



Measures for Achieving the Medium-Term Management Plan (2021-2022) and Key Initiatives for FY2021

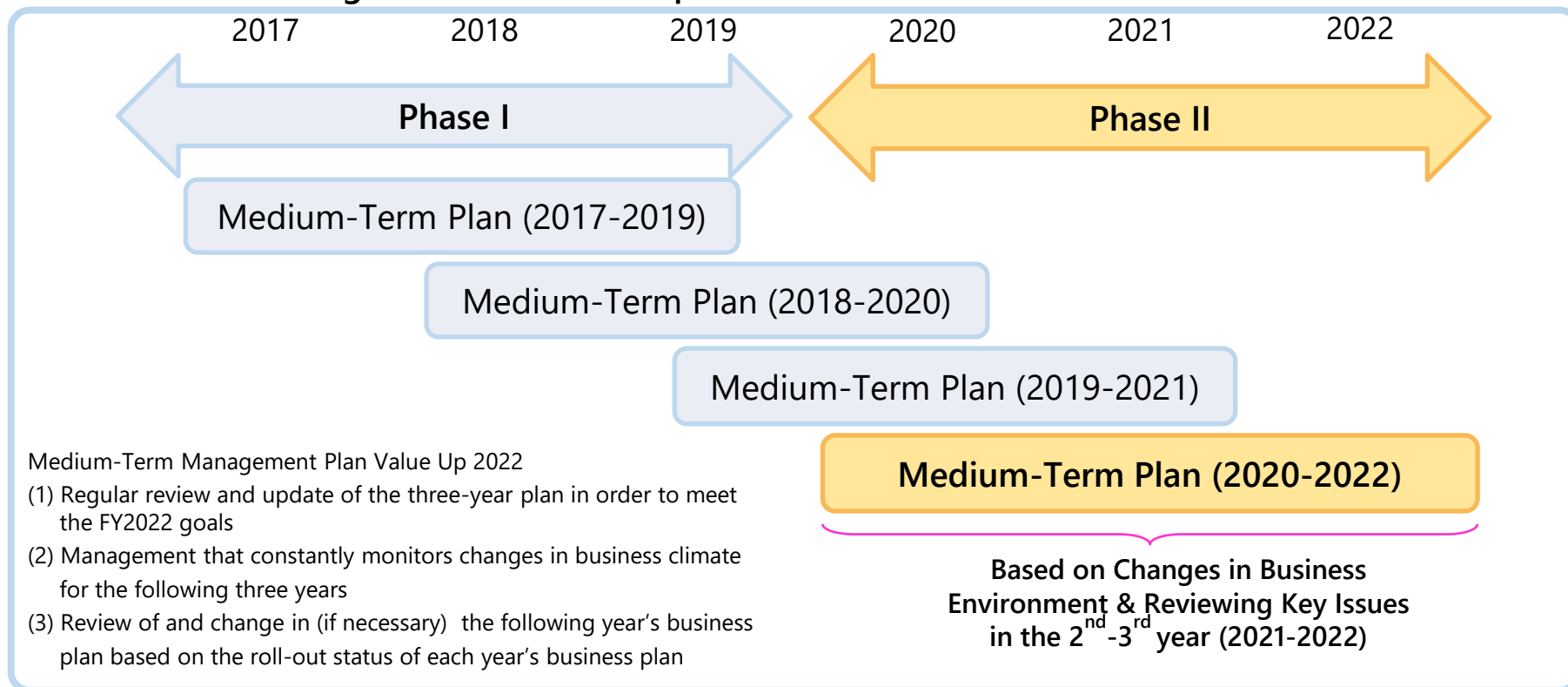
2-1-1 Positioning of the 2021-2022 Medium-Term Management Plan

As a result of reviewing the Medium-Term Business Plan 2020-2022, which is the Value Up 2022 Phase II of the Medium-Term Business Plan considering the current business environment and in-house issues (the 2022 Vision remains unchanged).

Vision for 2022
(Goal)

A "mono-koto" company that enables customers and JUKI to improve corporate value through products and services
~ Becoming a Win-Win Partner for Smart Factories ~

Medium-Term Management Plan Value Up 2022



It is essential to build a new business model and business foundation that can cope with the new norms.

The Economy

With COVID-19 and After COVID-19

New business needs emerge as markets and customers change

US-China trade friction

Market impact of the new U.S. administration's China policy

Acceleration of technological innovation

Expanding the introduction of products and services by means of using technologies related to AI, IoT, 5G, etc.

Customer change

- Shift in demand from fabrics to knitwear(casual wear)
- Significant growth in related industries due to increased 5G demand
- Accelerated response to supply chain disruption (decentralization of production sites)

Competitive environment

Industrial sewing machines : Intensifying middle-market competition with Chinese manufacturers

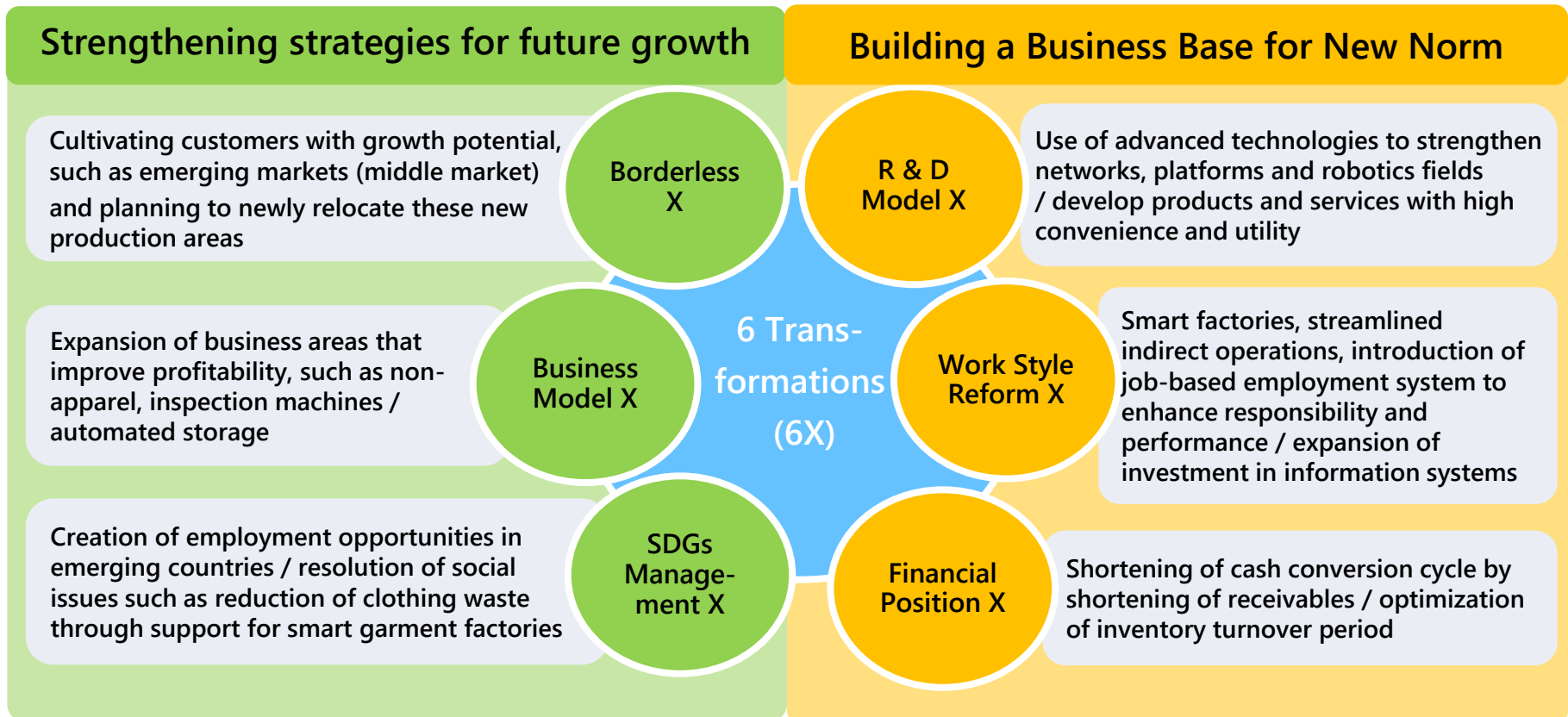
Industrial equipment : Expansion of the scope of the moulder maker and entry from different industries

Social needs

- Measures for resource conservation and waste reduction
- Promotion of work style reform (digitalization, remote work)
- Compliance/ Strengthening of Corporate Governance

2-1-3 2021-2022 Medium-Term Management Plan: 6 Transformations

6 Transformations (6X *) = JUKI's Growth Engine (* X=Transformation)
Accelerating the pace of structural reform by focusing on these 6 reform initiatives.

