care.
- System of maternity leave
  - To protect the health of mothers around the time of childbirth, a six-week leave before childbirth and a ten-week leave after childbirth are arranged.
- System of leave
  - This system allows the employees to take leave for up to fifteen months for the purpose of childcare or nursing care.
Approach to the environment

**Environmental Vision**

JUKI will strive to contribute to customers and the global environment through eco-friendly manufacturing (Monodzukuri).

The JUKI Group places importance on the global environment as a manufacturing (Monodzukuri) company and works aggressively on the effective use of resources, recycling, and energy saving.

The Group also provides safe products that place less environmental load on customers and is helping to develop industry in the region with the aim of being widely trusted and valued by both society and JUKI customers.

**The JUKI Group’s stance toward environmental conservation activities**

The JUKI Group practices environmental management in three areas to contribute to the realization of a sustainable society: “Realization of a low carbon society,” “Realization of a recycling society,” and “Pollution prevention and the realization of an inclusive society rich with nature.”

The Group has established the “ECO MIND Declaration” to show its environmental activities more concretely to all of its stakeholders. The ECO MIND Declaration consists of an “Environmental Philosophy” and “Environmental Action Policy.”

The “ECO MIND Declaration” has been issued by adding “Environment” (environmental consideration) to the existing concepts of “Quality,” “Customer satisfaction,” and “Respect for humanity” (concepts based on the “Mind” in JUKI’s “Mind & Technology” corporate slogan.)

Based on this, the JUKI Group has mapped out an “Environmental Conservation Guideline,” a guideline for promoting detailed environmental approaches and practicing the environmental conservation activities as the JUKI Group.

JUKI Group companies also exchange information with each other and develop information horizontally to raise the level of the whole Group.

**ECO MIND Declaration**

**Environmental Philosophy**

The JUKI Group recognizes that activities of enterprises are closely related to the global environment, and is making efforts to:

1. Contribute to the local community and society by environment-conscious activities.
2. Provide products with less environmental load by planning, researching, developing, procuring, and manufacturing with environmental influences in mind.
3. Contribute to countries and regions by modifying environmental conservation activities to suit local conditions wherever JUKI does business as a global company.
4. Observe environmental laws and other agreed requirements, and prevent environmental pollution.
5. Actively disclose environmental information.
6. Raise “awareness of ecological problems” among employees through educational campaigns.

**Environmental Action Policy**

1. Prevent global warming by promoting energy-saving in all business activities and use resource efficiently by implementing the 3Rs (Reduce, Reuse, and Recycle).
2. Provide products with less environmental load by planning, researching, developing, procuring, and manufacturing with environmental influences in mind.
3. Contribute to countries and regions by modifying environmental conservation activities to suit local conditions wherever JUKI does business as a global company.
4. Observe environmental laws and other agreed requirements, and prevent environmental pollution.
5. Actively disclose environmental information.
6. Raise “awareness of ecological problems” among employees through educational campaigns.

**Topics**

**Environmental consideration design in the head office building**

Eco-friendly and energy-saving features were designed into the head office building opened in December 2009 as the new base for the JUKI Group. Energy use is monitored by energy type (electricity, gas, and water), usage, and designated zones inside the building using the BEMS system for operational improvement.

Energy-saving equipment such as a rainwater processor and high-insulated-layer (Low-E) glass has been introduced.

The building has been awarded the equivalent of the “A rank” in the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) rating system for environmental performance. Beyond the environmental dimension, ease of use is also considered for the planning of spaces for interpersonal communication among JUKI employees.

**Use of natural light**

Installation of top lights By taking in more natural light, JUKI saves energy in the whole building and improves the working environment at the basement level.

**Rooftop and premises greening**

Maximum possible greening for the rooftop and building premises (about 2.5 times the greening standard area of Tokyo) improves the building insulation efficiency and helps prevent the heat island phenomenon. JUKI is creating a sylvan landscape for the neighborhood by greening the land in three dimensions from the boundary of the premises. Tree-planting and other greening techniques can create an environment that comforts employees and relieves them from general fatigue.

**Using rain water**

Rainwater is collected from the roof, passed through a sand-filtration sterilization process, and reused as water for washing lavatories and sprinkler water for plants on the premises.

