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Securities code: 6440

March 4, 2019

To All Shareholders:

Akira Kiyohara
Representative Director
JUKI CORPORATION
2-11-1, Tsurumaki, Tama-shi,
Tokyo, Japan

**CONVOCATION NOTICE OF
THE 104TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 104th Ordinary General Meeting of Shareholders (the “Meeting”) of JUKI CORPORATION (the “Company”) to be held as indicated below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached “Reference Materials for the Ordinary General Meeting of Shareholders” and exercise your voting rights no later than 6:00 p.m., Tuesday, March 26, 2019 (Japan Standard Time) in accordance with “Instructions on Exercise of Voting Rights”.

Thank you very much for your cooperation.

- 1. Date and Time:** March 27, 2019 (Wednesday) at 10:00 a.m.
- 2. Place:** Multi-purpose hall, 3rd floor of the East Tower of the Company’s Head Office, 2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan
- 3. Meeting Agenda:**
Report matters:
 1. The Business Report and the Consolidated Financial Statements for the 104th Fiscal Year (January 1, 2018 to December 31, 2018), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 104th Fiscal Year (January 1, 2018 to December 31, 2018)

Resolution matters:

- First proposal:** Appropriation of Surplus
Second proposal: Election of 6 Directors
Third proposal: Election of 1 Audit & Supervisory Board Member
Fourth proposal: Election of 1 Substitute Audit & Supervisory Board Member

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- If you plan to attend the Meeting, please submit the enclosed Voting Right Exercise Form to the receptionist at the Meeting.
 - Any amendments to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements will be posted on the Company’s website (URL: <http://www.juki.co.jp>).
 - Pursuant to relevant laws and regulations and Article 16 of the Articles of Incorporation, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are not included in the documents attached to this convocation notice since they have been made accessible on the Company’s website instead. The Consolidated Financial Statements or the Non-consolidated Financial

Statements stated in the documents attached to this convocation notice are a part of the Consolidated Financial Statements or the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Member in preparing their respective audit reports.

Instructions on Exercise of Voting Rights

Please review the Reference Materials for the Ordinary General Meeting of Shareholders (pages 34 to 41) and exercise your voting rights.

There are three ways to exercise your voting rights as described below.

Exercise of voting rights by attending the Meeting in person

Please bring the enclosed Voting Right Exercise Form and submit the form to the receptionist.

* If you intend to attend the Meeting, voting in writing or via the Internet is not necessary.

Date and time of the Meeting: **March 27, 2019 (Wednesday) at 10:00 a.m.**

Exercise of voting rights in writing

Please indicate your approval or disapproval of the proposals in the enclosed Voting Right Exercise Form, and mail the form to us as early as possible so that it arrives before the voting deadline.

Voting deadline: **March 26, 2019 (Tuesday) at 6:00 p.m.**

Instructions on Method to Complete the Voting Right Exercise Form

Indicate your approval or disapproval of each proposal in the enclosed Voting Right Exercise Form.

- ▶ To mark your approval: Please circle “Approval”.
- ▶ To mark your disapproval: Please circle “Disapproval”.

Exercise of voting rights via the Internet

Please access Exercise of Voting Rights Website designated by the Company and exercise your voting rights in accordance with the instructions on the screen.

(<https://soukai.mizuho-tb.co.jp/>)

Voting deadline: **March 26, 2019 (Tuesday) at 6:00 p.m.**

Please refer to the next page for details.

Instructions on Exercise of Voting Rights via the Internet

1. Regarding Exercise of Voting Rights via the Internet

- (1) Instead of voting in writing, you may vote via the Internet by accessing the “Exercise of Voting Rights Website” designated by the Company (refer to the URL below). To use this website, you need to log in with the Exercise of Voting Rights Code and the Password printed on the right-hand side of the enclosed Voting Right Exercise Form, and enter information in accordance with the instructions on the screen. For security reasons, it is necessary for you to change your password when you log in for the first time.
<https://soukai.mizuho-tb.co.jp/>
- (2) The voting deadline is March 26, 2019 (Tuesday) at 6:00 p.m. However, shareholders are kindly requested to exercise your voting rights as early as possible.
- (3) If you exercise your voting rights both in writing and via the Internet, only your vote via the Internet shall be deemed effective. If you exercise your voting rights several times via the Internet, only your final vote shall be deemed effective.
- (4) Your password (including the password after you have changed it) shall be effective only for this Ordinary General Meeting of Shareholders. At the time of the next Ordinary General Meeting of Shareholders, a new password will be issued.
- (5) You shall bear your own expenses for connection to the Internet.

(Notes)

- The password is a means to confirm that the person voting is the relevant shareholder. The Company will not contact you to ask for your password.
- If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the instructions on the screen.
- Although operational checks have been carried out for the Exercise of Voting Rights Website for common Internet connection equipment, there is a possibility that you may be unable to use the site due to the equipment you are using.

2. For your inquiries

If you have any inquiries, please contact **Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.**, which is the Company’s shareholder registry administrator, as shown below.

1) Inquiries regarding operation of the Exercise of Voting Rights Website:

Tel: **0120-768-524** (toll free within Japan only) (9 a.m. to 9 p.m. excluding Saturdays, Sundays, and public holidays)

2) Inquiries regarding share procedures other than the above:

Tel: **0120-288-324** (toll free within Japan only) (9 a.m. to 5 p.m. excluding Saturdays, Sundays, and public holidays)

*** Electronic Voting Platform for Institutional Investors**

The shareholders in the name of administration trust banks, etc., (including standing proxy) who have applied in advance for the use of the Electronic Voting Platform operated by ICJ Inc., founded by the Tokyo Stock Exchange and others, may exercise their voting rights on the platform other than the above-mentioned exercising voting rights via the Internet.

(Attached materials)

Business Report
(January 1, 2018 to December 31, 2018)

1. Overview of the JUKI Group (the “Group”)

(1) Business Progress and Results

In the fiscal year ended December 31, 2018, the Company carried out solution sales activities, proposing products and services that match customers’ needs for labor saving, smart factories to boost factory-wide production efficiency, and so on. In addition, the Company has been struggling to develop and acquire customers in the middle market centering on the Asian market to build a stable customer base for the future. Accordingly, despite the impact of some delays in production due to problems such as insufficient supply of electronic parts in the market, our success in steadily capturing the robust capital investment demand in Asia and China resulted in net sales of 112,064 million yen (up by 8.1% from the previous fiscal year).

With respect to profits, despite an increase in expenses borne by the Company with regard to market development strategy of the middle market and promotion of advanced development, operating profit amounted to 9,148 million yen, (up by 12.2% from the previous fiscal year), due to an increase in sales across the board. Ordinary profit stood at 8,385 million yen (up by 7.0% from the previous fiscal year) and profit attributable to owners of parent stood at 6,640 million yen (up by 17.7% from the previous fiscal year), owing to factors such as an increase in foreign exchange losses due to revaluation of foreign currency receivables.

Business results by major segment are as follows:

1) Sewing Machinery and Systems Business Segment

Sales were robust in the high-end market in China and so on, and sales increased year-on-year in the middle market in Asia. As a result, net sales of the Sewing Machinery and Systems Business Segment amounted to 73,615 million yen (up by 6.6% from the previous fiscal year). With respect to profits, while the increase in sales had a positive impact, Segment profit (ordinary profit) amounted to 5,186 million yen (down by 11.8% from the previous fiscal year) due to market development strategy cost paid in the middle market, as well as other factors.

2) Industrial Equipment and Systems Business Segment

With respect to Electronic Assembly Systems Businesses, demand in capital investment in the largest market of China and in other Asian countries was strong, with growth in sales of new mounters and labor-saving devices tied to smart factory proposals. Furthermore, with respect to Group Businesses, such as contract manufacturing services, the Company made steady progress in the development and acquisition of customers. As a result, net sales of the Industrial Equipment and Systems Business Segment amounted to 38,182 million yen (up by 11.4% from the previous fiscal year), although some demand could not be met due to production delays. In terms of profits, Segment profit (ordinary profit) stood at 4,156 million yen (up by 47.4% from the previous fiscal year), due to factors such as the improvement of profitability in conjunction with an increase in sales of new products as well as an increase in net sales of Electronic Assembly System.