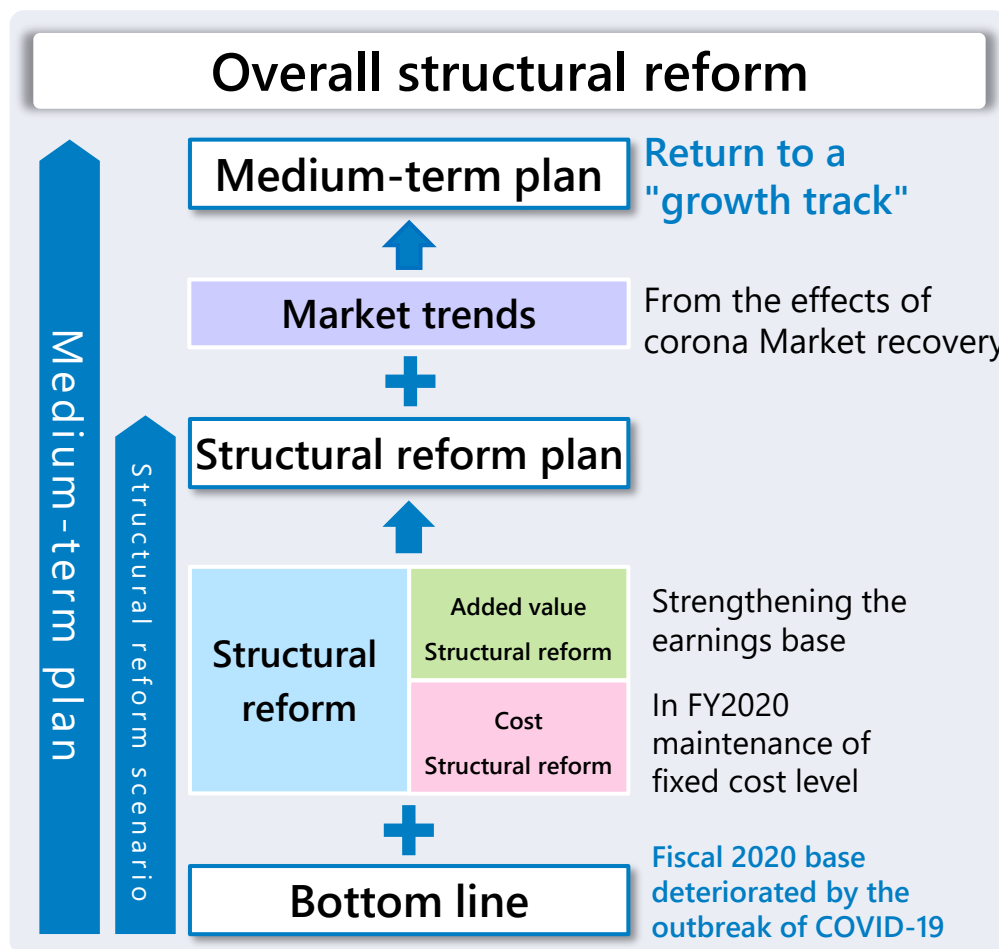


2-1-4 2021-2022 Medium-Term Management Plan: Basic Concept

The impact of COVID-19 has been on a recovery trend since the second half of 2021, and in 2022 it should recover to 2019 levels.

Maintaining fixed cost base through cost structure reform and strengthen profit base through value-added structure reform.

Accelerating the transformation to a "profitable model" based on the 6 Transformations and return to a "growth track".



6 Transformations (6X)

Growth Strategy	① Borderless X
	Developing markets and customers with growth potential
	② Business Model X
Expansion of business To boost profitability	
③ SDGs Management X	
Realization of "sustainable" management	
Business Reform	④ R & D Model X
	Expansion of innovative business areas
	⑤ Work Style Reform X
	Production system centered on 5S management Establishment of management (indirect) operation system
⑥ Financial Position X	
By strengthening our financial position strengthening equity capital and improving asset efficiency	

2-1-5 2021-2022 Medium-Term Management Plan: Vision

What we aim for in 2022 as Phase II (goal)

Vision for 2022

A "mono-koto" creating company that enables customers and JUKI to improve corporate value through products and services
~ Becoming a Win-Win Partner for Smart Factories ~

Continuous growth

In addition to the expansion of existing businesses, securing continuous earnings by expanding business domains and creating new businesses

Profitability

Strengthening profitability by expanding high-value-added business fields (Sewing machinery: non-apparel/ non-sewing, Electronic assembly systems : non-mounter segments, Group business: engineering business, Customer business : service business)