**Blocking solar insolation**

High insulation (low-E) glass reduces the solar insolation and air-conditioning loads. The ratio of natural energy usage is improved by applying titanium coatings over outside walls and glass to activate the natural cleansing actions of light and rainwater.

**Lighting control**

Most of the energy-saving at the head office is achieved with highly effective and long-life Hf (High frequency) fluorescent lamps. The brightness of the lamps is automatically adjusted with dimmer controls based on data sent from dimmer sensors.
**Environmental influences on the JUKI Group’s business activities**

JUKI products are still manufactured using abundant energy and resources, including precious resources for parts and materials. As an energy and resource consumer, the JUKI Group is determined to clarify the environmental load of its business activities and improve its environmental performance.

### INPUT

- **Energy (In crude oil equivalent)**
  - Electricity: 17,112 t
  - Fuel oil A: 950 t
  - Light oil: 215 t
  - Gasoline: 1,011 t
  - Gas: 126 t
  - Kerosene: 126 t
  - Natural gas (N): 59 t
  - Acetylene: 0 t
  - Liquid petroleum gas (LPG): 1,438 t
  - Natural gas (NG): 59 t
  - Fuel oil A: 950 t
  - Light oil: 215 t
  - Kerosene: 126 t
  - Natural gas (N): 59 t
  - Acetylene: 0 t

- **Water**
  - 530,000 t

- **Raw materials**
  - Metallic materials: 13,381 t
  - Plastic materials: 1,821 t
  - Rubber: 100 t
  - Paper (excluding OA papers for office): 1,481 t
  - Other resources: 2,646 t

*These figures summarize Fiscal Year 2015 data gathered from JUKI and its manufacturing group companies in Japan and overseas. Some group companies lack complete or sufficient information on raw materials.

### OUTPUT

- **Production Volume of Major Products**
  - 13,552 t
- **CO₂ emissions**
  - 44,703 t
- **Drainage**
  - 301,000 m³
- **Total waste emissions**
  - 8,510 t

### Transition of major INPUTs

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity (In crude oil equivalent)</th>
<th>Total waste emissions</th>
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</thead>
<tbody>
<tr>
<td>2011</td>
<td>17,112 t</td>
<td>19,121 t</td>
</tr>
<tr>
<td>2012</td>
<td>17,326 t</td>
<td>17,112 t</td>
</tr>
<tr>
<td>2013</td>
<td>16,600 t</td>
<td>17,112 t</td>
</tr>
<tr>
<td>2014</td>
<td>17,989 t</td>
<td>17,112 t</td>
</tr>
<tr>
<td>2015</td>
<td>17,112 t</td>
<td>17,112 t</td>
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### Transition of major OUTPUTs

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂ emissions</th>
<th>Total waste emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>71.4 t/100,000 yen</td>
<td>375 t/100,000 yen</td>
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<tr>
<td>2012</td>
<td>70.7 t/100,000 yen</td>
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<td>2014</td>
<td>67.9 t/100,000 yen</td>
<td>430 t/100,000 yen</td>
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<tr>
<td>2015</td>
<td>64.8 t/100,000 yen</td>
<td>345 t/100,000 yen</td>
</tr>
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</table>

Electricity usage accounts for greater than or equal to 80% of the factor for CO₂ emission by the JUKI Group. The Group is taking various steps to reduce electricity usage, including a thorough rethinking of production methods and running times for equipment.

JUKI's manufacturing (Monodzukuri) sites consume raw materials for production activities every day. The JUKI Group is working on different measures for handling waste and promoting the sale of valuable forms of waste for reuse and recycling in manufacturing sites.

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**Approach to the environment**

The JUKI Group effectively uses resources by recycling.

**Input: Energy**
- The power used in the factories and offices.
- The fuel for trucks.
- Gasoline: the fuel for company-owned cars.
- Kerosene: the fuel for heating appliances.
- Acetylene: the fuel for welding equipment repairs and cutting and soldering steel.
- Fuel oil A: for cooling in machines or supplying hot water.
- Metallic materials, plastic materials, and rubber: materials for parts.
- Paper: cardboard for transporting and packing products and preventing the collapse of cargo and dainting of products in the manufacturing processes.
- Crude oil equivalent: the conversion volume to crude oil using the conversion volume to crude oil using the conversion volume to crude oil using.

