

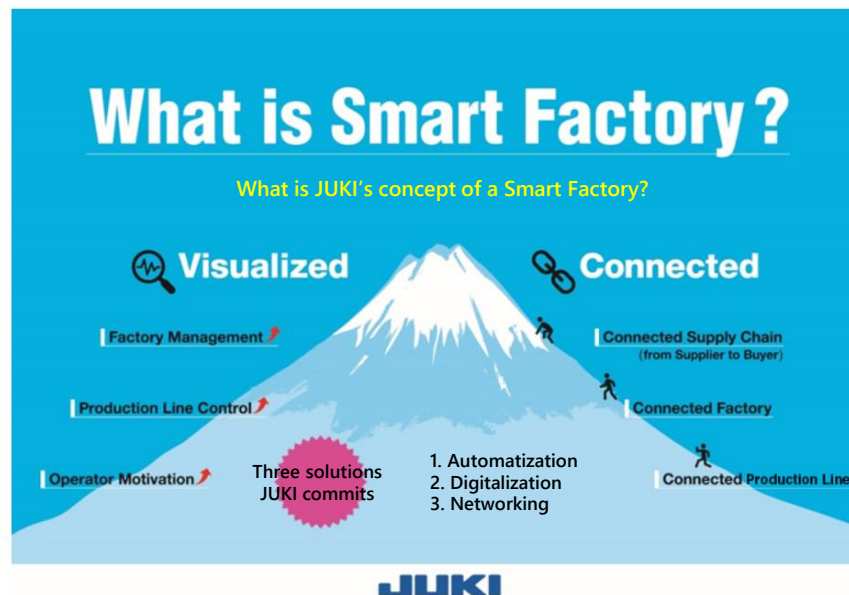
**Measures for Achieving  
the Medium-Term Management Plan  
(MTMP)(2020-2022)  
and Key Initiatives for FY2020**

To start a Phase II of the Medium-Term Management Plan centered on structural reforms,  
⇒ We will “respond to changes in the business environment” and “continue tackling the challenges left unfinished in Phase I\*” after clarifying our 2022 vision (3-year goal) to build a platform for future growth.

\* Phase I: Medium-Term Management Plan (2017-2019), Phase II: Medium-Term Management Plan for 2020-2022

### Our vision for Phase II (2022)

“To be a Monodzukuri (manufacturing)/Kotodzukuri (value-creation) company capable of improving the corporate value of both JUKI and its customers by supplying JUKI’s excellent and innovative products and services,” with the subtheme, “Building a win-win partnership towards creating smart factories.”



## 2-1-2 Measures for Achieving the MTMP : Recognition of Business Climate

### Economy

- Stagnation of world economic growth
  - ⇒ We experience a downturn in general investment demand due to the prolonged U.S.-China trade friction, Brexit, and the worsening situation in the Middle East.
  - ⇒ Customers rapidly relocate their production bases due to increasingly severe labor shortages, rising wages and etc.
- Intensification of competition
  - ⇒ Industrial sewing machines: Competition in the middle market is intensified by the rise of Chinese manufacturers.
  - ⇒ Electronic assembly systems: Competition is intensified by expanded competition with rivals and market entries from different types of business.
- Acceleration of technological innovations
  - ⇒ AI/IoT/5G and other forefront technologies are rapidly being adopted in companies and people's daily lives.\* (\* DX: Digital Transformation)

### Social Request

- Our efforts to achieve a sustainable society (based on SDG management)
  - ⇒ Respond to global environmental problems.
  - ⇒ Work on promoting various workstyles and productivity improvements.
  - ⇒ Strengthen our compliance system and corporate governance structure.

A significant "turn of the tide" is expected to reshape our world over the coming years. JUKI will dedicate the year 2020 to actions to respond to the many changes taking place in our new era.

## 2-1-3 Measures for Achieving the MTMP: Implement Five Transformations

5X\* is a new growth engine for JUKI. (\* X: Transformation)  
Through these transformations, we will create a “profitable business model” and build our future customer base.

Five transformations:

- (1) “Borderless X” – Developing growing markets and customers through a cross-border marketing strategy
- (2) “Business Model X” – Expanding business domains that contribute to increasing profitability,
- (3) “R&D Model X” – Expanding technological innovation domains,
- (4) “Workstyle X” – Establishing production systems and administration (back-office) operations centering on the 5S’s of management\*

\* 5S’s of JUKI’s management: Simple, Slim, Speedy, Seamless, and Smart

- (5) “Sustainable Development Goals (SDGs) Management X” – Achieving ‘sustainable’ management.

## 2-1-4 Measures for Achieving the MTMP : Implement Structural Reforms

We prioritize our efforts in structural reform to achieve a plan focused on the "five transformations."

### (1) Implement cost structure reforms

- Streamline administration and back-office operations
- Rebuild the SCM system
- Implement reforms to realize smart factories

Improvement in current earnings

### (2) Maximize added value by expanding our business domain

- Industrial sewing machines: Strengthen sales capabilities in highly profitable business and increase the sales of new products
- Electronics assembly systems: Increase sales in non-mounter/non-SMT fields
- Group Business: Strengthen the engineering services business
- Customer Service: Expand a service-related business

Build a profitable revenue base

### (3) Strengthen borderless customer base by means of rendering borderless sales and marketing

- Strengthen the development of a middle market
- Rebuild our sales network in priority markets
- Sales operations combined with head office and sales companies

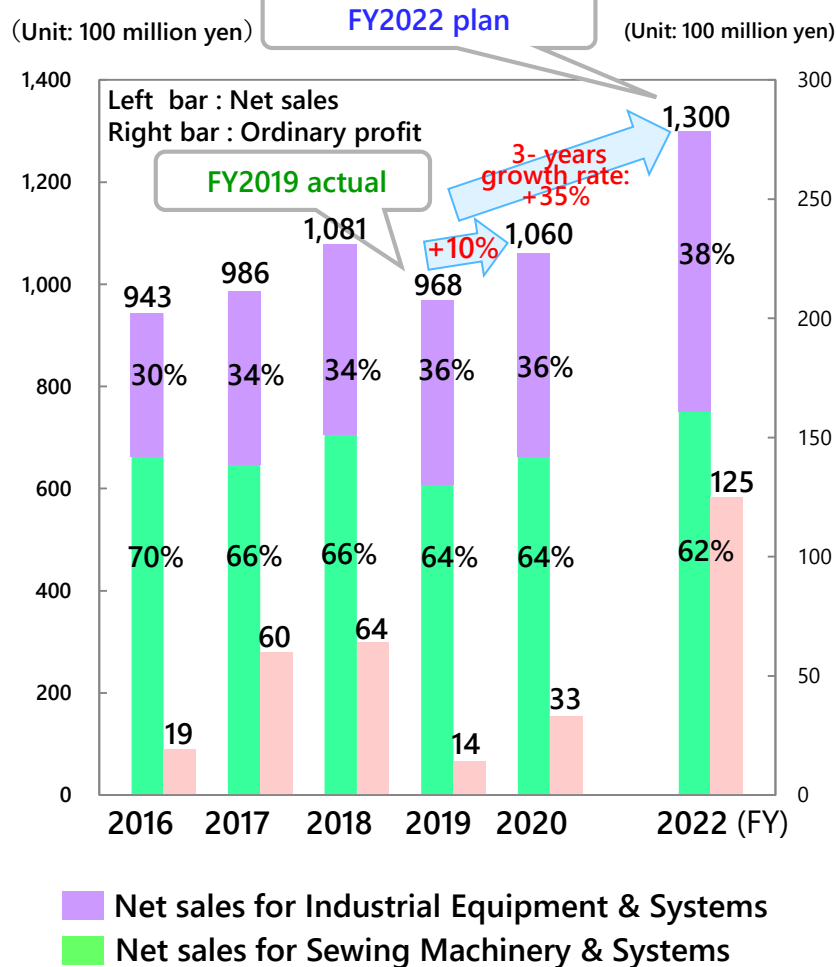
Build a future customer base

Build business foundations to achieve sustainable growth!