(2) Capital Investments

Capital investment totaling 2,721 million yen was disbursed in FY 2018, including 1,030 million yen for machinery, equipment and vehicles, and 473 million yen for tools, furniture and fixtures.

(3) Financing

Financing for FY 2018 was arranged using the Group's own funds and borrowings from financial institutions, etc.

(4) Issues to Address

Based on the long-term vision, "To thrive in the 21st century as a global, innovative *Monodzukuri* (manufacturing) enterprise", in 2017 the Company formulated the Medium-Term Management Plan "Value Up 2022", aiming to achieve continuous growth for the Group in the future. In its 2022 Vision, the Company aims to be a "*Kotodzukuri* enterprise, which means a *Monodzukuri* enterprise also capable of elevating the corporate value of both JUKI and its customers through JUKI products and services" in six years' time.

To realize this goal, the Company develops a three-year Medium-Term Management Plan every year for the stated goal of becoming an "enterprise that consistently provides customer-preferred, high-quality products and services".

During this fiscal year, in light of changes in the present business environment and the status of the roll-out of the existing business plan, the Company identifies the following five points as its basic policy for the upcoming three years in order to achieve its goals steadily.

1) Strengthening our value-creation capabilities through solution sales

- We will provide solutions with added value that satisfy customers' needs more and more by bolstering our ability to propose automation and systematization as well as utilizing AI, remote control, and other cutting-edge technologies in our hardware, software, services, etc.

2) Building future customers base through developing the market

- We will make efforts to increase the competitive power of products by developing cutting-edge technologies, reducing costs, etc. In addition, we will make efforts to build stable customers base in the market by means of acquiring new customers and strengthening relationships with current customers, including customers in growing business fields such as the middle market and the in-car-related market (e.g. industry for sewing car seats), etc. effective in or looking toward the futures.

3) Creating new business categories and reinforcing them effective in or looking toward the future

- We will make efforts to further expand our business areas by developing new businesses through the Group Business, promoting the parts business, strengthening alliances, and other efforts.

4) Developing globally competent and innovative personnel and deploying them to fulfill our visions

- We will advance group-wide personnel development and job rotations, and in addition will promote diversity, including utilizing and making national staff, female employees, experienced employees, and young employees play an active part vigorously.
- By promoting health management, we will build innovative and active workforce and organization.

5) Constructing a smart business foundation

- We will reduce costs by means of reforming supply chain management, reconsidering the production and development processes, and will streamline administrative operations by promoting work style reforms, and will also promote environmental management on a group-wide basis, etc. to construct a solid business base.

The Company celebrated its 80th anniversary on December 15, 2018. We both express appreciation to all stakeholders who have supported us until now, and reaffirm our goals of building a foundation that leads the Company to its 100th anniversary by the Group as a whole coming together to tackle these issues. We aim for further growth as an enterprise that can deliver value (excitement and security) required by customers all over the world.

We, kindly, ask you for your further support and encouragement.

(5) Changes in Assets and Profit (Loss)

1) Group

(million yen, except for per share amounts)

Item	The 101st fiscal year ended December 31, 2015	The 102nd fiscal year ended December 31, 2016	The 103rd fiscal year ended December 31, 2017	The 104th fiscal year ended December 31, 2018
Net sales	112,865	97,724	103,659	112,064
Ordinary profit	5,728	3,022	7,839	8,385
Profit attributable to owners of parent	3,853	1,883	5,642	6,640
Basic earnings per share	¥129.14	¥63.94	¥192.61	¥226.68
Total assets	119,281	111,365	110,554	119,121
Net assets	28,477	27,582	33,343	37,241
Net assets per share	¥927.63	¥921.78	¥1,117.07	¥1,246.93

- (Notes) 1. Basic earnings per share is calculated using the average number of shares issued during the fiscal year (excluding treasury shares). Net assets per share is calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).
2. On July 1, 2015, the Company carried out a one-for-five common share consolidation. Basic earnings per share and net assets per share have been calculated as if the share consolidation had been carried out at the beginning of the 101st fiscal year.

2) Company

(million yen, except for per share amounts)

Item	The 101st fiscal year ended December 31, 2015	The 102nd fiscal year ended December 31, 2016	The 103rd fiscal year ended December 31, 2017	The 104th fiscal year ended December 31, 2018
Net sales	58,870	54,128	49,487	59,696
Ordinary profit	5,222	2,531	2,793	3,941
Profit (loss)	3,563	(722)	2,157	3,657
Basic earnings (loss) per share	¥119.42	¥(24.53)	¥73.66	¥124.84
Total assets	97,075	90,381	89,903	94,571
Net assets	29,498	27,513	29,172	31,337
Net assets per share	¥988.63	¥939.14	¥995.75	¥1,069.69

- (Notes) 1. Basic earnings (loss) per share is calculated using the average number of shares issued during the fiscal year (excluding treasury shares). Net assets per share is calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).
2. On July 1, 2015, the Company carried out a one-for-five common share consolidation. Basic earnings (loss) per share and net assets per share have been calculated as if the share consolidation had been carried out at the beginning of the 101st fiscal year.

(6) Principal Subsidiaries

1) Principal Subsidiaries

Company name	Capital	The Company's percentage of voting rights		Main business
		Direct	Indirect	
JUKI AUTOMATION SYSTEMS CORPORATION	(million yen) 2,618	91.8%	–	Sales of mounters, inspection equipment, printing equipment and others
JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	300	100%	–	Manufacture and sales of mounters, inspection equipment, printing equipment and others
JUKI SALES (JAPAN) CORPORATION	86	100%	–	Sales of sewing machinery in Japan
JUKI SINGAPORE PTE. LTD.	U.S.\$29,435 thousand	100%	–	Sales of sewing machinery in Asian regions
JUKI (CHINA) CO., LTD.	RMB358,365 thousand	100%	–	Administration of subsidiaries in China and sales of sewing machinery
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	RMB196,148 thousand	27.5%	72.5%	Manufacture and sales of industrial sewing machines
JUKI AMERICA, INC.	U.S.\$26,346 thousand	100%	–	Sales of sewing machinery in the Americas
TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	RMB5,001 thousand	100%	–	Sales of mounters, inspection equipment, printing equipment and others in China
JUKI CENTRAL EUROPE SP. ZO.O.	PLN50 thousand	100%	–	Sales of sewing machinery in European regions
JUKI (NINGBO) PRECISION CO., LTD.	RMB42,876 thousand	–	100%	Manufacture and sales of sewing machinery parts
JUKI (VIETNAM) CO., LTD.	U.S.\$5,000 thousand	100%	–	Manufacture and sales of industrial sewing machines, precision casting parts and others
JUKI XINXING INDUSTRY CO., LTD.	RMB160,000 thousand	–	89.9%	Manufacture and sales of industrial sewing machines

2) Status of Specified Wholly Owned Subsidiaries

No items to report.

(7) Principal Businesses

Segment	Summary of business
Sewing Machinery and Systems Business Unit	Manufacture and sales of industrial sewing machines and household sewing machines
Industrial Equipment and Systems Business Unit	Manufacture and sales of electronics assembly & systems (mounters, inspection equipment and others), sales of parts, maintenance services and commissioned processing business

(8) Principal Offices and Plants

Company name	Office or plant	Location
JUKI CORPORATION	Head Office	Tokyo
	Ohtawara Plant	Tochigi
JUKI AUTOMATION SYSTEMS CORPORATION	Head Office	Tokyo
JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION	Head Office and Plant	Akita
JUKI SALES (JAPAN) CORPORATION	Head Office	Tokyo
JUKI SINGAPORE PTE. LTD.	Head Office	Singapore
JUKI (CHINA) CO., LTD.	Head Office	Shanghai, China
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Head Office and Plant	Shanghai, China
JUKI AMERICA, INC.	Head Office	Florida, U.S.A.
TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Head Office	Shanghai, China
JUKI CENTRAL EUROPE SP. ZO.O.	Head Office	Warsaw, Poland

(9) Employees

1) Group

(As of December 31, 2018)

Segment	Number of employees	Change from previous fiscal year-end
Sewing Machinery and Systems Business Unit	3,575	(29)
Industrial Equipment and Systems Business Unit	1,944	41
Other business	117	(8)
Corporate headquarters (common)	255	(12)
Total	5,891	(8)

(Note) The above figures include contract employees and part-timers and exclude dispatched employees.