**Output: CO₂**
- Caused by the use of electricity and fuel.
- General waste: waste discharged from homes and enterprises except industrial waste. Includes garbage from kitchens and other garbage discharged in business activities.
- Industrial waste: twenty kinds of waste set up by laws, rules, and regulations, among the wastes generated by business activities by industries such as factories. Includes asbestos sand used for masts, pallets (made from wood pallets), cutting oil, and prototype machines for experiments and research.
- Specially controlled industrial waste: highly explosive, toxic, and infectious waste that may cause suffering to human health and the living environment. Especially strict management is crucial. The waste includes PCBs and the like contained in old condensers and other components.

**Recycling**
- Effective use of resources by recycling.
Approach toward carbon offset at SUZUTAMI PRECISION INDUSTRY CO., LTD.

In September 2015, SUZUTAMI PRECISION INDUSTRY CO., LTD. participated in the “Daishi Eco-action Carbon Offset Project” undertaken by Daishi Bank, Ltd. This project provides “support funds for energy-saving equipment” including a carbon offset for an installation of energy-saving equipment. The loan of 10,000,000 yen in this project allows the use of carbon credits created in Niigata Prefecture to compensate for 1 ton of greenhouse gas emissions. The credits are granted according to the amount of CO2 emission reduction and absorption recognized in the following projects: “Forest for Japanese crested ibises (Toki)” implemented by Sado City, Niigata Prefecture, the “Forest for dragons (Ryuujin) at the base of Mt. Naeba” project, the “Forest for famous water in Minamisumuruma” tree-thinning project, the “Eternal Forest in Aga” tree-thinning project, and a project for the introduction of a biogas generator at a sewage treatment plant operated by the Kashiwazaki City Gas Waterworks Department. 97 tons of greenhouse gases have been offset through this system; about 6,790 cedar trees will absorb such amount of gases.

Approach toward energy-saving at JUKI (VIETNAM) CO., LTD

JUKI (VIETNAM) CO., LTD. converted fluorescent lights in its factory to LED in its approach toward the environment in fiscal 2015. The LED conversion reduced power consumption by about 51%. In total, 3,820 lights in the 1st to 3rd factories were replaced, resulting in a reduction of 408,758kwh compared with the fiscal year 2014.

Approach toward energy-saving at Ohtawara plant, JUKI CORPORATION

Ohtawara plant has made ongoing approaches toward energy-saving. One approach is a low-temperature coating for industrial sewing machines. JUKI’s industrial sewing machines are painted with a powder coating and then transferred to a drying furnace to dry (bake) the coating. The temperature in the drying furnace was formerly 180°C. We are now able to dry the paint at 160°C. This improvement has reduced the usage of the liquefied petroleum gas, the fuel for the drying furnace, by 26%.

Main “JUKI ECO PRODUCTS” in 2015

JUKI makes products that behave in eco-friendly ways throughout their whole life cycles. The company evaluates 38 environmental criteria in the development phase with a view to improving the operability and maintenance of its products, heightening product performance, saving electric power or energy, and more. A product that achieves eco-friendliness at a high level is recognized as a “JUKI ECO PRODUCT.”

“JUKI ECO PRODUCTS” in 2015

- MO-114D
  - 2-Needle, 4-Thread Overlock Machine with Differential Feed

- MO-6800S -30P Series
  - High-speed, Overlock / Safety Stitch Machine

- LBH-1790AB (Shorter Thread Remaining Functions)
  - Computer-controlled, High-speed, Lockstitch Buttonholing Machine

- MO-800S -30P Series
  - High-speed Compact Modular Mounter

- RX-6R
  - Long Board SMT Placement Machine
Compliance

(aas of August 1, 2016)

Directors, Audit & Supervisory Board Members and Corporate officers

Yasuaki Isobe
Audit & Supervisory Board Member

Yoshihiro Otake
Board Members

Toshihiko Ozaki
JUKI Automation Systems Representative Director of

Governance

Katsumi Nihei
Hirofumi Gotoh
Managing Officers

Minoru Wada
Director and Managing Officer

Machinery Business Unit, Director and

Corporate Officers

Kimio Honma
Hirofumi Gotoh
Shinsuke Uchinashi
Katsumi Nihei
Toshinobu Shinozuka
Satohiro Hama
Robert J. Black Jr.
Hiroki Kantsi
Kikuo Takahashi
Minoru Nitta
Kiyoshi Matsumoto
Jirou Ishibashi
Masahiko Suzuki

JUKI Group’s corporate governance operation system

The Group continuously endeavors to reinforce its governance system, strengthen compliance, and achieve highly transparent management.