Productivity

Building a Smart and Slim management foundation

Stability

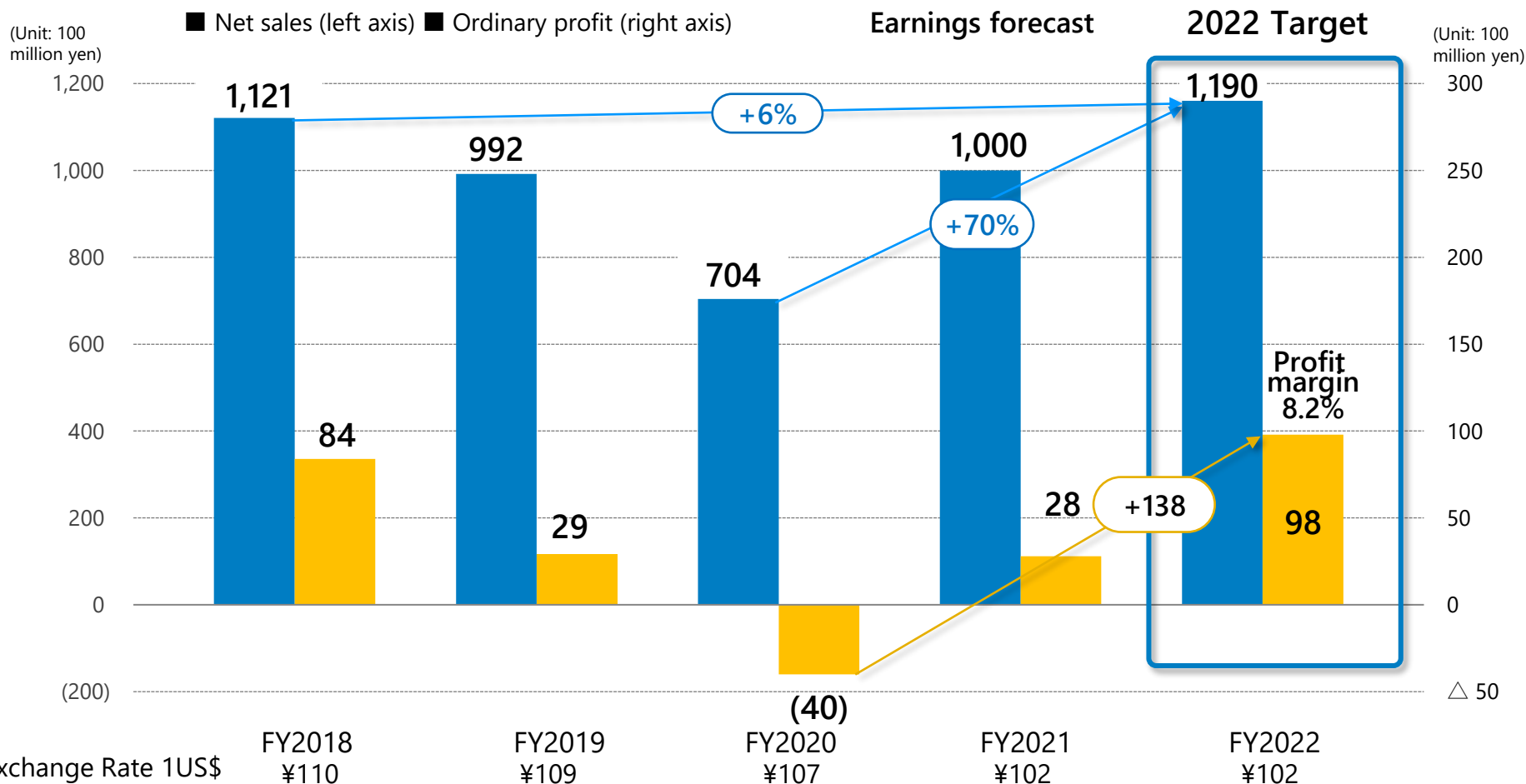
Building a stable financial base

2-1-6 2021-2022 Medium-Term Management Plan: Net Sales and Ordinary Profit

Net sales Target for 2022 : 119 billion yen (+ 6% from 2018, + 70% from 2020)

Ordinary profit Target for 2022 : 9.8 billion yen (up 13.8 billion yen from 2020)

Net Sales and Ordinary Profit



2-1-7 2021-2022 Medium-Term Management Plan: Sales Portfolio

In addition to strengthening existing businesses, expanding business domains and creating new businesses, the share of non-industrial sewing machine sales will increase from 41% in 2018 to 50% in 2022.

(Unit: 100 million yen)

- Customer Business
- Group business
- Industrial equipment
- Home sewing machine
- Industrial sewing machines

Compo-
sition
Ratio
(‘18)

Non-
industrial
sewing
machine
41 %

7 %
11 %
18 %

5 %

59 %

2018
Total for the entire company
1,121

+6%

2020
Total for the entire company
704

+70%

2022
Total for the entire company
1,190

Borderless X	Business Model X	SDGs Management X	Compo- sition ratio (‘22)	Growth rate (compared to ‘18)
			Non- industrial sewing machine 50 %	Total growth rate +6 %
◎	◎	◎	9 %	+30 %
◎	◎		11 %	+22 %
◎	◎	◎	21 %	+31%
◎	◎		9 %	+121 %
◎	◎	○	50 %	(4)%

FY2018

FY2019

FY2020

FY2021

FY2022

◎ : Highly significant effect of the change
○ : Medium significant effect of the change

2-1-8 2021-2022 Medium-Term Management Plan : Value Added Structure Reform

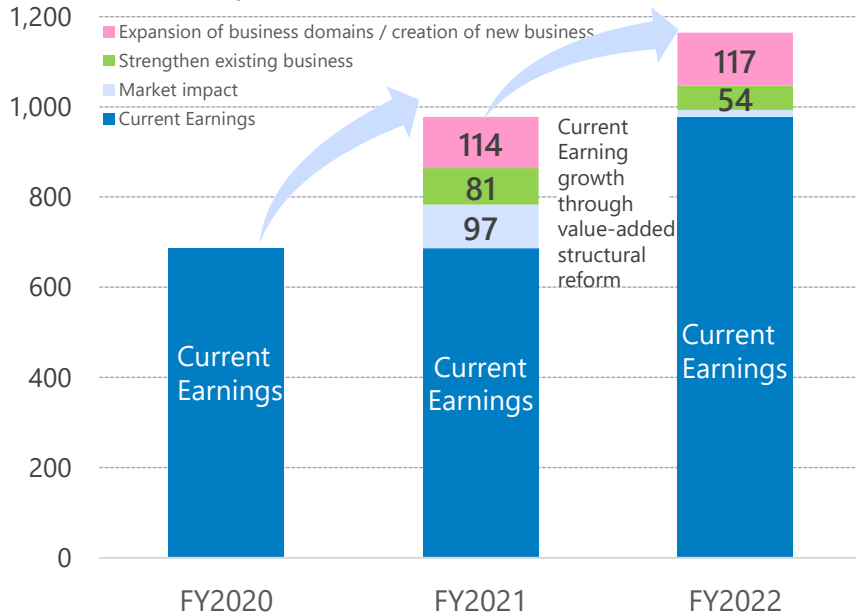


In order to achieve our portfolio in 2022, we will promote expansion measures centered on "strengthening the customer base" and "expanding high-value-added business" in each field.

Value-added structural reform

Exchange : Planned rate basis (\$ 1 = ¥ 97, 1 Euro = ¥ 110)

(Unit: 100 million yen)



Strengthening existing business

13.5 billion yen compared to 2020



Expansion of business domains / creation of new business

23.1 billion yen compared to 2020

Comparison with 2020	Strengthening existing business	Business area expansion / creation of new business
Industrial sewing machine	8.2 billion yen	6.4 billion yen
Home sewing machine	0.4 billion yen	2.4 billion yen
Industrial equipment	3.2 billion yen	8.9 billion yen
Group business	---billion yen	3.3 billion yen
Customer business	1.7 billion yen	2.1 billion yen

Division	Major Initiatives
Strengthening existing business	Strengthening our customer base (Sewing machinery : Increase in sales in the middle market, Electronic assembly systems : Strengthening response to global customers)
Expansion of business domains / creation of new business	Strengthening profitability by expanding high-value-added business fields (Sewing machinery : non-apparel/non-sewing, Electronic assembly system: non-mounter segments (MI & robot, inspection/measurement, automated storage), Group business: engineering business, Customer business: service business)

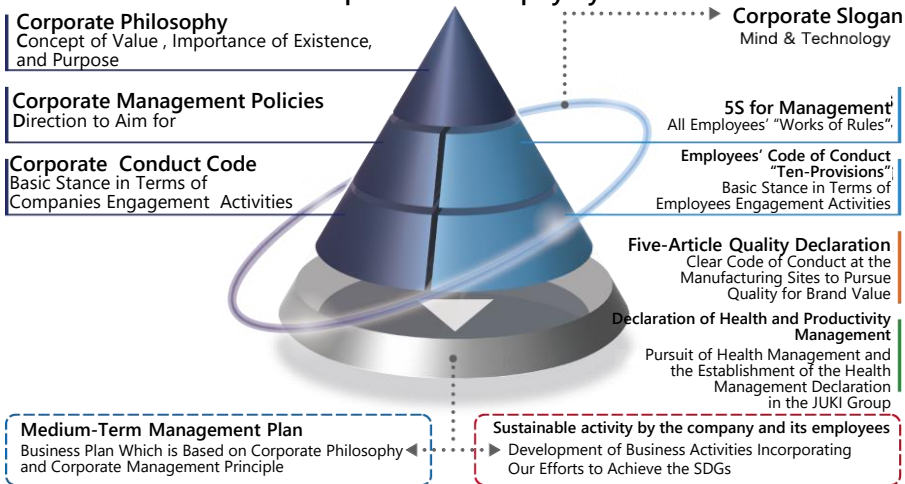
2-1-9-1 2021-2022 Medium-Term Management Plan : SDGs Initiatives



We will work through our business to solve social issues that are important for both our company and our stakeholders.