# 2-1-5 Measures for Achieving the MTMP

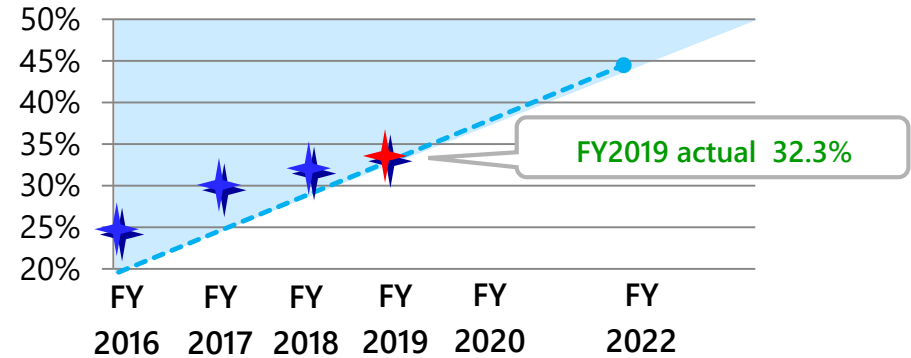
## Net Sales/Ordinary profit (Target: annual growth rate of 10%)

FY2020 forecast : 106 billion yen



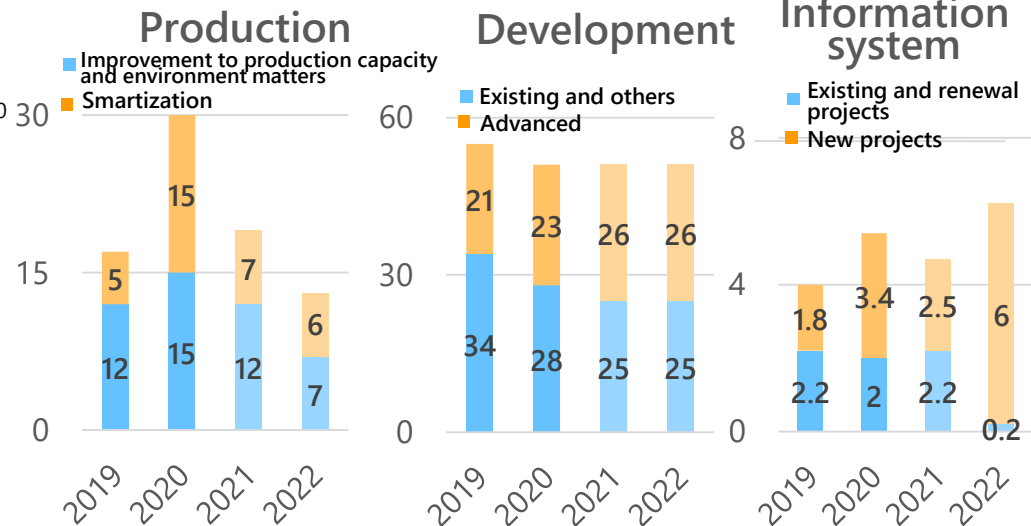
## Equity Ratio

(Target: 44% or higher at a prevailing rate at the end of FY2022)



## Investment Plan

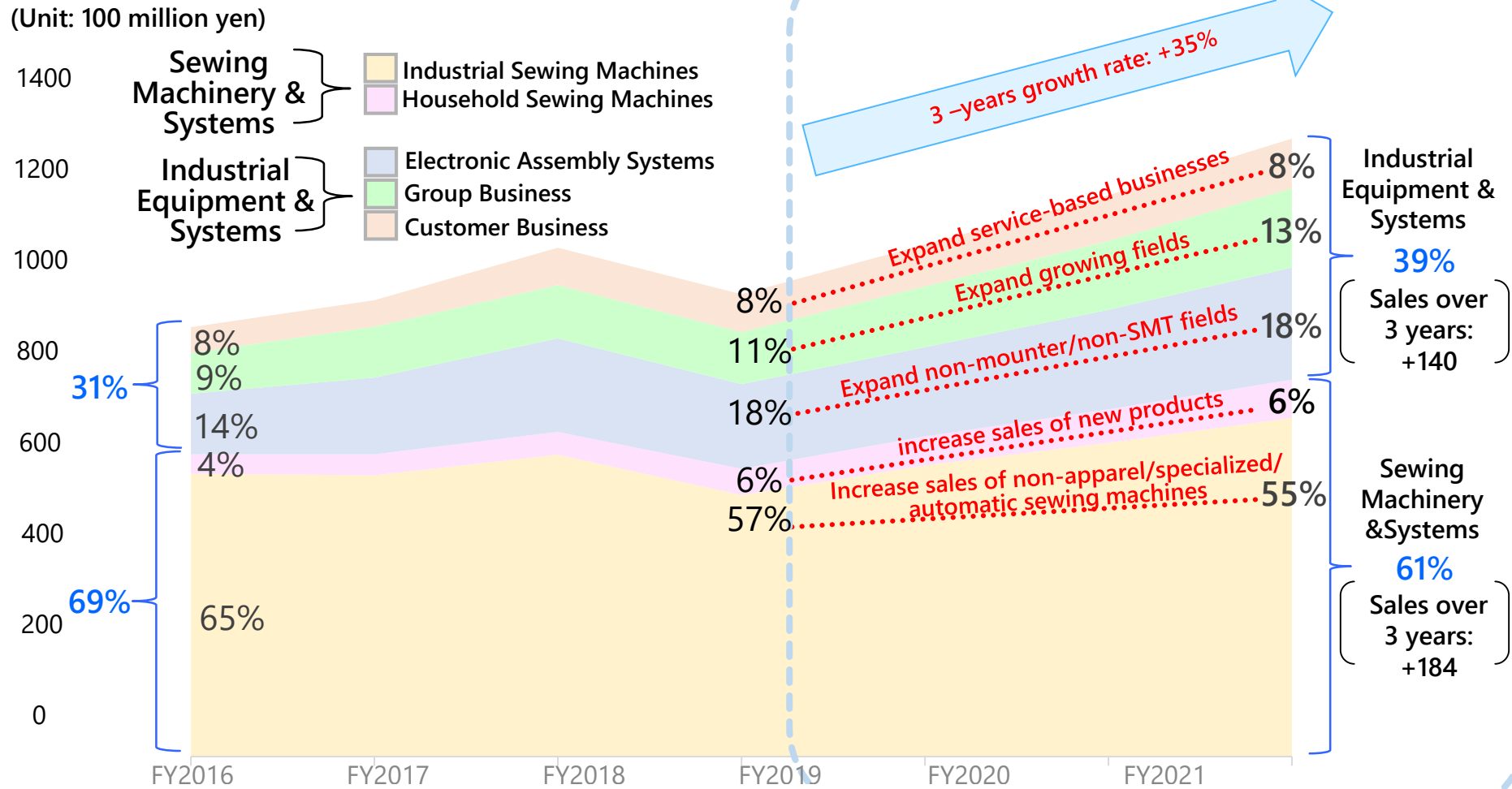
(Unit: 100 million yen)



Note: Values in the graph for both actual and plan are based on foreign exchange rate : 1US\$=¥105.