Corporate governance

To secure the health and efficiency of management and respond to the trust of a stakeholder, JUKI regards the suitable maintenance and operation of its corporate governance system as one of the highest priority issues and strives to improve and enrich the corporate governance system. JUKI also enhances management transparency through the disclosure of timely and accurate information. JUKI’s board of directors has decided upon statutory matters or important matters of management and has supervised the status of business execution in a succession. JUKI has also introduced a Corporate Officer system to try to facilitate business execution and clarify responsibility.

In March 2016, the number of the outside directors was increased to three persons from two persons out of six directors to boost the management monitoring function at the directors and the board of directors and strengthen the company’s system to actively incorporate the external voices in management.

A Corporate Strategy Committee has also been organized under the Board of Directors. The Directors, Corporate Officers and general managers of the departments in charge of the meetings of the Committee and discuss basic management policies, strategies, etc. of the business group consisting of our company and group companies from various angles to enable more appropriate decision-making and operations.

A Risk Management Committee and Crisis Management Task Force have been set up as core parts of the risk management system.

An Internal Auditing Department has been set up as an organization for internal audits and has audited the business operations of all of JUKI’s departments and each group company. The members of the Audit & Supervisory Board have performed audits in accordance with the audit policy and work divisions set by the board in cooperation with the Internal Auditing Department and accounting auditors. A Corporate Auditors Section has been established as an organization to assist the Audit & Supervisory Board Members.

Compliance

JUKI also enhances management transparency through the disclosure of information. The board members and the outside directors have performed audits in accordance with the audit policy and work divisions set by the board in cooperation with the Internal Auditing Department and accounting auditors. A Corporate Auditors Section has been established as an organization to assist the Audit & Supervisory Board Members.

Risk management

The JUKI Group has set up a Risk Management Conference as a core part of its risk management system. The Risk Management Conference manages company-wide risks and important risks and directs the parties concerned to take remediation measures for risk reduction. The Group also sets up crisis management task forces before and after crises (extenuation of the risk) such as natural disasters, fires, explosions, and PL (product liability) incidents, and has a system to examine and execute its response measures. When a serious crisis has occurred, a “Crisis Countermeasures Headquarters” is set up to take quick countermeasures.

Corporate governance system

The Group continuously endeavors to reinforce its governance system, strengthen compliance, and achieve highly transparent management.
# Major financial and non-financial data for two years (Consolidated)

## (M)illion yen

<table>
<thead>
<tr>
<th>Financial position (End of the fiscal year)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>94,385</td>
<td>107,581</td>
<td>112,865</td>
</tr>
<tr>
<td>(Ratio of overseas sales to net sales)</td>
<td>(83.8%)</td>
<td>(84.1%)</td>
<td>(85.6%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>26,291</td>
<td>33,503</td>
<td>34,571</td>
</tr>
<tr>
<td>Operating income</td>
<td>5,151</td>
<td>8,217</td>
<td>7,110</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>3,878</td>
<td>7,710</td>
<td>5,728</td>
</tr>
<tr>
<td>Net income</td>
<td>3,006</td>
<td>6,058</td>
<td>3,853</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>1,062</td>
<td>1,964</td>
<td>1,252</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,940</td>
<td>3,115</td>
<td>2,990</td>
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<tr>
<td>R&amp;D expenses</td>
<td>3,859</td>
<td>4,826</td>
<td>4,871</td>
</tr>
</tbody>
</table>

## Financial index

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio</td>
<td>10.1%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Return on equity (ROE)</td>
<td>37.4%</td>
<td>34.2%</td>
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</tbody>
</table>