2) Company

(As of December 31, 2018)

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
878	16 persons decreased	45.5 years old	20.4 years

(Note) The above figures include contract employees and part-timers and exclude dispatched employees.

(10) Major Creditors and Balance of Borrowings

(As of December 31, 2018)

Creditor	Balance of borrowings (million yen)
Mizuho Bank, Ltd.	16,330
Sumitomo Mitsui Trust Bank, Limited	7,082
Mizuho Trust & Banking Co., Ltd.	4,705
The Hiroshima Bank, Ltd.	4,580
Development Bank of Japan Inc.	3,490
The Hokuto Bank, Ltd.	2,549

2. Status of Shares (As of December 31, 2018)

- (1) **Total Number of Authorized Shares** 80,000,000 shares
- (2) **Total Number of Issued Shares** 29,874,179 shares
(including 578,403 treasury shares)
- (3) **Number of Shareholders** 9,938 persons

(4) Major Shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,960	6.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,296	4.42
GOVERNMENT OF NORWAY	1,294	4.41
Mizuho Bank, Ltd.	938	3.20
Nippon Life Insurance Company	732	2.49
Asahi Mutual Life Insurance Company	569	1.94
Japan Trustee Services Bank, Ltd. (Trust Account 5)	544	1.85
The Dai-ichi Life Insurance Company, Limited	511	1.74
J.P. MORGAN BANK LUXEMBOURG S.A.1300000	477	1.63
Meiji Yasuda Life Insurance Company	460	1.57

(Note) The shareholding ratio is calculated by means of deducting treasury shares (578,403 shares) from the number of the issued shares.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2018)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Representative Director and President	Akira Kiyohara		President of JUKI AUTOMATION SYSTEMS CORPORATION
Director and Senior Managing Officer	Shinsuke Uchinashi	“In charge of Global Cooperate Center (Corporate Planning Dept. and Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center”	
Director and Managing Officer	Minoru Wada	“In charge of Development Center (Sewing Machinery Development Dept.)”, and “In charge of Quality Assurance Dept.”	
Director and Managing Officer	Toshimasa Miura	Officer “In charge of Global Cooperate Center (Human Resources Dept. and General Affairs Dept.)”, “In charge of Secretariat”, “In charge of Internal Auditing Dept.” and “In charge of Internal Control and Compliance”	
Director	Kazumi Nagasaki		
Director	Yutaka Hori		Attorney Executive and Vice President, National University Corporation Chiba University Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office Outside Director of FIDEA Holdings Co. Ltd. Outside Director of Pasona Group Inc.
Audit & Supervisory Board Member (Full-time)	Hirofumi Gotoh		Audit & Supervisory Board Member of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION, Auditor of JUKI (CHINA) CO., LTD. and Auditor of TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD.
Audit & Supervisory Board Member	Masato Tanaka		Attorney
Audit & Supervisory Board Member	Yasuaki Isobe		

- (Notes) 1. Director Mr. Toshimasa Miura was newly elected and assumed his position at the 103rd Ordinary General Meeting of Shareholders held on March 26, 2018.
2. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are Outside Directors as defined in Item 15 of Article 2 of the Companies Act.
3. Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, are such independent officers as specified by the Tokyo Stock Exchange.
4. Audit & Supervisory Board Members, Mr. Masato Tanaka and Mr. Yasuaki Isobe, are Outside Audit & Supervisory Board Members as defined in Item 16 of Article 2 of the Companies Act.
5. Audit & Supervisory Board Member Mr. Yasuaki Isobe is an independent officer as specified by the Tokyo Stock Exchange.
6. Audit & Supervisory Board Members, Mr. Hirofumi Gotoh and Mr. Yasuaki Isobe, have many years of financial- and accounting-related experience and have sufficient financial and accounting knowledge.

(2) Total Amount of Remuneration, etc. to Directors and Audit & Supervisory Board Members for FY 2018

Title	Number of payees	Amount of remuneration, etc. (million yen)
Director	7	179
Audit & Supervisory Board Member	4	28
Total	11	208

(Note) The above number of payees and amount of remuneration, etc. include one Director and one Audit & Supervisory Board Member who retired during FY 2018.

(3) Outside Officers

1) Significant concurrent positions

Significant concurrent positions held by outside officers are as described on the previous page. There are no specific relationships between the Company and the organizations where the concurrent positions are held.

2) Main activities

Title	Name	Main activities
Director	Kazumi Nagasaki	Participated in all 12 Board of Directors' meetings held in FY 2018, and provided expert opinions, mainly as an experienced corporate manager, as necessary.
	Yutaka Hori	Participated in 11/12 Board of Directors' meetings held in FY 2018, and provided expert opinions, mainly as an attorney, as necessary.
Audit & Supervisory Board Member	Masato Tanaka	Participated in all 12 Board of Directors' meetings and in all 13 Audit & Supervisory Board meetings held in FY 2018; provided expert opinions, mainly as an attorney, as necessary.
	Yasuaki Isobe	Participated in all 12 Board of Directors' meetings and in all 13 Audit & Supervisory Board meetings held in FY 2018; provided expert opinions, mainly as an experienced corporate manager, as necessary.

3) Summary of contract for limitation of liability

The Company has concluded contracts for limitation of liability with Outside Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori, and Outside Audit & Supervisory Board Members, Mr. Masato Tanaka and Mr. Yasuaki Isobe, to limit their liability as stipulated in Paragraph 1 of Article 423 of the Companies Act up to the total sum stipulated in Paragraph 1 of Article 425 of the Companies Act.

4) Total amount of remuneration, etc. to outside officers for FY 2018

	Number of payees	Amount of remuneration, etc. (million yen)
Total amount of remuneration, etc.	4	25

(Note) No bonuses for outside officers have been paid and are payable.

(For reference) Corporate Officers

The Company has introduced the corporate officer system. In addition to all of the Directors (excluding Directors, Mr. Kazumi Nagasaki and Mr. Yutaka Hori) who are concurrently assuming the positions of the corporate officers, the following persons have been appointed as full-time Corporate Officers:

(As of December 31, 2018)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Managing Officer	Takeshige Hamasoto	“In charge of Business Operation Center (Sewing Machinery and Systems Business Unit)”, Executive Unit Officer of Sewing Machinery and Systems Business Unit, Company President of Smart Solutions Company, Sewing Machinery and Systems Business Unit and “In charge of Business Operation Center (Customer Business Company)”	
Managing Officer	Yutaka Abe	“In charge of Business Operation Center (deputy) (Sewing Machinery and Systems Business Unit)”	Managing Director of JUKI SINGAPORE PTE. LTD

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Managing Officer	Jirou Ishibashi	“In charge of Development Center (Technology Planning Dept., Technology Development Dept., System Development Dept.)” and “In charge of Innovation Promotion Dept.”	Managing Officer “In charge of Development Center (deputy) and in charge of Technology Planning Dept.” of JUKI AUTOMATION SYSTEMS CORPORATION
Corporate Officer	Katsumi Nihei	Deputy Executive Unit Officer of Sewing Machinery and Systems Business Unit	President of JUKI INDIA PVT.LTD.
Corporate Officer (“In charge of Group Companies”)	Satohiro Hama	Company President of Electronic Assembly Systems Company	Director and Managing Officer of JUKI AUTOMATION SYSTEMS CORPORATION
Corporate Officer (“In charge of Group Companies”)	Robert J. Black Jr.	“In charge of Europe & Americas Area Sales, Electronic Assembly Systems Company”	Senior Advisor of JUKI AUTOMATION SYSTEMS INC.
Corporate Officer	Hiroki Konishi		Chairman and General Manager of Head Office and General Manager of Sales of JUKI (CHINA) CO., LTD.
Corporate Officer (“In charge of Group Companies”)	Kikuo Takahashi	Company President of Group Business Company and Head of Akita Branch of Group Business Control Dept.	Chairman of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION
Corporate Officer	Minoru Nitta		President of JUKI AMERICA, INC.
Corporate Officer	Kiyoshi Matsumoto	“In charge of Global Cooperate Center (Information Systems Promotion Section, Corporate Planning Dept.)” and “In charge of Production Center (SCM Promotion Group, Production Planning Dept.)”	Director and Executive Vice-President of JUKI INDUSTRIAL EQUIPMENT TECHNOLOGY CORPORATION
Corporate Officer	Masahiko Suzuki	General Manager of Finance & Accounting Dept.	
Corporate Officer	Kunio Nukui	General Manager of Group Business Control Dept., Group Business Company, and General Manager of Business & Product Planning Section	
Corporate Officer	Kenji Nakao	“In charge of Production Center (deputy)” and General Manager of Production Planning Dept.	
Corporate Officer	Takashi Nittou	General Manager of <i>Monodzukuri</i> Technology Dept.	