# 2-1-6 Measures for Achieving the MTMP : Initiative for Expanding Our Business Domain

We will expand our business domain and devote our management resources to growing fields and differentiated fields in each business domain.

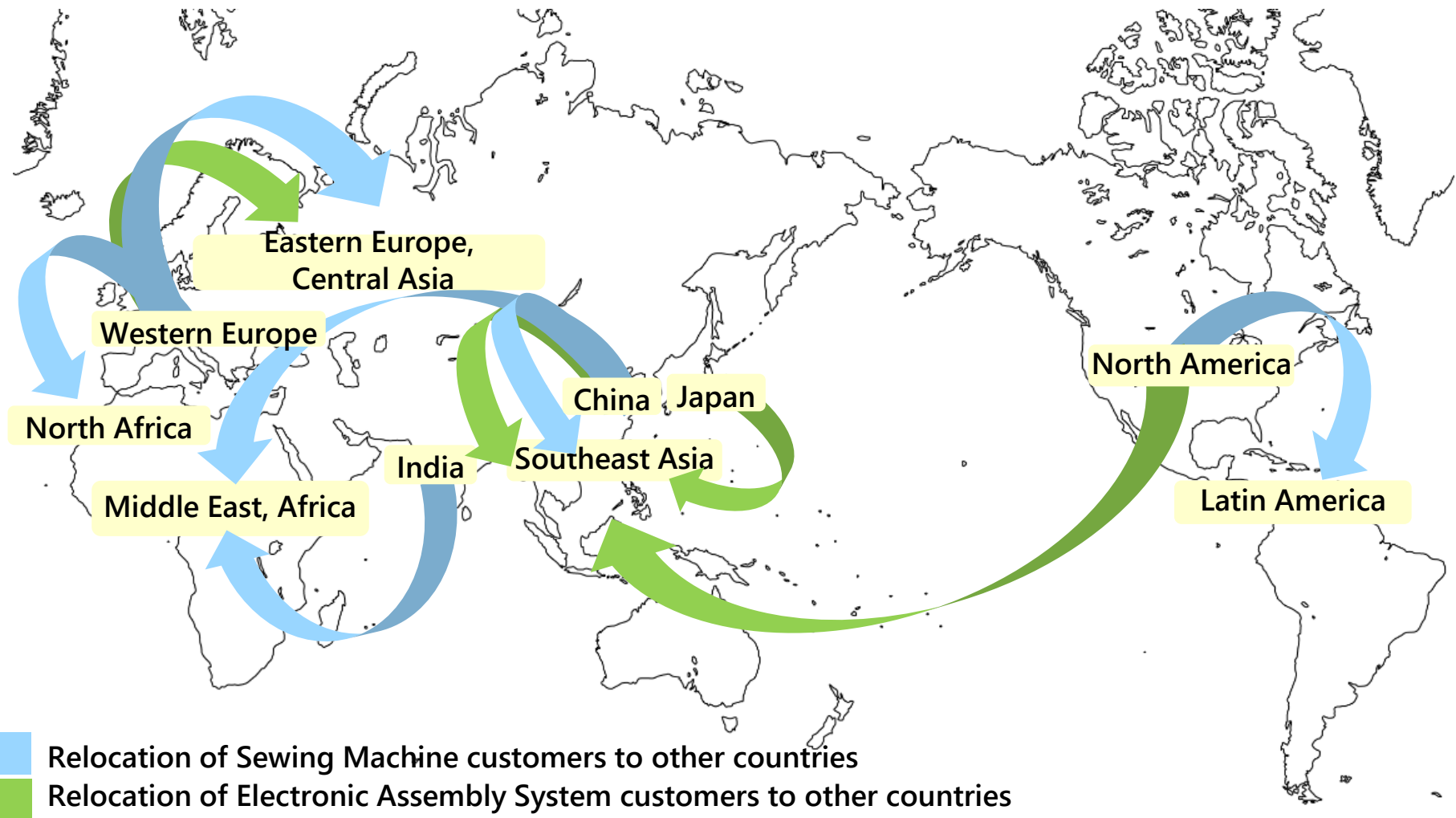


Notes: 1. Before inter-company eliminations

2. Values in the graph for both actual and plan are based on internal projected foreign exchange rate

# 2-1-7 Measures for Achieving the MTMP: Implement a Cross-border Marketing Strategy

In order to respond to customers' relocation of production facilities and businesses, promote "borderless sales", making and support activities as JUKI Group(One team)





# 2-2-1-1 Sewing Machinery & Systems Business (Industrial Sewing Machines)

## Vision

Contribute our energy towards enabling customers to innovate themselves and their businesses by offering JUKI Smart Solutions.

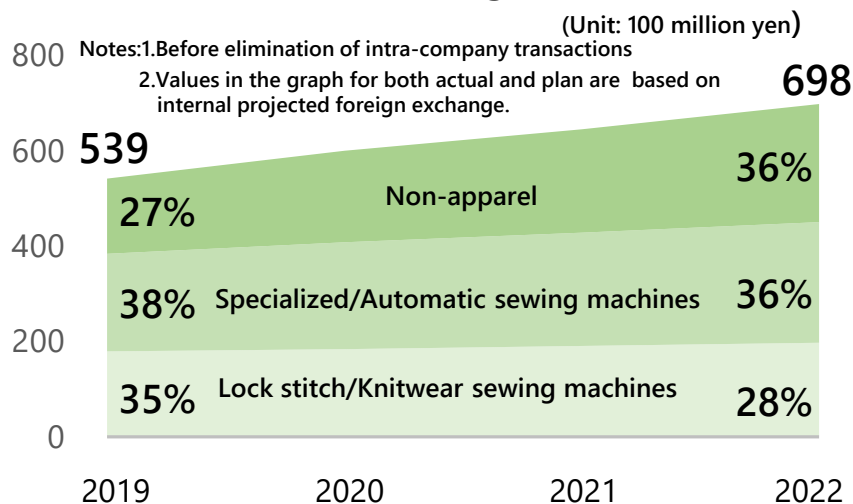
## Basic Policies

- Increase profitability by increasing sales in the non-apparel sewing machine business.
- Build a future customer base by finding, and developing new middle-market customers and bringing them into the high-end market.