## Cash flow situation (Fiscal year)

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>6,405</td>
<td>3,459</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>293</td>
<td>△ 1,868</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>6,698</td>
<td>1,590</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>△ 9,445</td>
<td>837</td>
</tr>
</tbody>
</table>

## Per share information

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (EPS)</td>
<td>116.35yen</td>
<td>219.17yen</td>
</tr>
<tr>
<td>Dividend per share (DPS)</td>
<td>—</td>
<td>20yen</td>
</tr>
<tr>
<td>Book value per share (BPS)</td>
<td>442.38yen</td>
<td>804.10yen</td>
</tr>
<tr>
<td>Ratio of overseas employees to total employees</td>
<td>58.8%</td>
<td>59.1%</td>
</tr>
</tbody>
</table>

# Consolidated balance sheet

<table>
<thead>
<tr>
<th>(M)illion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Cash and deposits</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
</tr>
<tr>
<td>Work in process</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
</tr>
<tr>
<td>Deferred tax assets</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
</tr>
<tr>
<td>Total current assets</td>
</tr>
<tr>
<td>Non-current assets</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Buildings and structures, net</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles, net</td>
</tr>
<tr>
<td>Tools, furniture and fixtures, net</td>
</tr>
<tr>
<td>Land</td>
</tr>
<tr>
<td>Lease assets, net</td>
</tr>
<tr>
<td>Construction in progress</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
</tr>
<tr>
<td>Intangible assets</td>
</tr>
<tr>
<td>Investments and other assets</td>
</tr>
<tr>
<td>Investment securities</td>
</tr>
<tr>
<td>Long-term loans receivable</td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
</tr>
<tr>
<td>Deferred tax assets</td>
</tr>
<tr>
<td>Net defined benefit asset</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
</tr>
<tr>
<td>Total investments and other assets</td>
</tr>
<tr>
<td>Total non-current assets</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable – trade</td>
<td>13,892</td>
</tr>
<tr>
<td>Short-term loans payable</td>
<td>52,492</td>
</tr>
<tr>
<td>Lease obligations</td>
<td>207</td>
</tr>
<tr>
<td>Account payable – other</td>
<td>1,906</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3,343</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>913</td>
</tr>
<tr>
<td>Provision for bonuses</td>
<td>69</td>
</tr>
<tr>
<td>Notes payable – facilities</td>
<td>120</td>
</tr>
<tr>
<td>Forward exchange contract</td>
<td>2,800</td>
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<tr>
<td>Other</td>
<td>1,354</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>77,101</td>
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<tr>
<td>No-current liabilities</td>
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<tr>
<td>Long-term loans payable</td>
<td>21,751</td>
</tr>
<tr>
<td>Lease obligations</td>
<td>297</td>
</tr>
<tr>
<td>Provision for directors’ retirement benefits</td>
<td>171</td>
</tr>
<tr>
<td>Net defined benefit liability</td>
<td>5,270</td>
</tr>
<tr>
<td>Other</td>
<td>1,148</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>28,639</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>113,189</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>18,044</td>
<td>18,044</td>
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<tr>
<td>Capital surplus</td>
<td>2,094</td>
<td>2,094</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,754</td>
<td>7,800</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>△ 62</td>
<td>△ 66</td>
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<tr>
<td>Total shareholders’ equity</td>
<td>23,831</td>
<td>27,873</td>
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<tr>
<td>Accumulated other comprehensive income</td>
<td></td>
<td></td>
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<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>817</td>
<td>817</td>
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<tr>
<td>Deferred gains or losses on hedges</td>
<td>△ 3</td>
<td>—</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>△ 695</td>
<td>△ 1,148</td>
</tr>
<tr>
<td>Revaluations of defined benefit plans</td>
<td>44</td>
<td>136</td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>163</td>
<td>△ 194</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,015</td>
<td>799</td>
</tr>
<tr>
<td>Total net assets</td>
<td>25,010</td>
<td>28,477</td>
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<tr>
<td>Total liabilities and net assets</td>
<td>113,189</td>
<td>107,581</td>
</tr>
</tbody>
</table>
### Consolidated statements of income