4. Accounting Auditor

(1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

(2) Accounting Auditor's Remuneration, etc.

- | | |
|--|----------------|
| 1) Remuneration to Accounting Auditor as provided in Paragraph 1 of Article 2 of the Certified Public Accountants Act of Japan | 60 million yen |
| 2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to Accounting Auditor | 65 million yen |

- (Notes) 1. The audit contract between the Company and Accounting Auditor does not clearly distinguish between remuneration, etc. paid for the audit conducted in accordance with the Companies Act and remuneration, etc. paid for the audit conducted in accordance with Financial Instruments and Exchange Act. It is practically impossible to make such a distinction. Accordingly, the amount specified in 1) above is the aggregate amount of remuneration, etc. for these two types of audits.
2. Among the principal subsidiaries, JUKI SINGAPORE PTE. LTD., JUKI (CHINA) CO., LTD., JUKI (SHANGHAI) INDUSTRIAL CO., LTD., TOKYO JUKI INTERNATIONAL TRADING (SHANGHAI) CO., LTD., JUKI CENTRAL EUROPE SP. ZO.O., JUKI (NINGBO) PRECISION CO., LTD., JUKI (VIETNAM) CO., LTD., and JUKI XINXING INDUSTRY CO., LTD. are audited by audit corporations other than the Company's Accounting Auditor.

(3) Reasons for the Audit & Supervisory Board's Agreement Regarding the Accounting Auditor's Remuneration, etc.

The Audit & Supervisory Board has checked and reviewed the audit plan, the status of the execution of duties of the Accounting Auditor and the grounds for calculation of remuneration estimates. As a result of this review, the Audit & Supervisory Board consents to the remuneration for the Accounting Auditor in accordance with Paragraph 1 of Article 399 of the Companies Act.

(4) Non-audit Operation

No items to report.

(5) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditors

If any of the reasons provided in the Paragraph 1 of Article 340 of the Companies Act applies to the Accounting Auditor, the Audit & Supervisory Board shall terminate the appointment of the Accounting Auditor with the full consensus of the Audit & Supervisory Board Members. In such cases, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board shall report on the termination and the reason for it at the first General Meeting of the Shareholders of the Company to be convened following the termination.

Moreover, the Audit & Supervisory Board shall determine the content of proposals for submission to the General Meeting of Shareholders of the Company relating to the termination or nonrenewal of Accounting Auditors if it judges that it is difficult for the Accounting Auditor to carry out its duties appropriately.

5. Systems to ensure that business is conducted properly

The Company adopted a resolution on the “Basic policy to construct internal control system” at the Board of Directors’ meeting held on May 17, 2006. The final amendment was made on May 11, 2015, in conjunction with the amendment to the Companies Act and the Regulation for Enforcement of the Companies Act, which went into effect on May 1, 2015.

(1) System to ensure that Directors execute their duties in compliance with relevant laws and regulations and the Articles of Incorporation of the Company

- 1) The Company shall establish the “JUKI Corporation Code of Conduct”, which shall provide the principles of the JUKI corporate philosophy as a legal entity, in order to make clear its positive attitude towards legal compliance.
- 2) The Company shall establish the “JUKI Group Code of Conduct”, a set of specific guidelines for the execution of duties, in order to make officers and employees proactively acknowledge the importance of compliance with laws and regulations.
- 3) The system for compliance and compliance management of the whole business group consisting of the Company and its subsidiaries (hereinafter “group companies”) shall be provided in the “Compliance Rules”.
- 4) The Company shall take a resolute attitude toward any antisocial individuals and organizations that adversely influence social order and sound corporate activities.

(2) System to store and control information related to Directors’ execution of duties

- 1) The Company shall establish the “Rules for Retaining Important Documents”, and shall retain and control information related to the execution of duties by Directors in accordance with the said Rules.

(3) Rules and other systems for managing risk of loss of the Company and group companies

- 1) The Company shall establish the “Risk Management Rules” to manage risks of the Company and all group companies.
- 2) The Company shall establish the “Risk Management Council” to examine significant risks the Company faces and prepare preventive measures against such risks, and shall manage each division’s and each department’s preventive measures activities against risks.
- 3) The “Crisis-Management Task Force” shall take prompt actions against any realized risks.

(4) System to ensure that Directors, etc. of the Company and group companies execute their duties efficiently

- 1) In order to enable Directors to facilitate the prompt execution of their duties, the Company shall adopt a Corporate Officer system under which the Corporate Officers may be given some of the authority required for executing Directors’ duties.
- 2) Employees may be given some of the authority required for executing Directors’ duties in accordance with the “Authorization Rules”, for the purpose of efficient decision making.
- 3) Important decision-making matters shall be discussed at the “Management Strategy Council” and shall be decided by the President after such discussion.
- 4) Rules for executing Directors’ duties shall be provided in the “Organization Rules”, and Directors shall make efforts to efficiently execute their duties in accordance with the said Rules.

(5) System to ensure that employees of the Company, and Directors, etc. and employees of group companies execute their duties in compliance with relevant laws and regulations and the Articles of Incorporation of the Company

- 1) The Company shall establish the “JUKI Corporation Code of Conduct”, which shall provide the principles of the JUKI corporate philosophy as a legal entity, in order to make clear its positive attitude towards legal compliance.
- 2) The Company shall establish the “JUKI Group Code of Conduct”, a set of specific guidelines for the execution of duties, in order to make employees proactively acknowledge the importance of compliance with laws and regulations.
- 3) The department in charge of handling legal affairs shall conduct activities to spread compliance education and compliance management for enhanced legal compliance.
- 4) The position of Corporate Officer in charge of Internal Control & Compliance shall be established, and this Officer shall be responsible for legal compliance and shall bear the duties of supervision of relevant organizations and their activities.
- 5) The system for compliance and compliance management of the Company and all group companies shall be provided in the “Compliance Rules”.
- 6) The Company shall establish a “Compliance Helpline” available for direct access by employees, for the purpose of making such Helpline available to respond to questions related to compliance raised by employees.

(6) System to report to the Company of matters related to the execution of duties of Directors, etc. of group companies

- 1) The group companies shall report the management policies and management plans to the Company at the “Group Management Conference”, and check and adjust them.
- 2) The group companies shall report to the Company regularly and as required, in accordance with the “Group companies management rules”.
- 3) The Directors, etc. of the group companies shall promptly report to the Corporate Officer in charge of Internal Control & Compliance of the Company on any event likely to cause significant damage to their group companies, any sign of fraudulence in the Directors’ execution of duties, any serious event in violation of laws and regulations or the Articles of Incorporation, and other events equivalent thereto.

(7) Other systems to ensure the propriety of the business operations of the business group consisting of the Company and group companies

- 1) The Company shall determine the management control system according to functional organization in its “Organization Rules” and “Group companies management rules”.
- 2) Decision making on the allocation of management resources in group companies shall be provided in the “Authorization Rules”.
- 3) The Internal Auditing Department of the Company shall conduct internal audits, as needed, on group companies.

(8) Employees to be assigned at the request of Audit & Supervisory Board Members for their assistance

- 1) The “Audit & Supervisory Board Members Section” directly reporting to the Audit & Supervisory Board Members shall be established as an organization to assist the Audit & Supervisory Board Members.