### Initiatives for Expanding Our Business Domain

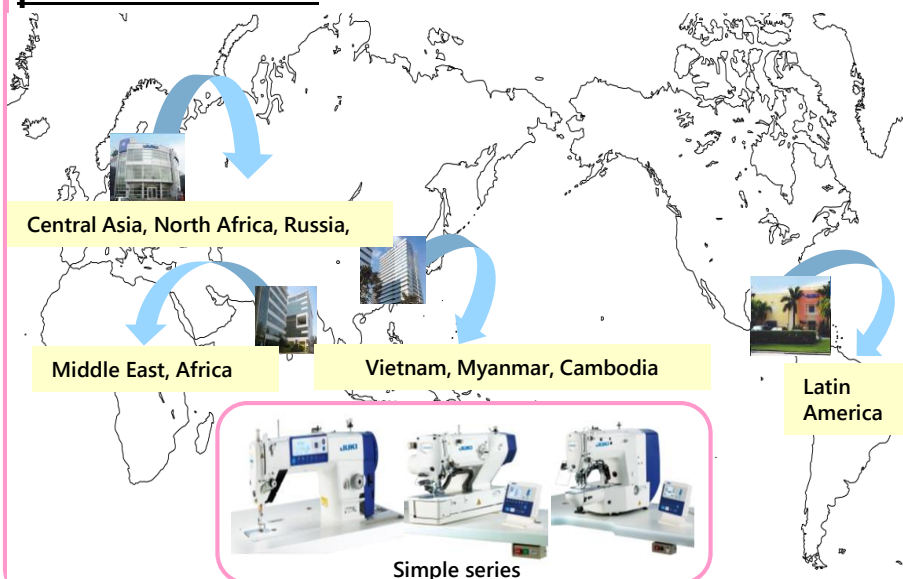
Increase sales of non-apparel/specialized/automatic sewing machines.

#### Sales target



### Initiatives for Advancing of Borderless Marketing

Strengthen our attack and aggressive activities on markets which we have not satisfactorily penetrated into



Increase sales of products designed for developing countries

# 2-2-1-2 Key Initiatives for FY2020: Sewing Machinery & Systems Business (Industrial Sewing Machines)

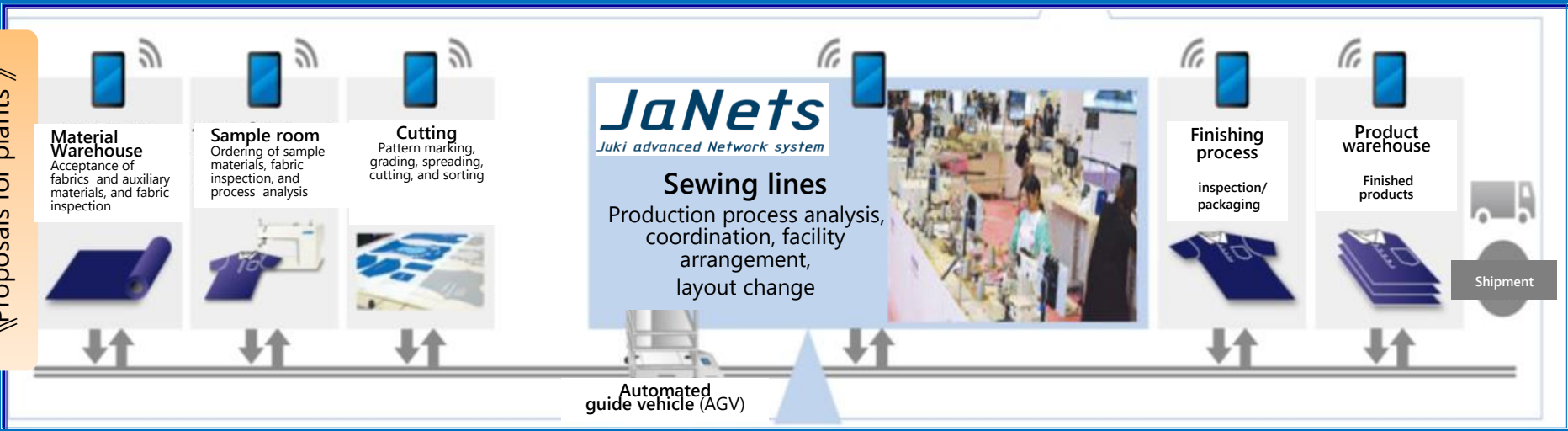


Offer JUKI line solutions to make customers' factories smart:  
 (1) Automatization, (2) Digitalization, (3) Networking

《(1) Automatization》  
 Productivity improvement /  
 manpower- saving



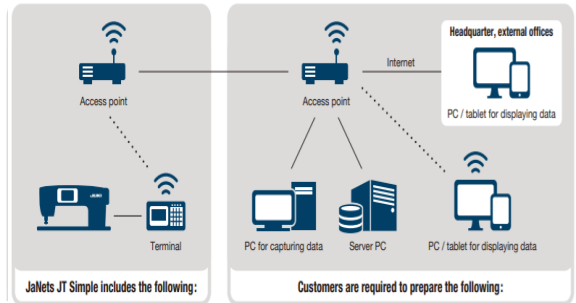
《Proposals for plants》



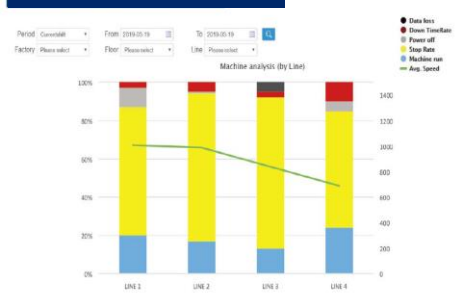
《(2) Digitalization》  
 Line solutions centering  
 on digital series



《(3) Networking》  
 Site remediation using IoT



Operation rate chart by line



# 2-2-2-1 Sewing Machinery Systems & Business (Household Sewing Machines)

## Vision

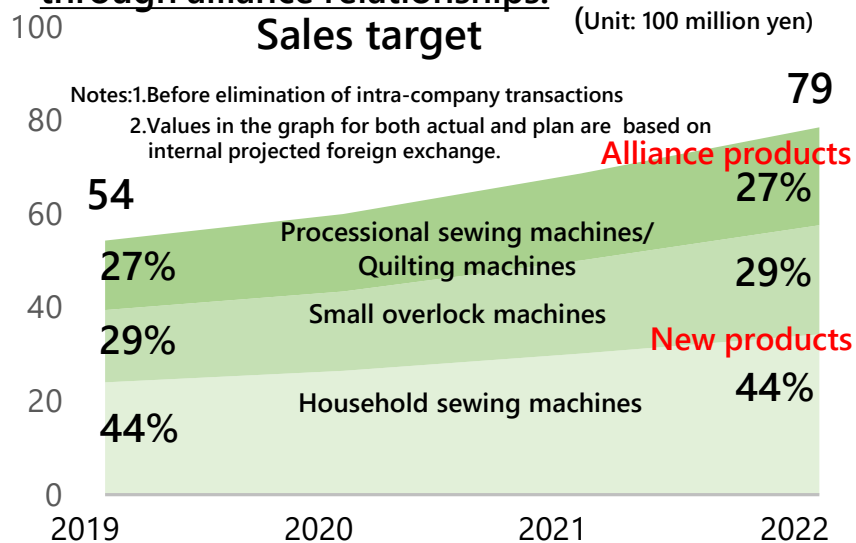
Create new ways to enjoy handicraft-making, in collaboration with customer(home sewers) who have excellent handicraft capabilities.