<table>
<thead>
<tr>
<th></th>
<th>FY2014 (million yen)</th>
<th>FY2015 (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>107,581</td>
<td>112,655</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>74,078</td>
<td>76,293</td>
</tr>
<tr>
<td>Gross profit</td>
<td>33,503</td>
<td>34,371</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>25,285</td>
<td>27,461</td>
</tr>
<tr>
<td>Operating income</td>
<td>8,217</td>
<td>7,110</td>
</tr>
<tr>
<td>Non-operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>160</td>
<td>127</td>
</tr>
<tr>
<td>Dividend income</td>
<td>102</td>
<td>147</td>
</tr>
<tr>
<td>Commission fee</td>
<td>163</td>
<td>193</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>259</td>
<td></td>
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<tr>
<td>Other</td>
<td>383</td>
<td>445</td>
</tr>
<tr>
<td>Total non-operating income</td>
<td>1,069</td>
<td>914</td>
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<tr>
<td>Extraordinary income</td>
<td></td>
<td></td>
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<tr>
<td>Gain on sales of non-current assets</td>
<td>21</td>
<td>50</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Total extraordinary income</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Ordinary income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>1,410</td>
<td>1,321</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>819</td>
<td></td>
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<tr>
<td>Other</td>
<td>186</td>
<td>165</td>
</tr>
<tr>
<td>Total non-operating expenses</td>
<td>1,576</td>
<td>2,296</td>
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<tr>
<td>Income before minority interests</td>
<td>7,710</td>
<td>5,728</td>
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<tr>
<td>Extraordinary income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of non-current assets</td>
<td>21</td>
<td>50</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Total extraordinary income</td>
<td>24</td>
<td>51</td>
</tr>
<tr>
<td>Income before income taxes and minority interests</td>
<td>7,587</td>
<td>6,442</td>
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<tr>
<td>Income tax - current</td>
<td>1,416</td>
<td>1,205</td>
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<td>Income taxes for prior periods</td>
<td>486</td>
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<td>Income tax - deferred</td>
<td>2,274</td>
<td>364</td>
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<tr>
<td>Total income taxes</td>
<td>1,628</td>
<td>1,989</td>
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<tr>
<td>Income before minority interests</td>
<td>5,958</td>
<td>3,602</td>
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<tr>
<td>Minority interests in loss</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Net income</td>
<td>6,058</td>
<td>3,863</td>
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</tbody>
</table>

### Consolidated statements of comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>FY2014 (million yen)</th>
<th>FY2015 (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before minority interests</td>
<td>5,958</td>
<td>3,652</td>
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<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>186</td>
<td></td>
</tr>
<tr>
<td>Deferred gains or losses on hedges</td>
<td>203</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>2,100</td>
<td>471</td>
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<tr>
<td>Re-measurements of defined benefit plans</td>
<td>88</td>
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<td>Total other comprehensive income</td>
<td>2,307</td>
<td>3,797</td>
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<tr>
<td>Comprehensive income</td>
<td>8,266</td>
<td>7,479</td>
</tr>
<tr>
<td>(Comprehensive income attributable to)</td>
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<tr>
<td>Comprehensive income attributable to owners of parent</td>
<td>8,331</td>
<td>3,495</td>
</tr>
<tr>
<td>Comprehensive income attributable to minority interests</td>
<td>64</td>
<td>221</td>
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### Financial data