(9) Independence from Directors of such employees as specified in the preceding item (8) and matters related to ensuring the effectiveness of instructions of Audit & Supervisory Board Members of the Company to such employees

- 1) The Audit & Supervisory Board Members may express opinions on the personnel transfer and performance evaluation of the employees belonging to the “Audit & Supervisory Board Members Section”.
- 2) Employees belonging to the “Audit & Supervisory Board Members Section” shall follow the directions and instructions of the Audit & Supervisory Board Members and collect information necessary for the Audit & Supervisory Board Members’ audit promptly.

(10) System for Directors, etc. and employees of the Company and group companies to report to Audit & Supervisory Board Members of the Company

- 1) Full-time Audit & Supervisory Board Members shall attend the Board of Directors’ meetings, Management Strategy Council, Group Management Conference, Risk Management Council, and other important meetings, and collect necessary information by themselves.
- 2) Directors, etc. and employees of the Company and group companies shall promptly report to the Audit & Supervisory Board Members on any event likely to cause significant damage to the Company or group companies, any sign of fraudulence in the Directors’ execution of duties, any serious event in violation of laws and regulations or the Articles of Incorporation, and other events equivalent thereto.
- 3) Audit & Supervisory Board Members shall request the relevant departments of the Company and Directors, etc. and employees of group companies to directly report to them on any information the Audit & Supervisory Board Members deem to be necessary.

(11) System to ensure that the reporting person of the preceding item (10) does not receive unfavorable treatment for making such report

- 1) The Company shall state in the “Compliance Rules” that a person who has made a report to an Audit & Supervisory Board Member shall not receive unfavorable treatment for making such a report, and it shall give the widest possible publicity of this rule to Directors, etc. and employees of the Company and group companies.

(12) Procedures for prepayment or reimbursement of costs arising from the execution of duties of the Audit & Supervisory Board Members and policy related to the handling of costs and liabilities arising from the execution of other duties

- 1) The Company shall ensure the availability of funds to meet costs, etc. arising from the execution of duties of Audit & Supervisory Board Members by including a planned budget for Audit & Supervisory Board Members in annual budgeting.
- 2) The Company shall respond appropriately in the event of the expectation of the occurrence of costs judged by the Audit & Supervisory Board Member as necessary to ensure the effectiveness of audits, regardless of whether it was included in the budgeting of the previous sub-item.

(13) Other systems to ensure that the Audit & Supervisory Board Members conduct audits effectively

- 1) In addition to expressing their opinions at the Board of Directors’ meetings, the Audit & Supervisory Board Members shall exchange opinions with Representative Directors as needed in order to enhance the effectiveness of the Audit & Supervisory Board Members’ audits.
- 2) Audit & Supervisory Board Members shall conduct the Audit & Supervisory Board Members’ audit in cooperation with the Internal Auditing Department, as needed.
- 3) Audit & Supervisory Board Members shall conduct the Audit & Supervisory Board Members’ audit in cooperation with corporate attorneys and certified public accountants, as needed.

(14) System to ensure the reliability of financial reporting

- 1) The Company shall develop and manage systems for effective internal control over financial reporting, in order to ensure reliable financial reporting.

6. Overview of operation status of system to ensure that business is conducted properly

An overview of the operation status of the system to ensure that business is conducted properly in FY 2018 is as follows.

(1) Compliance System

- In accordance with the “Compliance Rules”, the Company and its group companies have been rigorously applying the system to ensure compliance.
- The “JUKI Group Code of Conduct” has been enacted, the contents of which is made simple and universal so that the group employees overseas can easily understand. The Japanese version and Chinese and English translations have been distributed to ensure that each group employee has a thorough understanding of compliance.
- The Company has made a “Declaration with Regard to Antisocial Forces”, which is reflected in clauses of contracts.

(2) Risk management system

- In accordance with the “Risk Management Rules”, the Company held the Risk Management Council once every quarter in principle to identify, evaluate and take measures to risks including those at group companies.
- The Crisis-Management Task Force takes prompt actions against any realized risk.

(3) System for Directors to execute their duties

- Under the “Board of Directors Rules”, “Corporate Officer Rules”, “Authorization Rules”, and “Organization Rules”, the Company strives to ensure that duties are executed promptly and efficiently by Directors.
- The Management Strategy Council is held twice a month in principle, and decisions on important matters are made promptly.

(4) System for management of group companies

- The Company has determined the management control system by functional organization in its “Organization Rules” and “Group Companies Management Rules”. The Group Management Conference was held once every half-year to report on management policies and management plans of group companies, and to check and adjust their implementation.

(5) Internal audits

- Internal audits of group companies were conducted in accordance with an internal audit plan.
- Self-assessments centered on key matters and individual topics were carried out, targeting group companies and sites, and guidance for improvement was given based on the outcomes of these self-assessments.

(6) System relating to activities of the Audit & Supervisory Board Members

- The “Audit & Supervisory Board Members Section” has been established as an organization to assist the Audit & Supervisory Board Members, and has been collecting necessary information.
- The Audit & Supervisory Board Members have been exchanging opinions with Representative Director once every three months.
- The Audit & Supervisory Board Members have been regularly exchanging information with certified public accountants regarding accounting audits, to ensure the effectiveness of the audits.

Consolidated Financial Statements
(January 1, 2018 - December 31, 2018)

Consolidated Balance Sheet
(As of December 31, 2018)

		(million yen)	
Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	88,059	Current liabilities	59,267
Cash and deposits	7,324	Notes and accounts payable - trade	11,145
Notes and accounts receivable - trade	33,465	Electronically recorded obligations - operating	5,140
Merchandise and finished goods	28,885	Short-term loans payable	35,901
Work in process	4,796	Lease obligations	101
Raw materials and supplies	9,835	Accounts payable - other	740
Deferred tax assets	1,314	Accrued expenses	3,557
Other	2,825	Income taxes payable	1,115
Allowance for doubtful accounts	(387)	Provision for bonuses	38
Non-current assets	31,062	Notes payable - facilities	191
Property, plant and equipment	23,141	Other	1,336
Buildings and structures, net	11,890	Non-current liabilities	22,612
Machinery, equipment and vehicles, net	3,411	Long-term loans payable	16,153
Tools, furniture and fixtures, net	1,053	Lease obligations	223
Land	6,362	Provision for directors' retirement benefits	68
Leased assets, net	315	Net defined benefit liability	5,582
Construction in progress	107	Other	584
Intangible assets	1,992	Total liabilities	81,880
Investments and other assets	5,928	(Net assets)	
Investment securities	2,563	Shareholders' equity	39,082
Long-term loans receivable	0	Capital stock	18,044
Long-term prepaid expenses	260	Capital surplus	2,035
Deferred tax assets	1,195	Retained earnings	19,610
Net defined benefit asset	1,303	Treasury shares	(607)
Other	2,007	Accumulated other comprehensive income	(2,552)
Allowance for doubtful accounts	(1,402)	Valuation difference on available-for-sale securities	458
		Foreign currency translation adjustment	(2,973)
		Remeasurements of defined benefit plans	(38)
		Non-controlling interests	711
		Total net assets	37,241
Total assets	119,121	Total liabilities and net assets	119,121

(Note) Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Income
(January 1, 2018 - December 31, 2018)

(million yen)

Description	Amount	
Net sales		112,064
Cost of sales		77,921
Gross profit		34,143
Selling, general and administrative expenses		24,995
Operating profit		9,148
Non-operating income		
Interest income	44	
Dividend income	157	
Commission fee	202	
Reversal of allowance for doubtful accounts	228	
Other	473	1,106
Non-operating expenses		
Interest expenses	805	
Foreign exchange losses	980	
Other	82	1,868
Ordinary profit		8,385
Extraordinary income		
Gain on sales of non-current assets	17	17
Extraordinary losses		
Loss on sales and retirement of non-current assets	50	50
Profit before income taxes		8,353
Income taxes - current	1,749	
Income taxes - deferred	(175)	1,573
Profit		6,780
Profit attributable to non-controlling interests		139
Profit attributable to owners of parent		6,640