## Basic policy

Expand solid business based on strengths in high-end household sewing machines, small overlock machines, sewing machines for professionals, and quilting machines

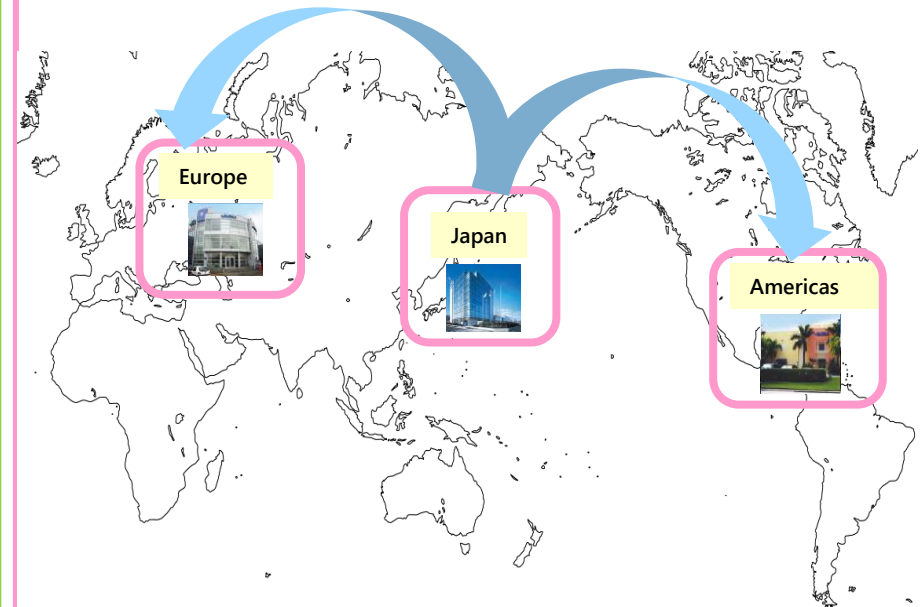
### Initiatives for Expanding Our Business Domain

- Launch new products for home sewers who have excellent handicraft capabilities..
- Offer quilting and embroidering machines through alliance relationships.



### Initiatives for Advancing of Borderless Marketing

Increase sales in priority markets (Japan, Americas, and Europe).



# 2-2-2-2 Key Initiatives for FY2020: Sewing Machinery & Systems Business (Household Sewing Machines)



## Expand the product line-up to meet market characteristics.

《Japan》  
High-end sewing machines for professional use

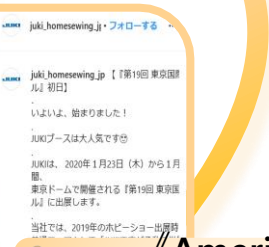
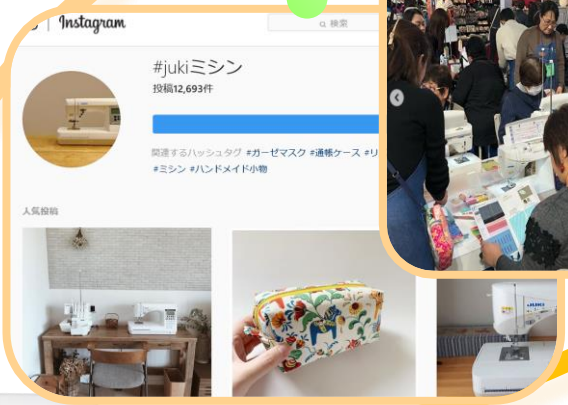
**NEW** SL-700EX



Live Events & Digital Marketing  
↓  
Customer development

《Europe》  
High-end household sewing machines

**NEW**  
《Kirei》  
HZL-NX7



《Americas》  
-High-end household sewing machines  
-Quilting machines  
-Embroidery machines

《SAI》  
**NEW** QVP  
(Manufactured by Tajima Industries, Ltd)



《Miyabi》  
J-350QVP



# 2-2-3-1 Industrial Equipment & Systems Business (Electronic Assembly Systems)

## Vision

Become an essential business partner for customers through devoting resources to our areas of strength and by proposing and providing automation and labor-saving solutions. - In 2022, we will achieve a 23% share of general-purpose machines on a unit basis and sales of 3,900 million yen for labor-saving equipment and robots, 2,500 million yen for inspection and measurement and 2,000 million yen for automated warehouse and peripheral devices. -

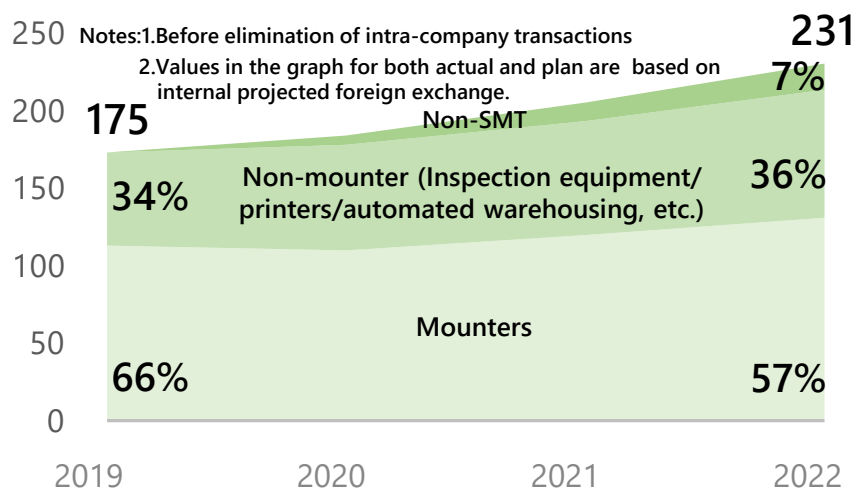
## Basic policy

Expand business base by increasing solution sales in the non-mounter segment and line solution sales in the mounter segment

### Initiatives for Expanding Our Business Domain

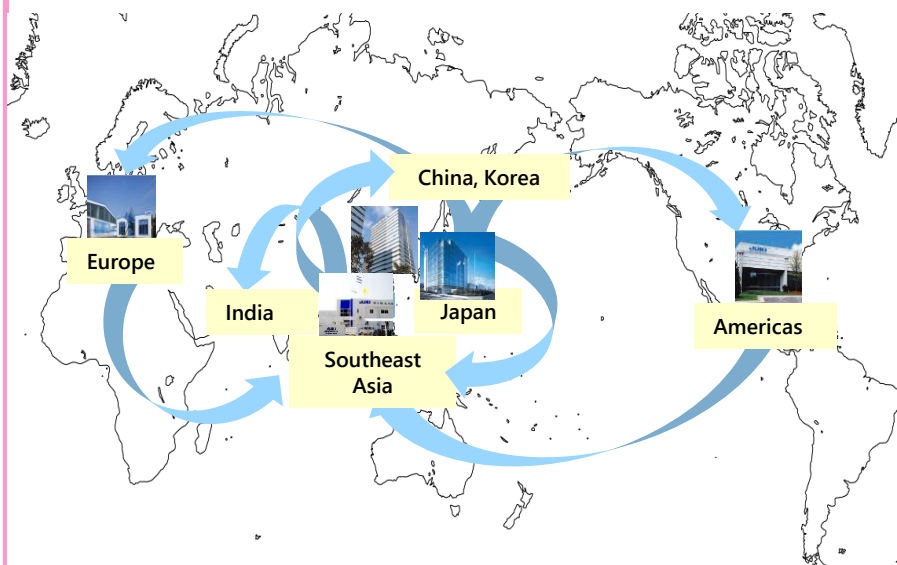
#### Expand non-mounter/non-SMT fields

[Sales goal] (Unit: 100 million yen)



### Initiatives for Advancing of Borderless Marketing

Strengthen our attack on priority markets in cooperation with sales companies.