Realization of sustainable management

JUKI Corporate Philosophy System Chart



JUKI is supporting the sustainable development goals (SDGs).

Social issues to be tackled	Efforts to solve problems	Related SDGs
Creation of employment opportunities	Creation of new jobs and realization of growth of workers and improvement to working conditions through support for vocational education in emerging countries	1 貧困をなくそう, 4 質の高い教育をみんなに, 8 働きがいも経済成長も, 9 産業と技術革新の基盤をつくろう, 10 人や国の不平等をなくそう
Promotion of social participation by various human resources	Realization of a "factory that produces high-quality products in a short time at low cost"	9 産業と技術革新の基盤をつくろう, 12 つる責任 ทรัพยากร
Reduction of waste of clothing	Improvement to back-and-forth process infrastructure in implementation plants	3 すべての人に健康と福祉を
Support for technological innovation through improvement to productivity in the electronics industry	Improvement to insufficient supply of non-woven fabric masks and protective clothing in the market	7 エネルギーをみんなにそしてクリーンに, 13 気候変動に具体的な対策を, 14 海の豊かさを守ろう, 15 陸の豊かさも守ろう
Ensuring occupational health and safety	Promoting and strengthening efforts to reduce environmental impact through business activities	7 エネルギーをみんなにそしてクリーンに, 13 気候変動に具体的な対策を, 14 海の豊かさを守ろう, 15 陸の豊かさも守ろう

Creation of employment opportunities / promotion of social participation by various human resources



- **Supporting the creation of industries and economic development in emerging countries through the industrial sewing machine business**
(Case) Supported the establishment of the "Garment Training Center" and implemented the trainings through 9 years in Cambodia. The Company contributed towards developing the garment industry into the country's largest export industry.

Ensuring occupational health and safety



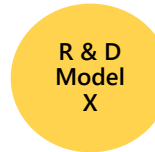
- **Under circumstances where the COVID-19 infection continues to spread, JUKI's mission is to stay close to customers who continue to challenge manufacturing.**
(Case) In the industrial sewing machine business, our Company supported the sewing site by "proposals to protect the safety and security of the workplace," "remote online support," and "business and production diversification proposals (creating masks and protective clothing)".

Reduction of environmental impact



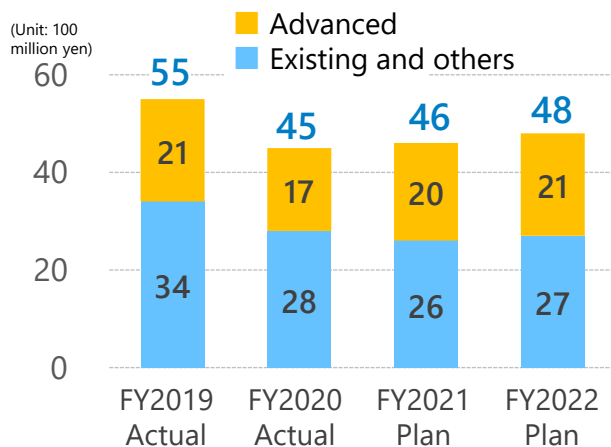
- **Our Company continues to contribute towards the environment through activities to reduce emissions of CO2, waste materials, volatile organic compounds (VOCs), etc.**
(Case) JUKI VIETNAM CO., LTD. became No. 4 plant to reduce CO2 emissions. We promote environmentally conscious manufacturing by installing 2,200 solar panels.

2-1-10 2021-2022 Medium-Term Management Plan : Investment Plan

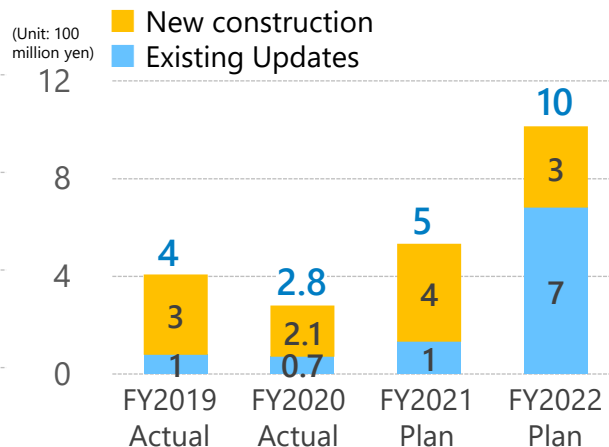


Building a new business model and management foundation for the new norms and investing in priority areas

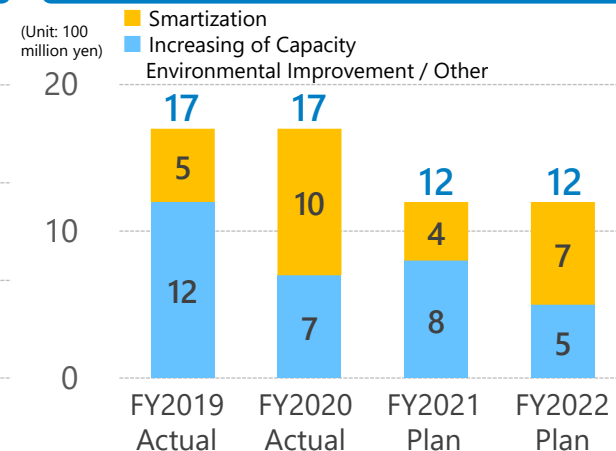
Research investment



Infrastructure investment



Capital investment in production

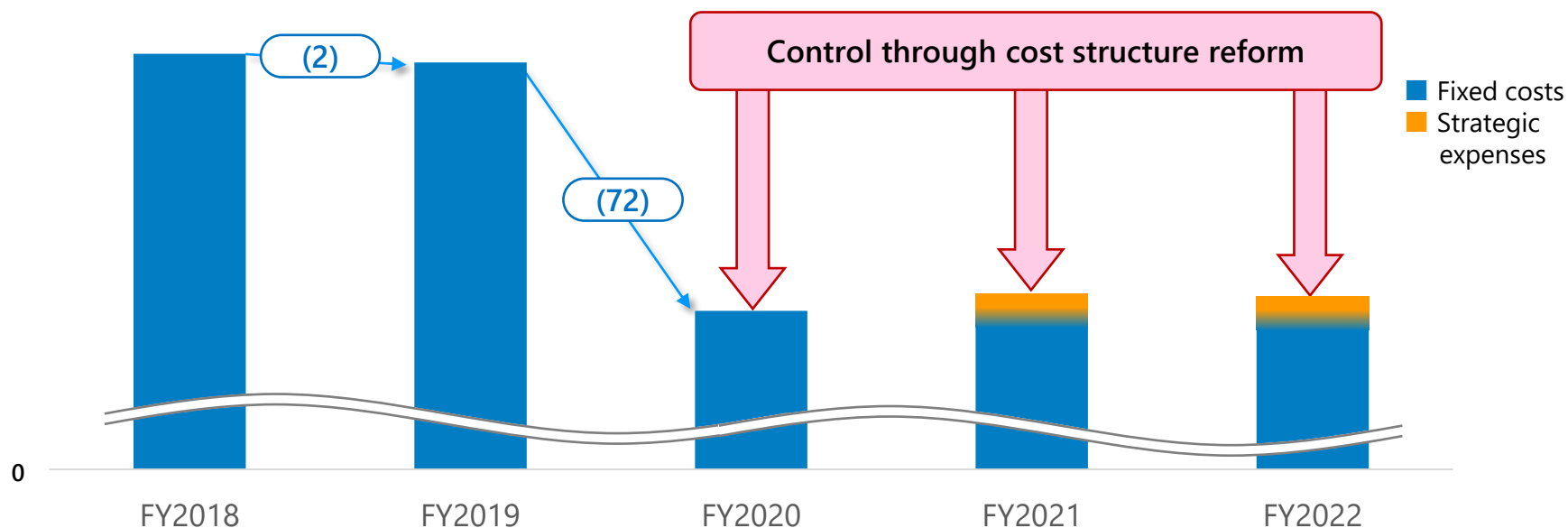


Division	Major Initiatives
Research investment	<p>Development investment to develop differentiated products and services</p> <ul style="list-style-type: none"> Expansion of business domains and enhancement of added value in new business fields Initiatives for advanced technologies outside of existing businesses
Infrastructure investment	<p>Development of infrastructure to support new management systems</p> <ul style="list-style-type: none"> System development to support renewal and process reform of key management systems / Operational efficiency through the use of smart tools
Capital investment in production	<p>Capital investment to realize production base strategy</p> <ul style="list-style-type: none"> Capital investment in production to expand new businesses and domains, and investment in automation and labor-saving to improve production processes and reduce costs