(Note) Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Changes in Equity
(January 1, 2018 - December 31, 2018)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,044	2,035	13,994	(606)	33,468
Changes of items during period					
Dividends of surplus			(1,025)		(1,025)
Profit attributable to owners of parent			6,640		6,640
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,615	(0)	5,614
Balance at end of current period	18,044	2,035	19,610	(607)	39,082

(million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,016	(1,966)	208	(742)	617	33,343
Changes of items during period						
Dividends of surplus						(1,025)
Profit attributable to owners of parent						6,640
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(558)	(1,006)	(246)	(1,810)	93	(1,716)
Total changes of items during period	(558)	(1,006)	(246)	(1,810)	93	3,897
Balance at end of current period	458	(2,973)	(38)	(2,552)	711	37,241

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Financial Statements
(January 1, 2018 - December 31, 2018)

Non-consolidated Balance Sheet
(As of December 31, 2018)

(million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	47,026	Current liabilities	46,656
Cash and deposits	339	Notes payable - trade	659
Notes receivable - trade	634	Electronically recorded obligations - operating	1,570
Accounts receivable - trade	24,949	Accounts payable - trade	5,967
Merchandise and finished goods	2,594	Short-term loans payable	21,737
Work in process	1,593	Short-term loans payable to subsidiaries and associates	1,730
Raw materials and supplies	131	Lease obligations	51
Accrued income	472	Accounts payable - other	12,218
Short-term loans receivable	6,200	Accrued expenses	1,880
Accounts receivable - other	7,844	Income taxes payable	544
Deferred tax assets	76	Deposits received	189
Other	2,190	Notes payable - facilities	25
Non-current assets	47,544	Other	79
Property, plant and equipment	13,433	Non-current liabilities	16,577
Buildings, net	8,222	Long-term loans payable	13,452
Structures, net	109	Lease obligations	155
Machinery and equipment, net	334	Provision for retirement benefits	2,951
Vehicles, net	1	Provision for directors' retirement benefits	1
Tools, furniture and fixtures, net	268	Other	15
Land	4,266	Total liabilities	63,233
Leased assets, net	199	(Net assets)	
Construction in progress	30	Shareholders' equity	30,867
Intangible assets	1,356	Capital stock	18,044
Patent right	396	Capital surplus	2,094
Software	938	Legal capital surplus	2,094
Leased assets	6	Retained earnings	11,335
Other	14	Legal retained earnings	402
Investments and other assets	32,755	Other retained earnings	10,932
Investment securities	2,158	Retained earnings brought forward	10,932
Shares of subsidiaries and associates	20,354	Treasury shares	(607)
Investments in capital of subsidiaries and associates	7,167	Valuation and translation adjustments	469
Investments in capital	283	Valuation difference on available-for-sale securities	469
Long-term loans receivable from subsidiaries and associates	1,221	Total net assets	31,337
Long-term accounts receivable from subsidiaries and associates	2,743	Total liabilities and net assets	94,571
Claims provable in bankruptcy, claims provable in rehabilitation and other	148		
Long-term prepaid expenses	43		
Deferred tax assets	737		
Other	46		
Allowance for doubtful accounts	(2,149)		
Total assets	94,571		

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Statement of Income
(January 1, 2018 - December 31, 2018)

(million yen)

Description	Amount	
Net sales		59,696
Cost of sales		48,541
Gross profit		11,155
Selling, general and administrative expenses		8,678
Operating profit		2,477
Non-operating income		
Interest and dividend income	1,025	
Commission fee	1,307	
Other	463	2,795
Non-operating expenses		
Interest expenses	506	
Foreign exchange losses	823	
Other	1	1,331
Ordinary profit		3,941
Extraordinary income		
Gain on sales of non-current assets	11	
Gain on liquidation of subsidiaries and associates	582	593
Extraordinary losses		
Loss on sales and retirement of non-current assets	3	3
Profit before income taxes		4,531
Income taxes - current	669	
Income taxes - deferred	204	874
Profit		3,657

(Note) Figures less than one million yen are rounded down to the nearest million.

Non-consolidated Statement of Changes in Equity
(January 1, 2018 - December 31, 2018)

(million yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	18,044	2,094	2,094	300	8,403	8,703
Changes of items during period						
Provision of legal retained earnings				102	(102)	—
Dividends of surplus					(1,025)	(1,025)
Profit					3,657	3,657
Purchase of treasury shares						
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	—	102	2,529	2,631
Balance at end of current period	18,044	2,094	2,094	402	10,932	11,335

(million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(606)	28,236	935	935	29,172
Changes of items during period					
Provision of legal retained earnings		—			—
Dividends of surplus		(1,025)			(1,025)
Profit		3,657			3,657
Purchase of treasury shares	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(465)	(465)	(465)
Total changes of items during period	(0)	2,631	(465)	(465)	2,165
Balance at end of current period	(607)	30,867	469	469	31,337

(Note) Figures less than one million yen are rounded down to the nearest million.

(English Translation)

Certified copy of Accounting Auditor's audit report on the Consolidated Financial Statements

Independent Auditor's Report

February 7, 2019

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Yoshiyuki Higuchi, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kentaro Sugimoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Pursuant to Paragraph 4 of Article 444 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements of JUKI CORPORATION (the "Company") for the fiscal term from January 1, 2018 to December 31, 2018.

The responsibility of management concerning the consolidated financial statements

The responsibility of management is to prepare consolidated financial statements in accordance with business accounting standards generally accepted in Japan and present appropriate accounting information. This responsibility includes the establishment and operation of internal controls deemed necessary by management for the preparation of consolidated financial statements free of material misstatement due to fraud or error and the presentation of appropriate accounting information.

The responsibility of independent auditors

Our responsibility is to express an opinion independently on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

In audits, procedures are conducted in order to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. Audit procedures are chosen and applied in accordance with our judgment, based on the risk assessment of material misstatement in the consolidated financial statements due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of internal controls. However, we examine internal controls related to the preparation of consolidated financial statements and the appropriate presentation in the course of conducting risk assessment, in order to plan audit procedures appropriate to the circumstances. An audit includes assessing the accounting policies used, its application method and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Audit opinion

In our opinion, the above consolidated financial statements fairly present, in every material aspect, the financial position and results of operations of the Group consisting of the Company and its consolidated subsidiaries for the relevant term of the consolidated financial statements, in accordance with the business accounting standards generally accepted in Japan.

Interests in the Company

Our firm and engagement partners have no interest in the Company which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Notice to Readers:

The original consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements, are written in Japanese.

(English Translation)

Certified copy of Accounting Auditor's audit report on the Non-consolidated Financial Statements

Independent Auditor's Report

February 7, 2019

To the Board of Directors
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Yoshiyuki Higuchi, CPA
Designated Unlimited Liability Partner,
Engagement Partner
Kentaro Sugimoto, CPA
Designated Unlimited Liability Partner,
Engagement Partner

Pursuant to Paragraph 2-Item 1 of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements, and the supplementary schedules of JUKI CORPORATION (the "Company") for the 104th fiscal term from January 1, 2018 to December 31, 2018.

The responsibility of management concerning the non-consolidated financial statements, etc.

The responsibility of management is to prepare non-consolidated financial statements and the supplementary schedules in accordance with business accounting standards generally accepted in Japan and present appropriate accounting information. This responsibility includes the establishment and operation of internal controls deemed necessary by management for the preparation of non-consolidated financial statements, and the supplementary schedules, free of material misstatement due to fraud or error and the presentation of appropriate accounting information.

The responsibility of independent auditors

Our responsibility is to express an opinion independently on the non-consolidated financial statements and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the non-consolidated financial statements and the supplementary schedules are free of material misstatement.

In audits, procedures are conducted in order to obtain audit evidence supporting the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. Audit procedures are chosen and applied in accordance with our judgment, based on the risk assessment of material misstatement in the non-consolidated financial statements, and the supplementary schedules, due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of internal controls. However, we examine internal controls related to the preparation of non-consolidated financial statements, and the supplementary schedules, and the appropriate presentation in the course of conducting risk assessment, in order to plan audit procedures appropriate to the circumstances. An audit includes assessing the accounting policies used, its application method and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that we have obtained sufficient and appropriate audit evidence to support our audit opinion.