## JUKI Smart Solutions

Expand our business areas further by deepening alliances.



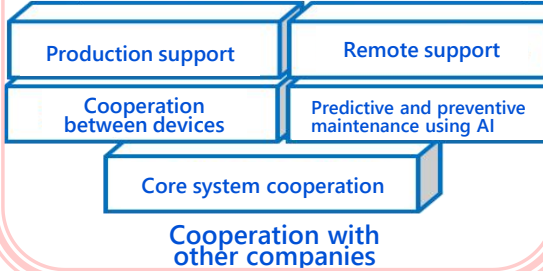
Automated inspection/measurement



Automated warehouse control

SMT integration system software

**JaNets**  
Juki Advanced Network system



Storage system solutions



Robotic insertion system solutions

High-speed moulder system solutions

Measurement system solutions



Materials and parts control field

SMT field

Manual insertion field

Measurement field

Assembly field

Packaging field

Expanding business areas

Existing business areas

Expanding business areas

# 2-2-4-1 Industrial Equipment & Systems Business (Group Business)

## Vision

Grow into JUKI's third pillar business by leveraging JUKI Group's management resources (including manufacturing technologies).

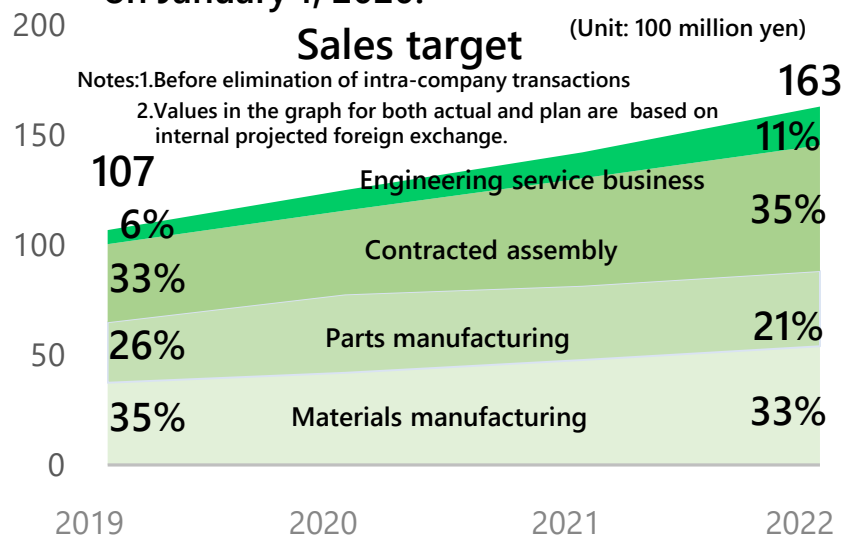
## Basic policies

- Expand our business domains by strengthening planning/development, design, contracted assembly, and engineering services.
- Find new customers by unified sales organization.

### Initiatives for Expanding Our Business Domain

Expand growing fields (planning/development, design, contracted assembly, and engineering services)

⇒ Our development department was established on January 1, 2020.



### Initiatives for Advancing of Borderless Marketing

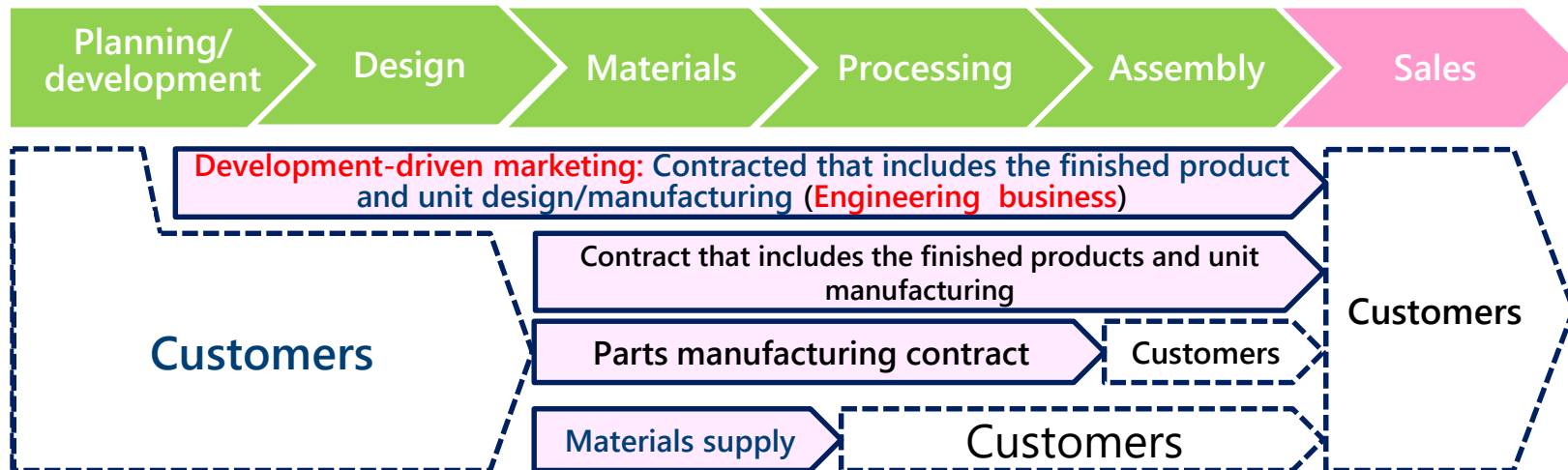
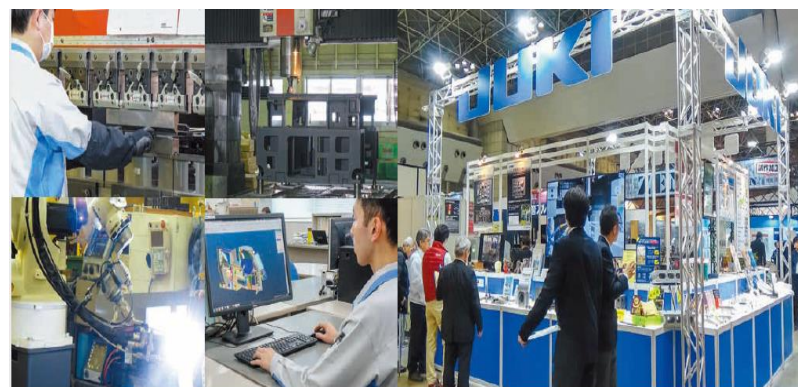
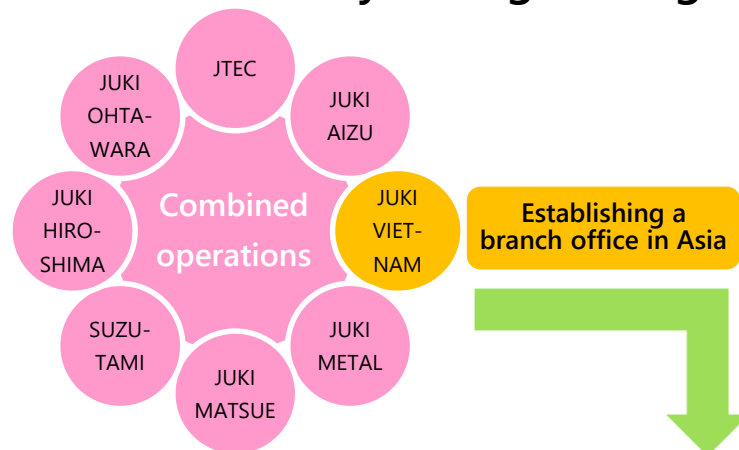
- Strengthen sales not through cooperation between sales companies, but through the unified action of sales companies as a team.  
⇒ Our head office sales department was reorganized on January 1, 2020.
- Strengthen cooperation with the head office by establishing a branch office in Asia.  
⇒ Develop and expand businesses in Asia.