2-1-11 2021-2022 Medium-Term Management Plan : Cost Structure Reform

Cost structure reforms to maintain fixed cost levels in 2020. (On the other hand, strategic expenses for new / expanded areas for future growth are included in the plan.)

Cost structure reform



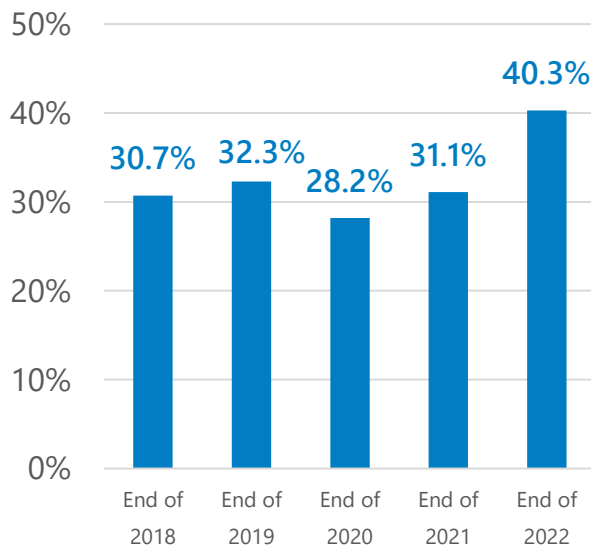
Division	Major Initiatives
Production cost reform	<ul style="list-style-type: none"> Reaping the effects of smartification of factories Optimization of factory production scale
Personnel cost reform	<ul style="list-style-type: none"> Slimming down of head office management indirect functions Introduction of job-based employment system based on responsibility and performance Thorough implementation of new employment formation
Reform of sales costs	<ul style="list-style-type: none"> Improvement to sales productivity through work reform

2-1-12 2021-2022 Medium-Term Management Plan : Financial Structure



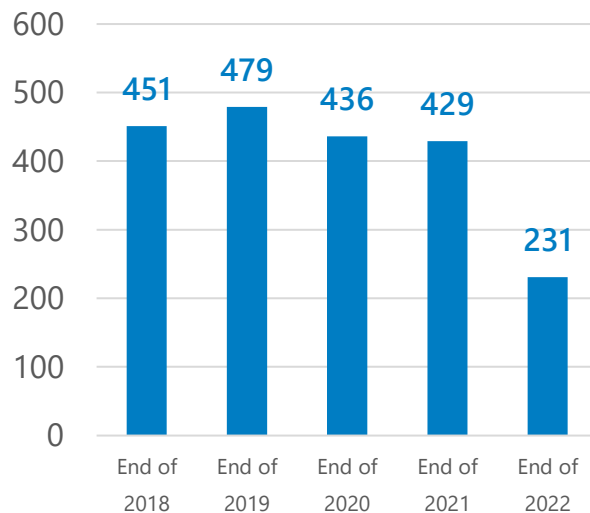
We will thoroughly improve our financial position by strengthening our earnings base and maintaining fixed costs.

Equity ratio

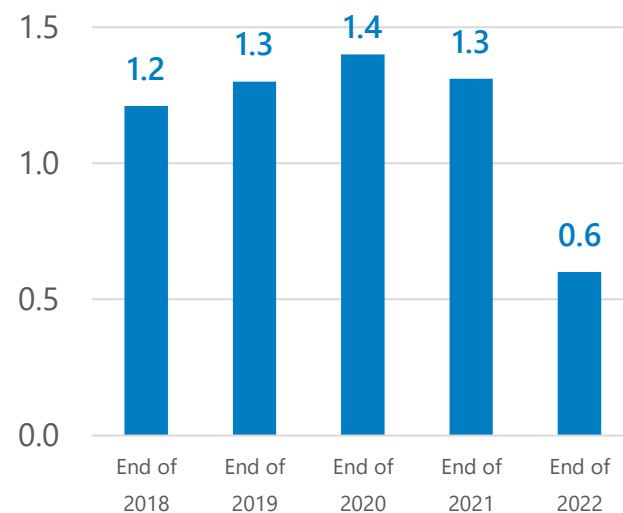


Interest-bearing debt (excluding cash and deposits)

(Unit: 100 million yen)



Debt / equity ratio (interest-bearing debt – cash and deposits) / net assets



Division	Major Initiatives
Accumulation of equity capital	<ul style="list-style-type: none"> Improved profitability through value-added and cost structure reforms
Reduction of interest-bearing debt	<ul style="list-style-type: none"> Shortening of cash conversion cycle (CCC) by shortening receivables and optimizing inventory turnover period

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

Vision

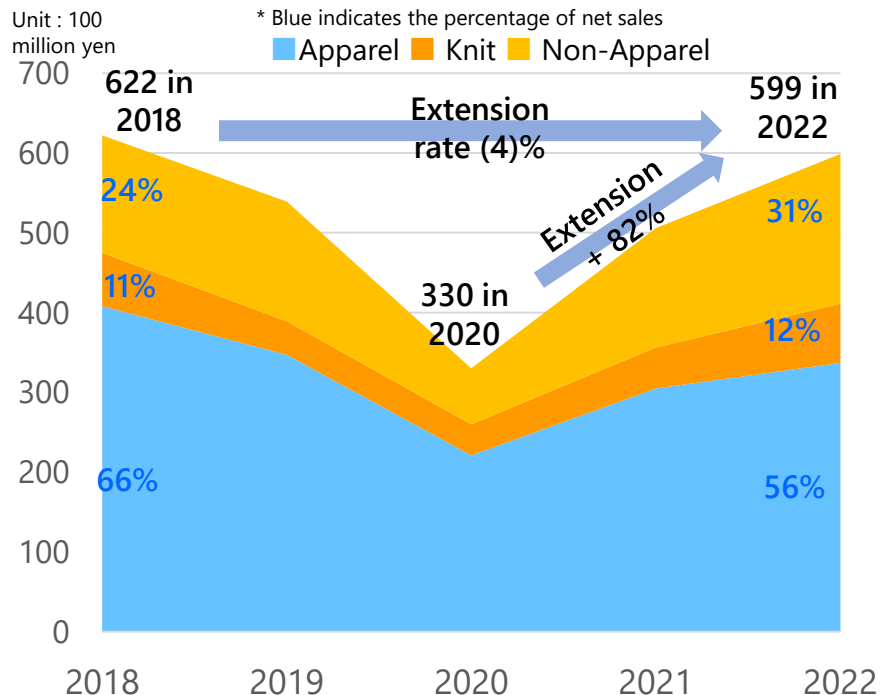
Contributing toward our customers' innovation by offering innovative technology and system proposals from JUKI Smart Solutions.