Audit opinion

In our opinion, the above non-consolidated financial statements and supplementary schedules fairly present, in every material aspect, the financial position and results of operations of the Company for the relevant term of the non-consolidated financial statements and the supplementary schedules, in accordance with the business accounting standards generally accepted in Japan.

Interests in the Company

Our firm and engagement partners have no interest in the Company which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Notice to Readers:

The original non-consolidated financial statements, which consist of the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to non-consolidated financial statements, and the supplementary schedules thereof, are written in Japanese.

(English Translation)

Certified copy of the Audit & Supervisory Board's audit report

Audit Report

The Audit & Supervisory Board, following review and deliberations on the reports made by each Audit & Supervisory Board Member concerning the execution of duties by Directors for the 104th fiscal term from January 1, 2018 to December 31, 2018, prepared this Audit Report and hereby submits it as follows:

1. Summary of Auditing Methods by Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board established auditing policies and the division of duties, received reports regarding the status of audits and the results thereof from each Audit & Supervisory Board Member, received reports regarding the status of the execution of duties from Directors and the Accounting Auditor, and requested explanation as necessary.
 - (2) In accordance with the auditing standards for Audit & Supervisory Board Members determined by the Audit & Supervisory Board, and in compliance with auditing policies and the division of duties, each Audit & Supervisory Board Member made efforts to collect information and establish auditing circumstances through communication with Directors, internal audit staff and other employees, and perform the audit in accordance with the following procedures.
 1. Each Audit & Supervisory Board Member attended the Board of Directors' meetings and other important meetings to receive reports regarding execution of duties from Directors and employees, and requested explanations as necessary. Each Audit & Supervisory Board Member also inspected the approved documents and examined the status of operations and conditions of assets at the head office and principal offices. And each Audit & Supervisory Board Member communicated and shared information with the directors, auditors, etc. of the subsidiaries and received from the subsidiaries their business reports as necessary.
 2. Each Audit & Supervisory Board Member verified the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors' duties, as stated in the business report, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of the whole business group consisting of a stock company and its subsidiaries set forth in Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act. It also regularly received reports from Directors and employees on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions. With regard to the internal control over financial reporting, Audit & Supervisory Board Members received reports from Directors and Deloitte Touche Tohmatsu LLC on the status of discussion between them and the evaluation of such internal control and the status of audit, and requested explanations as necessary.
 3. Audit & Supervisory Board Members monitored and verified that the Accounting Auditor maintains independence and conduct the audits appropriately. Each Audit & Supervisory Board Member also received reports on the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Regulation on Accounting of Companies in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005)) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements), the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements) for the fiscal term ended December 31, 2018.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

1. The business report and supplementary schedules present fairly the financial condition of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
2. Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws and regulations, nor of the Articles of Incorporation of the Company.
3. The resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional comment regarding the contents of the business report on such internal control and the execution of duties by Directors. With regard to the internal control over financial reporting, the Audit & Supervisory Board received reports from Directors and Deloitte Touche Tohmatsu LLC that there were no material defects as of the date this audit report was prepared.

(2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

February 8, 2019

Audit & Supervisory Board, JUKI CORPORATION

Audit & Supervisory Board Member (Full-time)	Hirofumi Gotoh
Audit & Supervisory Board Member	Masato Tanaka
Audit & Supervisory Board Member	Yasuaki Isobe

(Note) Audit & Supervisory Board Members Masato Tanaka and Yasuaki Isobe are Outside Audit & Supervisory Board Members who are required to be appointed in accordance with Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.

Reference Materials for the Ordinary General Meeting of Shareholders

Proposals and Reference Information

First proposal: Appropriation of Surplus

For distribution of profit, we maintain the basic policy of striving to improve the return of profit to our shareholders based on the stable payment of dividends in comprehensive consideration of factors such as the results of the current fiscal year and the internal reserve provided for capital expenditures and proactive development investment in order to build a stable business base for the future.

In accordance with this policy, the Company proposes to pay year-end dividends for the 104th fiscal year as follows, increasing the payment by 5.00 yen from the ordinary dividend of 25.00 yen for the previous fiscal year.

Year-end dividend

(1) Type of dividend assets

Cash

(2) Distribution of dividend assets to shareholders and the total amount of dividends

Payment of 30.00 yen per share of common shares

Total amount of dividends: 878,873,280 yen

(3) Effective date of distribution of surplus

March 28, 2019

(For reference)

Dividends for the previous fiscal year (103rd fiscal year)