Inspection equipment exhibition (in Thailand)

## JUKI Contract Business Model

- Expand our business domain by strengthening planning/development, design, contracted assembly, and engineering services.
- Find new customers by strengthening our sales structure.





# 2-2-5-1 Industrial Equipment & Systems Business (Customer Business)

## Vision

JUKI's parts can be received the day after they're ordered

## Basic policy

Make the change from the selling of "things" to the selling of "services" across the boundaries of sewing machinery and electronic assembly systems. - Speed up the implementation of a customer lock-in strategy by enhancing added value -

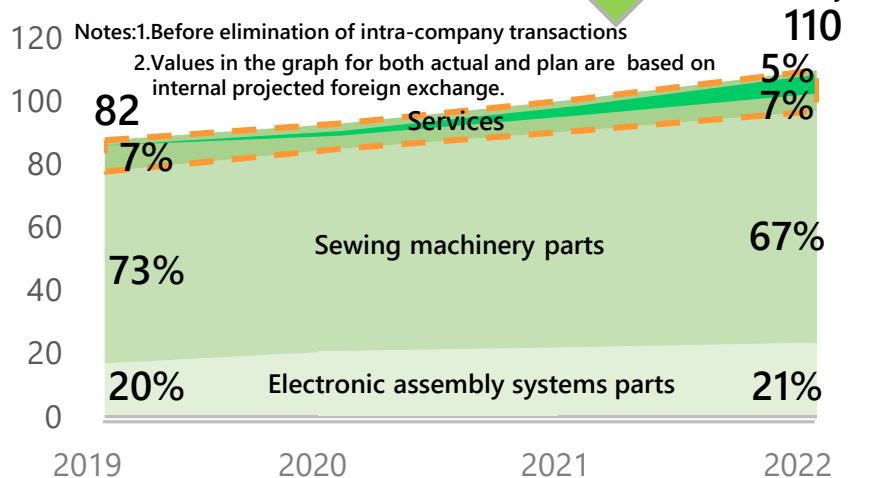
### Initiatives for Expanding Our Business Domain

Expand our service-based businesses (especially, our sewing-machinery-related services).

- Sewing machinery-related services
- Electronic assembly systems-related-services

#### Sales target

(Unit: 100 million yen)



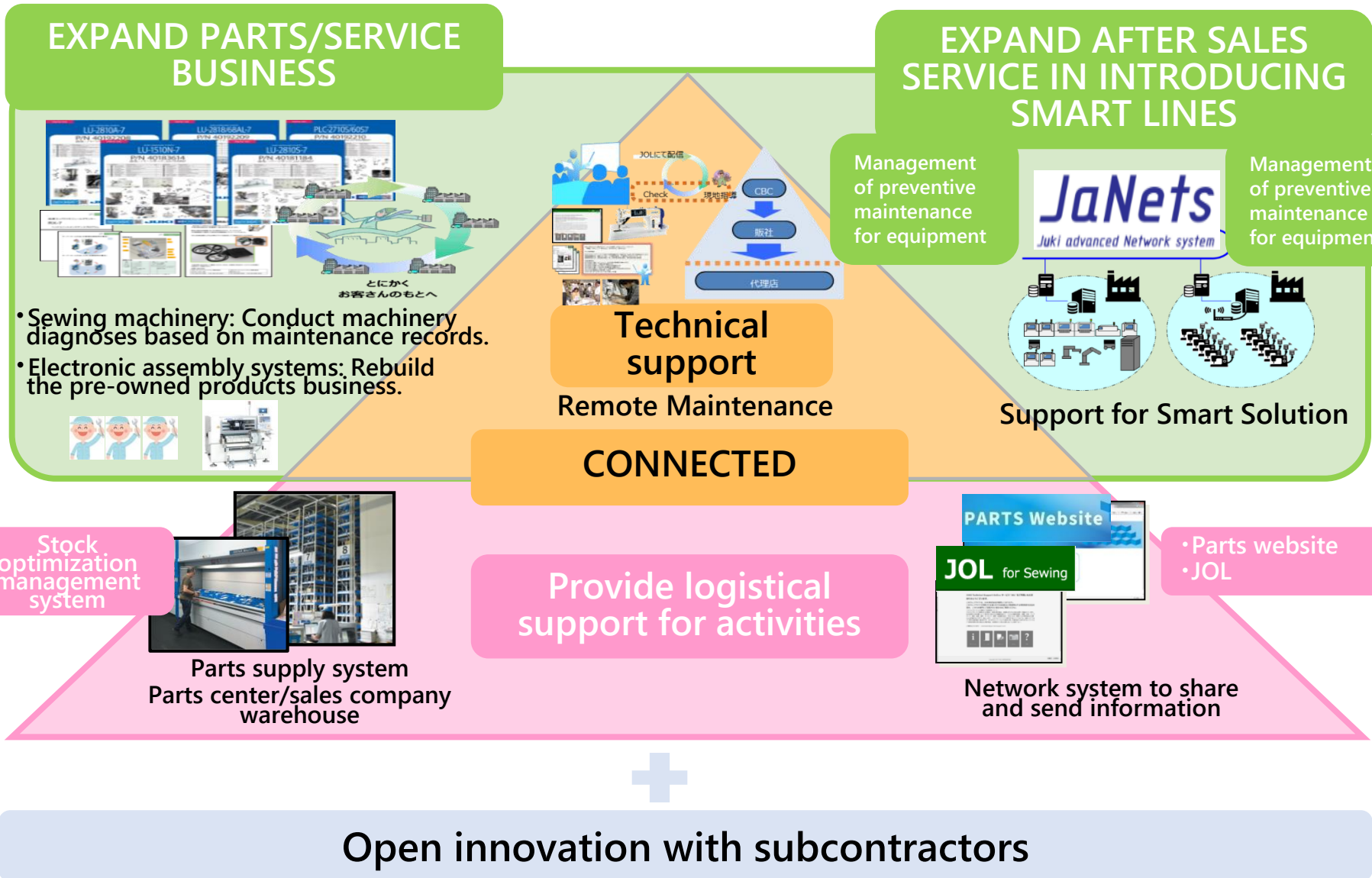
### Initiatives for Advancing of Borderless Marketing

- Strengthen direct marketing.  
⇒ Implement a customer lock-in strategy using a website service.