Basic policy

- Maintaining No. 1 market share in apparel and non-apparel
- Strengthening measures in the knitting field

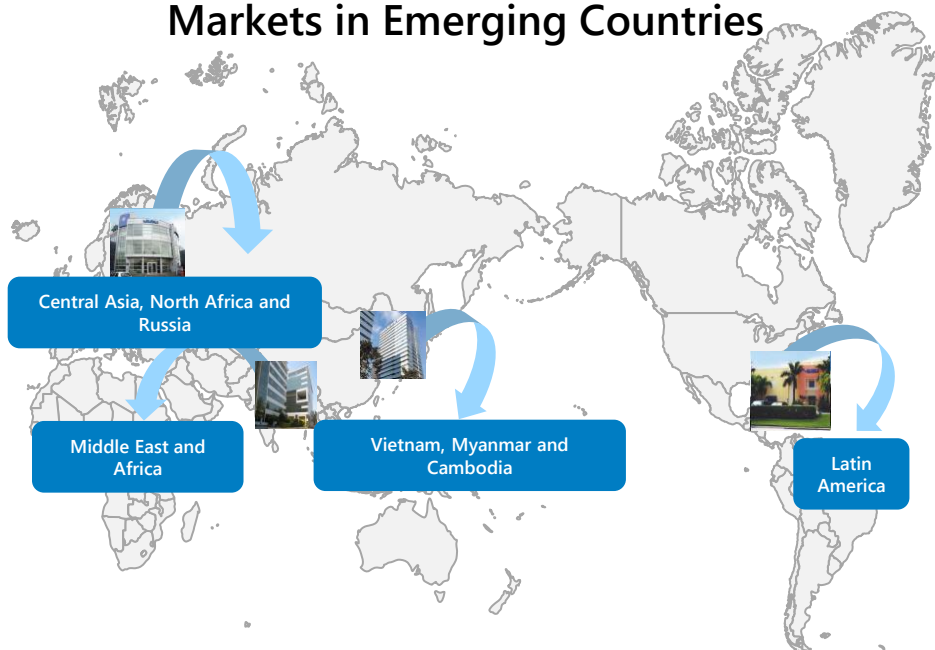
2022 Target

Exchange : Planned rate basis (\$ 1 = ¥ 97, 1 Euro = ¥ 110)



Priority Initiatives

Strengthening Efforts in Untapped Markets in Emerging Countries



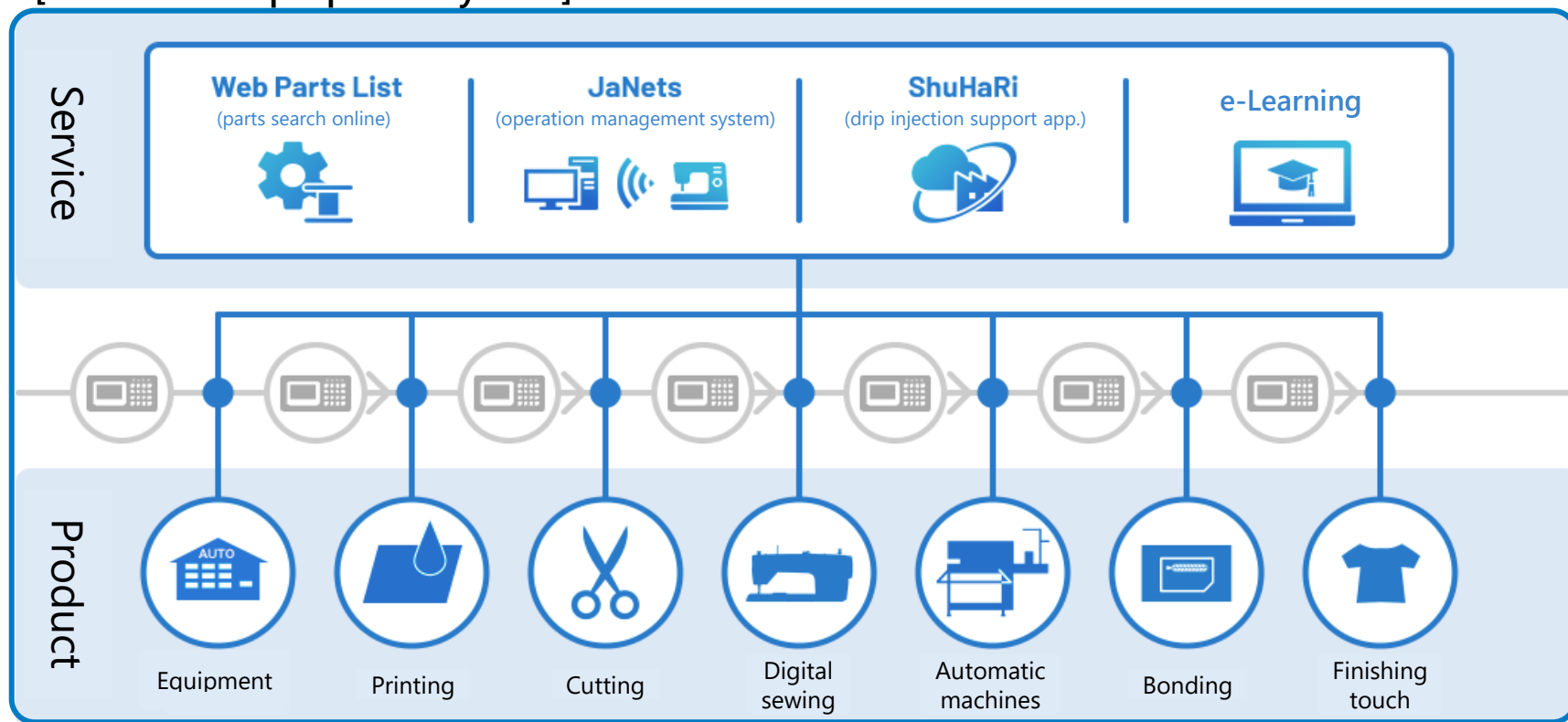
2-2-1-2 Key Initiatives for FY2021 Sewing Machinery & Systems Business (Industrial Sewing Machines)

Providing optimal products and systems to help customers build smart factories

Juki's 3 commitments

- 1. Automation 
- 2. Digitization 
- 3. Networking 

[Line solution proposed by JUKI]



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

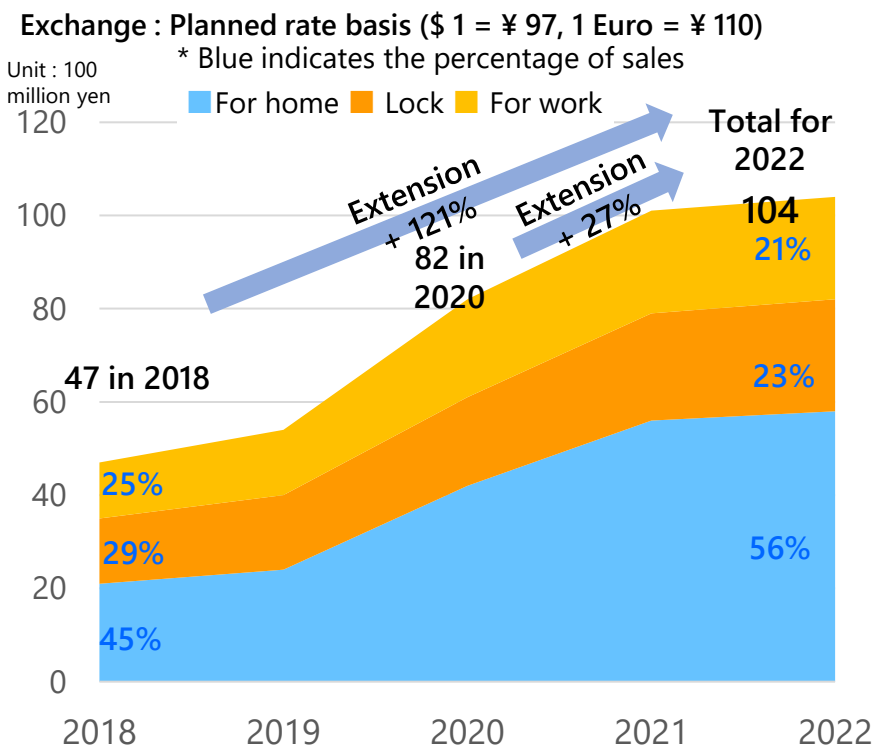
Vision

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.