<table>
<thead>
<tr>
<th></th>
<th>FY2014 (million yen)</th>
<th>FY2015 (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>8,229</td>
<td>9,285</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>9,285</td>
<td>7,071</td>
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<tr>
<td>Effect of exchange rate change on cash and cash equivalents</td>
<td>617</td>
<td>275</td>
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<td>Net increase (decrease) in cash and cash equivalents</td>
<td>3,045</td>
<td>1,613</td>
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<tr>
<td>Dividends paid</td>
<td>0</td>
<td>889</td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment and intangible assets</td>
<td>39</td>
<td>205</td>
</tr>
<tr>
<td>Proceeds from sales of investment securities</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Payments of loans receivable</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Collection of loans receivable</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>Other, net</td>
<td>203</td>
<td>24</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>8,868</td>
<td>1,218</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease) in short-term loans payable</td>
<td>13,552</td>
<td>9,924</td>
</tr>
<tr>
<td>Proceeds from long-term loans payable</td>
<td>13,323</td>
<td>13,210</td>
</tr>
<tr>
<td>Reimbursements of long-term loans payable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Redemption of bonds</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of subscription rights to shares</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of shares resulting from exercise of subscription rights to shares</td>
<td>4,174</td>
<td></td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>0</td>
<td>889</td>
</tr>
<tr>
<td>Proceeds of sale and installment book</td>
<td>674</td>
<td>57</td>
</tr>
<tr>
<td>Repayments of sale and installment book</td>
<td>654</td>
<td>638</td>
</tr>
<tr>
<td>Others, net</td>
<td>474</td>
<td>422</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>837</td>
<td>9,064</td>
</tr>
<tr>
<td>Income before income taxes and minority interests</td>
<td>7,587</td>
<td>5,642</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,115</td>
<td>2,990</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>59</td>
<td>32</td>
</tr>
<tr>
<td>Increase (Decrease) in allowance for doubtful accounts</td>
<td>523</td>
<td>137</td>
</tr>
<tr>
<td>Increase (Decrease) of provision for bonuses</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Increase (Decrease) of provision for retirement benefits</td>
<td>5,217</td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) of net defined benefit liability</td>
<td>5,410</td>
<td>163</td>
</tr>
<tr>
<td>Increase (Decrease) of net defined benefit assets (△: increase)</td>
<td>0</td>
<td>62</td>
</tr>
<tr>
<td>Interest and dividends income</td>
<td>262</td>
<td>275</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>1,410</td>
<td>1,321</td>
</tr>
<tr>
<td>Foreign exchange losses (gains)</td>
<td>221</td>
<td>631</td>
</tr>
<tr>
<td>Loss (gain) on sales and retirement of property, plant and equipment and intangible assets</td>
<td>61</td>
<td>15</td>
</tr>
<tr>
<td>Profit and loss from valuation of investment securities (△: profit)</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>Decreased (increase) in notes and accounts receivable-trade</td>
<td>2,785</td>
<td>704</td>
</tr>
<tr>
<td>Decrease (Increase) in inventories</td>
<td>1,770</td>
<td>6,631</td>
</tr>
<tr>
<td>Increase (Decrease) in notes and accounts payable</td>
<td>1,519</td>
<td>3,605</td>
</tr>
<tr>
<td>Increase (Decrease) in notes discounted</td>
<td>49</td>
<td>117</td>
</tr>
<tr>
<td>Other, net</td>
<td>1,982</td>
<td>871</td>
</tr>
<tr>
<td>Subtotal</td>
<td>6,594</td>
<td>11,820</td>
</tr>
<tr>
<td>Interest and dividends income received</td>
<td>262</td>
<td>274</td>
</tr>
<tr>
<td>Interest expenses paid</td>
<td>1,421</td>
<td>1,331</td>
</tr>
<tr>
<td>Income taxes (paid) refund</td>
<td>875</td>
<td>1,838</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>3,459</td>
<td>8,924</td>
</tr>
</tbody>
</table>
### History

#### 1938
- About 100 machinery manufacturers in Tokyo invested in the corporation and commenced operation.
- Corporate name: "Tokyo Juki Manufacturing Co., Ltd."

#### 1940
- The 1st household sewing machine was introduced to the market.
- The JUKI Group was organized as a joint stock corporation and renamed the "Tokyo Juki Industrial Co., Ltd."

#### 1949
- 9
- The corporation was reorganized as a joint stock corporation.
- JUKI Matsue Corporation was integrated into the Juki Group.

#### 1953
- 3
- "Juki" began then.
- The company had started selling anew. "JUKI's sewing machines were launched, JUKI was awarded the Imperial Invention Prize for the first time in the world."
- "Juki" now recognized as a maker of "Juki sewing machines."Juki's competitors were trying to achieve.

#### 1957
- 4
- Juki started exporting in 1956. Two years later the company was the first Japanese affiliate to set up an overseas branch office.
- "Juki" now recognized as a maker of "Juki sewing machines."Juki's competitors were trying to achieve.

#### 1963
- 7
- Juki Hiroshima Corporation was established.
- Established as a joint venture with a government-run company in China. The corporation had been established in 1969 with the aim of improving the quality of life and repositioning the "Juki" brand.