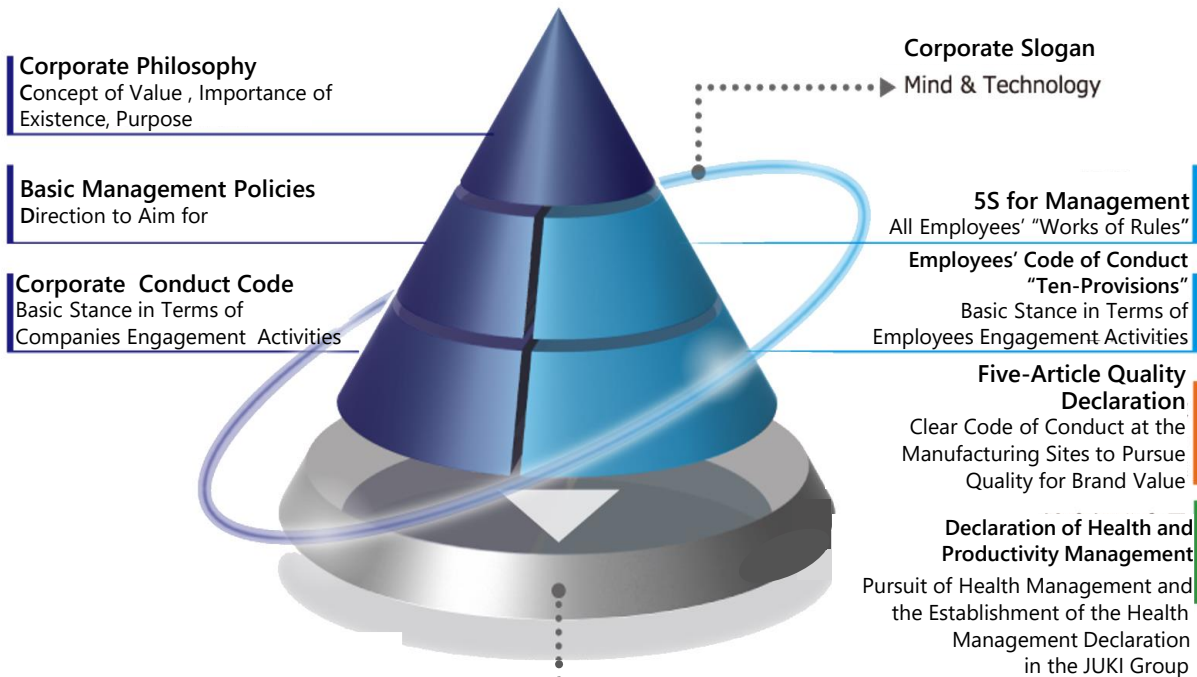
- Build a parts supply system unifying functions of the head office and sales companies.  
⇒ Build the management system to achieve stock optimization.

# 2-2-5-2 Key Initiatives for FY2020 : Industrial Equipment & Systems Business (Customer Business)



# 2-3-1 Corporate Initiatives for Responding to the Sustainable Development Goals (SDGs)

JUKI has been working on various businesses to realize a sustainable society. Targeting at the achievement of the SDGs in 2030, we will focus on business creation, and work to solve social issues.



**Medium-Term Management Plan**  
Business plan which is Based on Corporate Philosophy and Corporate Principle

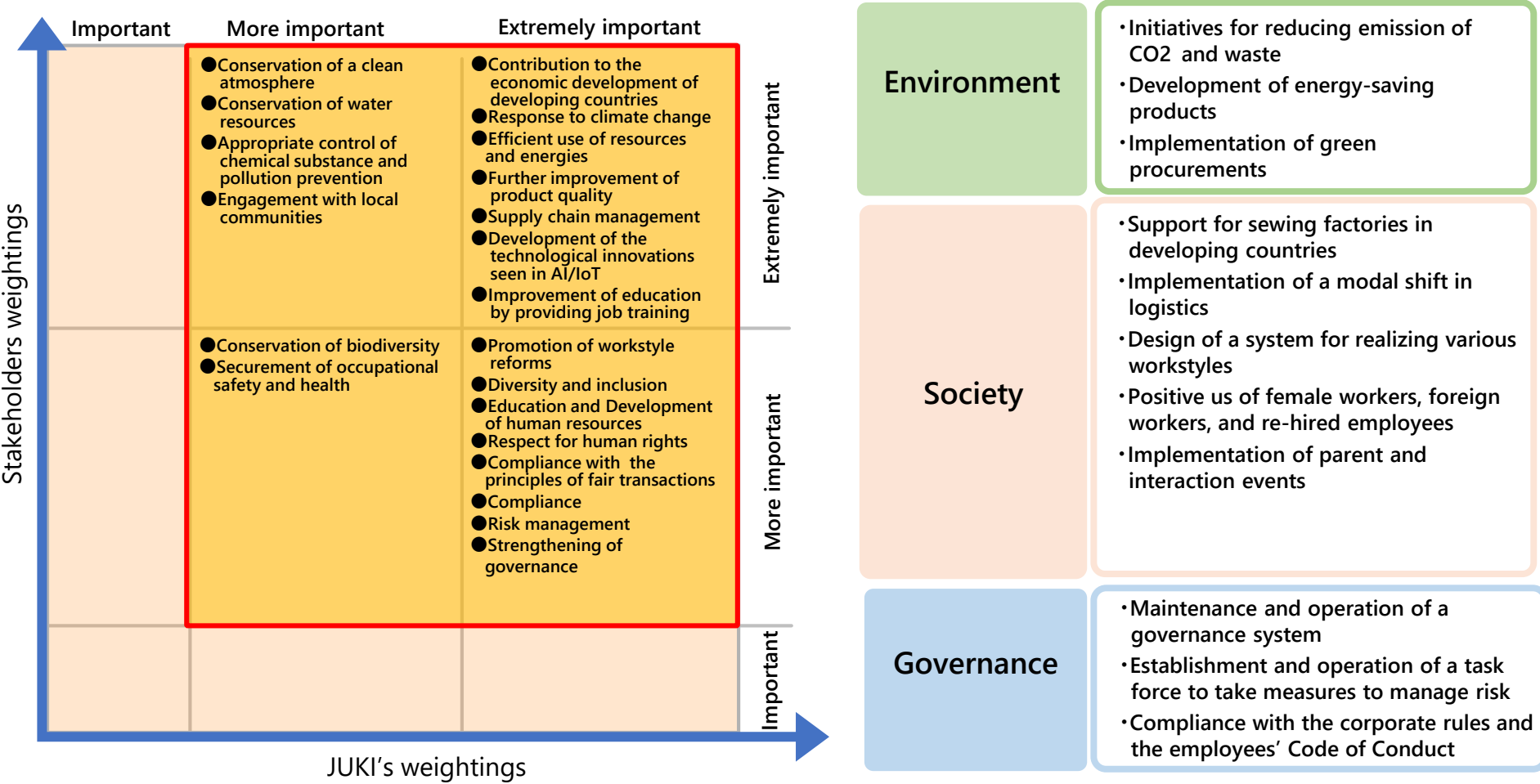
**Sustainable activity by a company and its employees**  
Development of business activities incorporating our efforts to achieve the SDGs



JUKI is supporting the sustainable development goals (SDGs).

# 2-3-2 Corporate Initiatives for Improving the Sustainable Development Goals (SDGs)

We will find and select important matters which JUKI should handle and respond to, from the point of view of importance for both JUKI and its stakeholders, and will prepare our business plan incorporating responses thereto, and develop specific activities (sustainable activities by companies and their employees).



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

**JUKI CORPORATION**