2022 Target



Priority Initiatives

Expanding sales with HZL-UX8 through UI/UX design



Home sewing machine
HZL-UX8

2-2-2-2 Key Initiatives for FY2021: Sewing Machinery & Systems Business (Household Sewing Machines)

Development of JUKI sewing machines and services to create new value for customers

Rich lineup

User-oriented functions and usability

Handmade support content (video, seminars)



Helping Customers Build Their “kotodzukuri” (value-creation), Whether Real or Digital



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

Vision

Become an essential business partner for customers through expanding the business base in existing fields and by proposing and providing automation and labor-saving solutions. Expand sales in the high-speed equipment market (China), automation and labor-saving (JM + robots, inspection and measurement, and strengthening ISM)

Basic policy

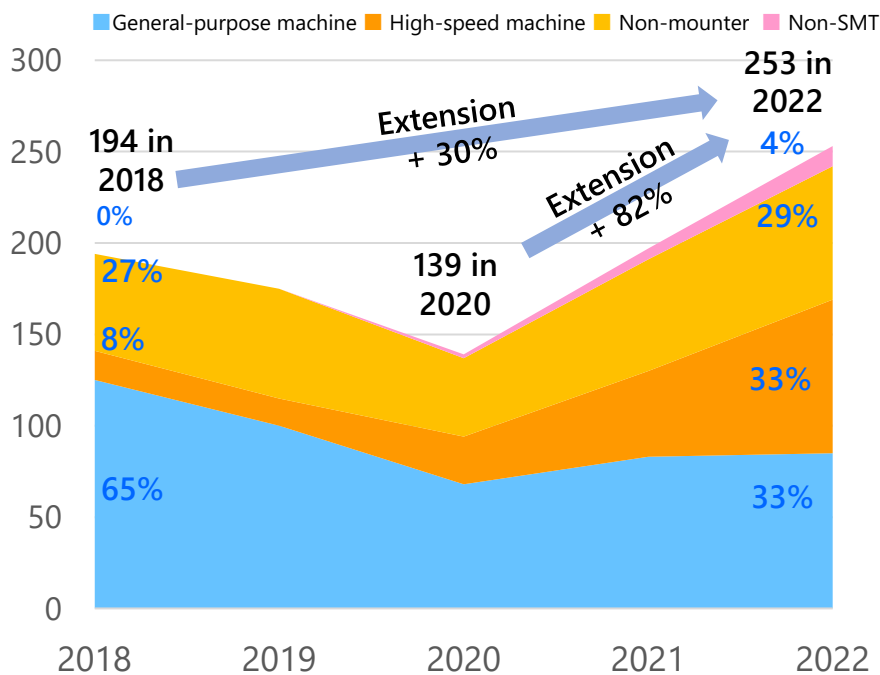
Expand business base by increasing solution sales and cultivating customers in the non-mounter segment and expanding line solution sales by strengthening high-speed equipment in the mounter segment.

2022 Target

Exchange : Planned rate basis (\$ 1 = ¥ 97, 1 Euro = ¥ 110)

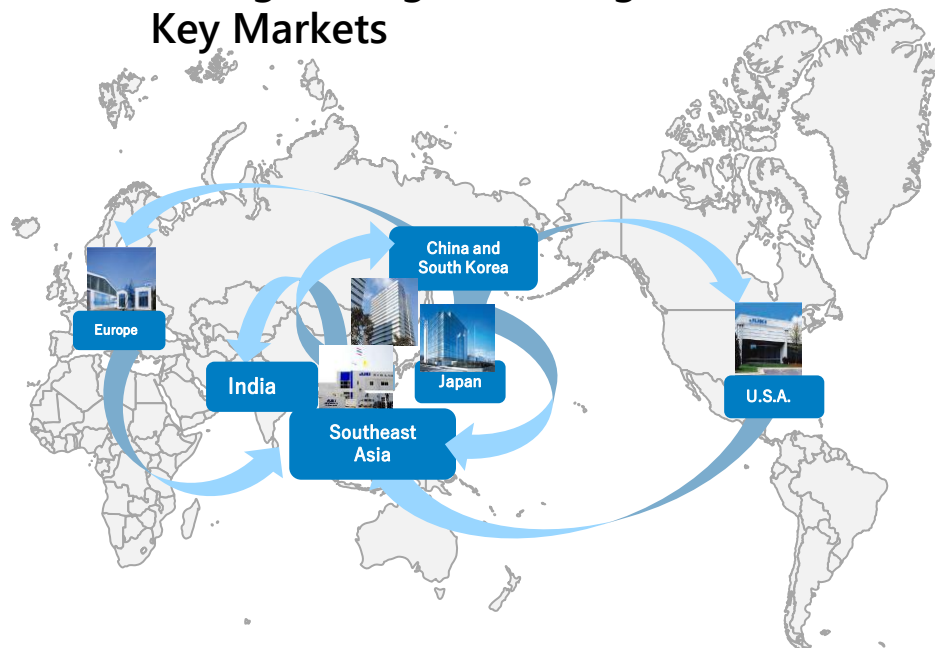
(Unit: 100 million yen)

* Blue indicates the percentage of sales



Priority Initiatives

Strengthening Marketing Alliances in Key Markets



JUKI Smart Solutions

Expand our business areas further by deepening alliances and automation.



Automated warehousing control



Automated post-process/assembly



Automated inspection/measurement

実装統合システムソフトウェア

JaNets
Juki Advanced Network system

Core system cooperation

External standard cooperation

Remote support

Predictive and preventive maintenance using AI

Production/equipment visualization

Cooperation between devices

Cooperation with other companies

Storage control system

Mounters/inspection equipment/post-process mounters

Robot system

Inspection/measurement system



Parts supply management field

SMT field

Manual insertion field

Assembly field

Inspection/measurement 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 technology).

Basic policy

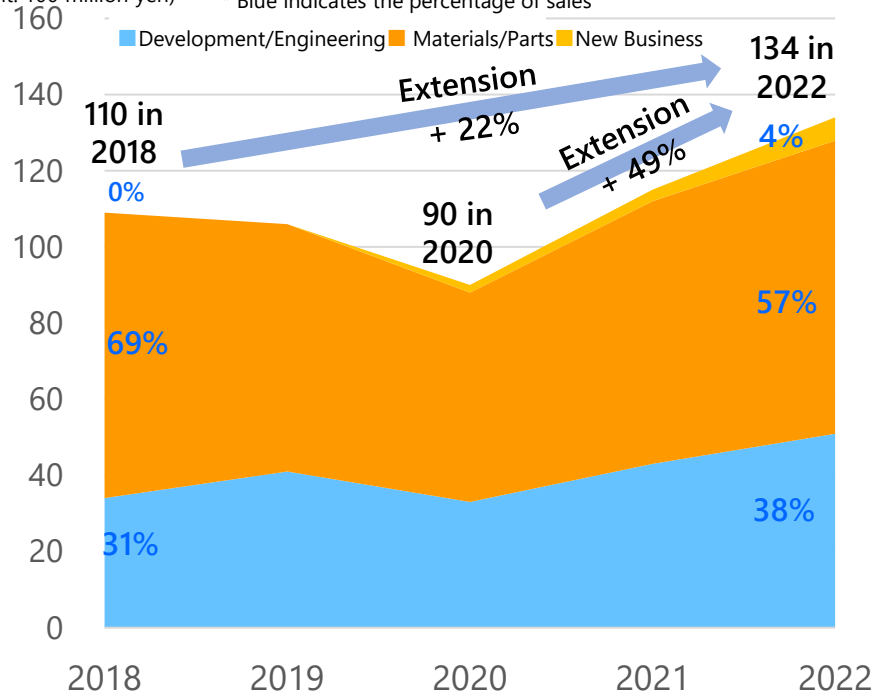
Expanding sales to become a third pillar by cultivating new customers and expanding the frontage of important customers