#### 1969
- 2
- Developing an industrial sewing machine equipped with a "stitcher automatic thread trimmer" for the first time in the world.
- Juki started selling a new "Juki" model.
- Juki started selling a new "Juki" model.
- "Juki" now recognized as a maker of "Juki sewing machines."Juki's competitors were trying to achieve.

#### 1971
- 4
- Otawara Plant completed.
- When the production volume of industrial sewing machines expanded and the production capacity of the factory located at that head office (at that time) was exceeded, Juki decided to construct an integrated manufacturing facility for the factory.
- In 1971, Juki moved to a new factory in Otawara-shi, where investment amounted to more than ¥1.2 billion.

#### 1975
- 10
- Juki started to sell the model DDL-555-2 "trimmer" for the first time in the world. The "trimmer" was equipped with a "stitcher automatic thread trimmer" for the first time in the world.
- "Juki" now recognized as a maker of "Juki sewing machines."Juki's competitors were trying to achieve.

#### 1979
- 8
- Juki was awarded the Minister of International Trade and Industry Prize for the first time in the world.
- "Juki" now recognized as a maker of "Juki sewing machines."Juki's competitors were trying to achieve.

#### 1983
- 11
- Juki, Osaka, Osaka Corporation was established.
- Juki, Osaka, Osaka Corporation was established.

#### 1988
- 4
- Juki changed its corporate name from "Juki Matso" to "Juki Matso Corporation," the "Juki" now recognized as a maker of "Juki sewing machines." Juki's competitors were trying to achieve.
- Juki changed its corporate name from "Juki Matso" to "Juki Matso Corporation," the "Juki" now recognized as a maker of "Juki sewing machines." Juki's competitors were trying to achieve.

#### 1995
- 1
- Juki established Juki Xinxing Industry Co., Ltd. as a joint venture with a government-run company in China. The corporation had been established in 1995 with the aim of improving the quality of life and repositioning the "Juki" brand.
- Juki changed its corporate name from "Juki Matso" to "Juki Matso Corporation," the "Juki" now recognized as a maker of "Juki sewing machines." Juki's competitors were trying to achieve.

#### 2001
- 1
- Juki (Shanghai) Industrial Co., Ltd. was established.
- Juki (Shanghai) Industrial Co., Ltd. was established.

#### 2005
- 7
- Juki Automation Systems Corporation was established.
- Juki Automation Systems Corporation was established.

#### 2009
- 9
- Functions of a head office and an R&D were moved to new premises in Tama City, Tokyo. The head office and R&D functions were moved to Juki's new offices in "Shukujima" recently.
- The head office and R&D functions were moved to Juki's new offices in "Shukujima" recently.

#### 2015
- In 2015, Juki changed its corporate name from "Juki Matso" to "Juki Matso Corporation," the "Juki" now recognized as a maker of "Juki sewing machines." Juki's competitors were trying to achieve.
- Juki changed its corporate name from "Juki Matso" to "Juki Matso Corporation," the "Juki" now recognized as a maker of "Juki sewing machines." Juki's competitors were trying to achieve.
COURPORA SUMMARY

Trade name: JUKI CORPORATION
Established: December 15, 1938
Paid-in Capital: ¥18,044 million

Major business office
- Head office: 2-11-1, Tsurumaki, Tama-shi, Tokyo 206-8551 Japan, Tel: 81-42-357-2211
- Ohtawara plant: 1863, Kitakanemaru, Ohtawara-shi, Tochigi 324-0011 Japan, Tel: 81-287-23-5111

Fiscal year ending: December 31
Ordinary general meeting of shareholders: March

Number of employees: 6,245 (on a consolidated basis), 807 (on a non-consolidated basis)
Number of affiliated companies: 31

Number of shares: Aggregate number of issued shares: 29,874,179 shares
Number of shareholders: 15,741
Listed on: The first section of the Tokyo Stock Exchange (margin trading issue), Securities code 6440
Shareholder registry administrator: Mizuo Trust & Banking Co., Ltd.

Stock price chart covering the past five years

*Stock price after the reverse stock split that came into force on July 1, 2015*