2022 Target

Exchange : Planned rate basis (\$ 1 = ¥ 97, 1 Euro = ¥ 110)

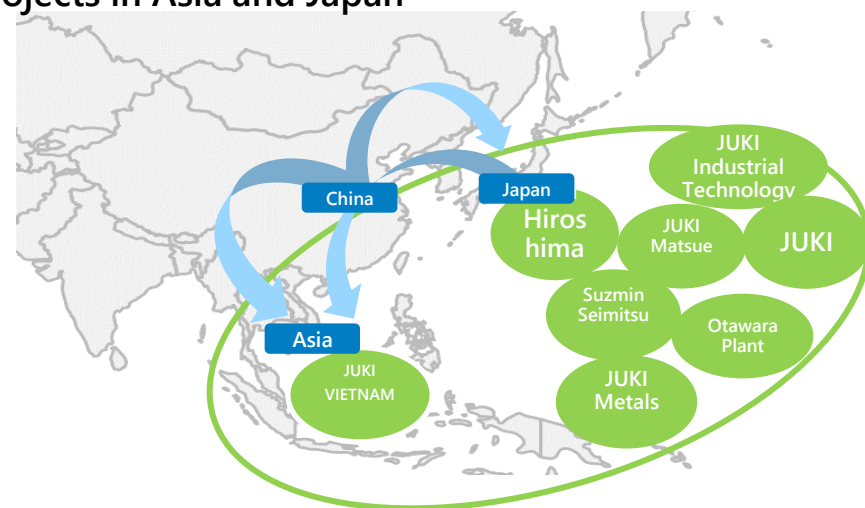
(Unit: 100 million yen)

* Blue indicates the percentage of sales



Priority Initiatives

Enhancing the Uptake of Production Area Relocation Projects in Asia and Japan

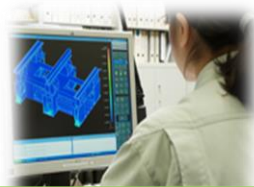


2-2-4-2 Key Initiatives for FY2021: Industrial Products & Systems Business (Group Business)

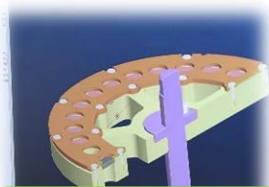
Expanding Juki's Contract Development and Contract Manufacturing by Leveraging 3 Strengths

[Production Capacity] ~ Integrated Production System ~

One stop engineering business from planning and development to assembly



Planning and development



Design



Materials



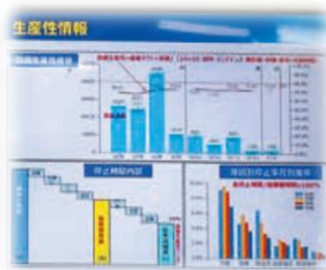
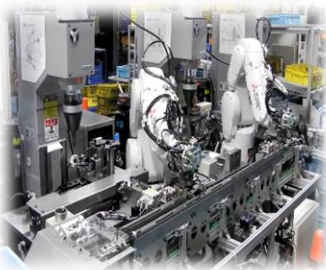
Processing



Assembly

[Proposal ability] - Automation / visualization of facilities

Robotization of heavy work and simple repetitive work, improvement to highly productive lines, and visualization of production



[Technical Skills] - Demonstration of Know-how Cultivated in Sewing Machine / Moulder -

High-Quality Manufacturing with People and Materials and Equipment

Industrial sewing machine



Home sewing machine



Chip moulder



[Person]

Technician

Development and manufacturing Know-how

[Materials and equipment]

Material procurement

Development and manufacturing facilities

Entrusted Development production

Development support

Integrated production

Unit production

Parts production

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" (mono) to the selling of "services" (koto) across the boundaries of sewing machinery and electronic assembly systems. - Speed up the implementation of a customer lock-in strategy by enhancing added value -

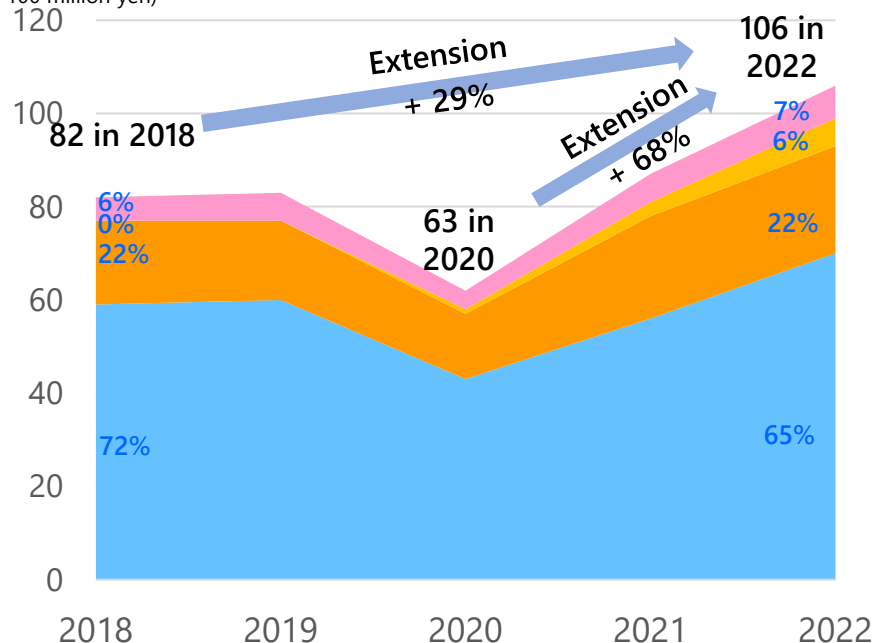
2022 Target

Exchange : Planned rate basis (\$ 1 = ¥ 97, 1 Euro = ¥ 110)

* Blue indicates the percentage of sales

■ Sewing parts ■ Industrial parts ■ Sewing service ■ Industrial service

(Unit: 100 million yen)



Priority Initiatives

Expanding the Sewing Service
Business through Inspection Support
Applications



2-2-5-2 Key Initiatives for FY2021: Industrial Products & Systems Business (Customer Business)

EXPAND PARTS/SERVICE BUSINESS



- Sewing machinery: Expand sales parts by inspection support application.
- Electronic assembly systems: Rebuild the trade-in business.



Customer support with/after COVID-19



• e-Learning



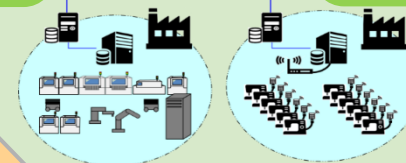
• Remote support

EXPAND AFTER SALES SERVICE IN INTRODUCING SMART LINES

Management of preventive maintenance for equipment



Management of preventive maintenance for equipment



Support for Smart Solution

Stock optimization management system



Parts supply system
Parts center/sales company warehouse

Provide Logistical Support for Activities



Network system to share and send information

- Parts Web site
- JOL

Open Innovation with Subcontractors

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