Ordinary dividend: 25.00 yen; commemorative dividend: 10.00 yen

Total: 35.00 yen

Second proposal: Election of 6 Directors

The term of office of all (6) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 6 Directors (including 2 Outside Directors) is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Reelection Akira Kiyohara (November 26, 1951)	<p>April 1974 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2002 Executive Officer and General Manager of Corporate Planning Dept. of Mizuho Bank, Ltd.</p> <p>March 2003 Managing Executive Officer, ditto</p> <p>March 2007 President of Mizuho Capital Co., Ltd.</p> <p>May 2009 Joined the Company, Advisor</p> <p>June 2009 Senior Managing Director, CAO, and CCO</p> <p>July 2009 Senior Managing Director, CFO, CAO, and CCO</p> <p>June 2010 President</p> <p>August 2013 President, and President of JUKI AUTOMATION SYSTEMS CORPORATION (Present)</p>	33,200 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Akira Kiyohara has served as President of the Company since 2010. He has properly managed the Board of Directors' meetings as Chairman and has appropriately fulfilled his role in decision-making and supervising. He possesses an excellent track record in controlling the overall management of the Group through his wealth of experience and his knowledge as management. The Company determined that he is capable of exercising strong leadership to drive the Company toward its vision of improved corporate value over the medium to long term for the entire Group.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
2	Reelection Shinsuke Uchinashi (March 26, 1957)	April 1979	Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)	13,400 shares
		August 2004	General Manager of Kamata Branch, Mizuho Bank, Ltd.	
		April 2010	Executive Officer and General Manager of Credit Supervision Division IV, ditto	
		May 2011	Joined the Company, Senior Executive Operating Officer	
		March 2013	Managing Officer “In charge of Administration Center (Corporate Administration Dept. and Finance & Accounting Dept.)”	
		March 2014	Managing Officer “In charge of Administration Center (Finance & Accounting Dept.)” and “In charge of Production Center”	
		January 2017	Managing Officer “In charge of Global Cooperate Center (Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center”	
		March 2017	Director and Managing Officer “In charge of Global Cooperate Center (Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)” and “In charge of Production Center”	
		March 2018	Director and Senior Managing Officer “In charge of Global Corporate Center (Corporate Planning Dept. and Finance & Accounting Dept.)”, “In charge of Business Operation Center (Group Business Company)”, and “In charge of Production Center” (Present)	
[Reasons for nomination as candidate for Director] Mr. Shinsuke Uchinashi has served as Director since 2017. He has managed a wide swatch of departments, including Finance & Accounting, Corporate Planning, Group Business, and Production Center, and has appropriately fulfilled his duties in both administration and business management through his wealth of experience and knowledge. The Company determined that he is capable of contributing to management issues, including Group Business expansion, introducing smart technologies into factories, and financial foundation construction.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Reelection Toshimasa Miura (December 23, 1955)	<p>December 1983 Joined the Company</p> <p>July 1986 General Manager of Administration Dept. of JUKI AMERICA, INC.</p> <p>October 1998 General Manager of Sales Administration Dept., Marketing and Sales HQ, Industrial Sewing Machine Div.</p> <p>April 2002 HQ General Manager of Planning and Administration HQ, Industrial Sewing Machine Div. and General Manager of Business & Product Planning Dept.</p> <p>November 2004 General Manager of Market Research Dept.</p> <p>October 2007 Corporate Officer and General Manager of Human Resources Dept.</p> <p>February 2016 Corporate Officer, General Manager of Human Resources Dept. and General Manager of Internal Auditing Dept.</p> <p>March 2017 Managing Officer “In charge of Global Cooperate Center (Human Resources Dept.)”, “In charge of Secretariat”, “In charge of Internal Auditing Dept.”, “In charge of Internal Control and Compliance” and General Manager of Human Resources Dept.</p> <p>March 2018 Director and Managing Officer “In charge of Global Cooperate Center (Human Resources Dept. and General Affairs Dept.)”, “In charge of Secretariat”, “In charge of Internal Auditing Dept.” and “In charge of Internal Control and Compliance” (Present)</p>	15,900 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Toshimasa Miura has served as Director since 2018. He possesses expertise and experience in overall management, including management control in group companies and business division, and management of the Human Resources and the Group’s Internal Auditing Departments at the head office. As an officer in charge of compliance, he has appropriately fulfilled his duties in governance and construction of internal controls. The Company determined that he is capable of contributing to medium- to long-term strengthening of the CSR and risk management system base.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	New election Takeshige Hamasoto August 22, 1955	<p>November 1982 Joined the Company</p> <p>March 2001 President of JUKI (EUROPE) GMBH.</p> <p>April 2005 President of JUKI CENTRAL EUROPE SP. ZO.O.</p> <p>June 2008 Deputy HQ General Manager of Marketing and Sales HQ, Electronic Assembly and Test Systems Div.</p> <p>July 2010 President of JUKI CENTRAL EUROPE SP. ZO.O. and President of JUKI ITALIA S.P.A</p> <p>January 2014 Corporate Officer and Deputy Executive Unit Officer of Sewing Machinery Business Unit (In charge of Europe and Americas Areas)</p> <p>March 2014 Corporate Officer and Deputy Executive Unit Officer of Sewing Machinery Business Unit (In charge of Europe and Americas Areas) and President of JUKI AMERICA, INC.</p> <p>June 2017 Corporate Officer and Deputy Executive Unit Officer of Sewing Machinery and Systems Business Unit and “In charge of Sewing Machinery and Systems Business Unit (Sales Promotion Dept., Non-apparel Company and Household Sewing Machinery Company)”</p> <p>March 2018 Managing Officer “In charge of Business Operation Center (Sewing Machinery and Systems Business Unit)”, Executive Unit Officer of Sewing Machinery and Systems Business Unit and “In charge of Business Operation Center (Customer Business Company)” (Present)</p>	2,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Takeshige Hamasoto possesses a wealth of experience and knowledge about marketing and sales in mainstay businesses, including Sewing Machinery and Electronic Assembly Systems. He has appropriately fulfilled his duties as senior management in managing group companies in Europe and the U.S. and overseeing business units at the head office. The Company determined that he is capable of appropriately fulfilling his duties in oversight and decision-making as a Director, including expanding the customer base through solution sales activities.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Reelection Outside Independent Kazumi Nagasaki (May 28, 1951)	April 1976	Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)	0 shares
		November 1998	General Manager of Production System Development Dept., ditto	
		March 2003	Plant Manager of Kumamoto Plant, ditto	
		January 2005	Plant Manager of Yokohama Plant, ditto	
		July 2005	Manager of Chemical and Industrial Products Production Div., ditto	
		July 2008	President of Bridgestone EMK Co., Ltd.	
		January 2014	Director Senior Advisor, ditto	
		February 2014	Senior Advisor, ditto	
		March 2014	Director of the Company (Present)	
[Reasons for nomination as candidate for Outside Director] Mr. Kazumi Nagasaki has served as Outside Director of the Company since 2014, and his term of office will have been five years at the conclusion of this Ordinary General Meeting of Shareholders. He possesses a wealth of experience and knowledge as a corporate manager, as well as considerable insight and supervisory ability with regard to corporate management. The Company determined that he is an appropriate person to serve as Outside Director because he can be expected to provide pertinent advice and make decisions from an objective and neutral perspective.				
6	Reelection Outside Independent Yutaka Hori (October 5, 1949)	April 1979	Registered as an attorney (Dai-ichi Tokyo Bar Association)	0 shares
		December 1989	Representative attorney of Hori & Associates Law Office (currently Hori & Partners) (Present)	
		June 1999	Lecturer of Graduate School of International Corporate Strategy, Hitotsubashi University	
		April 2004	Executive and Vice President, National University Corporation Chiba University (Present)	
		April 2010	Commissioner of Public Interest Corporation Commission (PICC) of the Cabinet Office (Present)	
		March 2016	Director of the Company (Present)	
		June 2016	Outside Director of FIDEA Holdings Co. Ltd. (Present)	
		August 2017	Outside Director of Pasona Group Inc. (Present)	
[Reasons for nomination as candidate for Outside Director] Mr. Yutaka Hori has served as Outside Director of the Company since 2016, and his term of office will have been three years at the conclusion of this Ordinary General Meeting of Shareholders. The Company determined that he is an appropriate person to serve as Outside Director because he can be expected to appropriately provide pertinent advice and make decisions on matters such as compliance based on the legal expertise he has built up as an attorney over many years and his experience serving as director for other companies in the business world.				

- (Notes)
1. None of the above candidates for Directors have any special interest with the Company.
 2. Mr. Kazumi Nagasaki and Mr. Yutaka Hori are candidates for Outside Directors and are independent officers as specified by the Tokyo Stock Exchange.
 3. Upon the approval of the election of Mr. Kazumi Nagasaki, and Mr. Yutaka Hori in this proposed resolution, the Company will conclude a "Contract for Limitation of Liability" with each of them for the purpose of limiting their liability, as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 31 of the Company's Articles of Incorporation. The maximum amount of liability under said contracts is the amount provided for in the applicable laws and regulations.

Third proposal: Election of 1 Audit & Supervisory Board Member

Audit & Supervisory Board Member, Mr. Hirofumi Gotoh will resign at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board consented to the proposal of this resolution.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions		Number of shares of the Company held
New election Masahiko Suzuki (January 25, 1958)	April 1980 November 2006 November 2009 June 2011 April 2016	Joined the Company Deputy General Manager of Accounting Dept. Deputy General Manager of Corporate Planning Dept., Planning HQ General Manager of Finance & Accounting Dept. Corporate Officer and General Manager of Finance & Accounting Dept. (Present)	3,700 shares
[Reasons for nomination as candidate for Audit & Supervisory Board Member] Mr. Masahiko Suzuki has appropriately fulfilled his duties as a person responsible for management control in group companies, and finance and accounting management at the head office, and possesses a wealth of knowledge and experience in these fields. He is also knowledgeable about overall management, having participated in important meetings, such as the Board of Directors' meetings and Management Strategy Council for many years in the capacity of Corporate Officer as management. The Company determined that he is an appropriate person to fulfill the duties of Audit & Supervisory Board Member including cooperating with Accounting Auditors.			

- (Notes)
1. The above candidate for Audit & Supervisory Board Member has no special interest with the Company.
 2. The candidate, Mr. Masahiko Suzuki, is the substitute candidate for retiring Audit & Supervisory Board Member, Mr. Hirofumi Gotoh. Accordingly, his term of office will expire at the conclusion of the 106th Ordinary General Meeting of Shareholders to be held in March 2021 in accordance with Article 34 of the Company's Articles of Incorporation.

Fourth proposal: Election of 1 Substitute Audit & Supervisory Board Member

The resolution by the General Meeting of Shareholders on the election of substitute Audit & Supervisory Board Members, Mr. Yoshihiro Otake and Mr. Mitsuhiro Shinoda, shall remain in effect until the start of this Ordinary General Meeting of Shareholders. Accordingly, in order to prepare for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, the election of 1 substitute Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board consented to the proposal of this resolution.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Junko Watanabe (May 26, 1957)	<p>April 1980 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>April 1999 General Manager of Hachioji South Branch, ditto</p> <p>June 2003 General Manager of Hiyoshi Branch, Mizuho Bank, Ltd.</p> <p>February 2006 General Manager of Oji Branch, ditto</p> <p>April 2008 General Manager of Diversity Promotion Office, Human Resources Dept., ditto</p> <p>August 2010 Retired from Mizuho Bank, Ltd.</p> <p>September 2010 Executive Officer of Mizuho Research Institute Ltd.</p> <p>May 2011 Senior Executive Officer, ditto</p> <p>March 2014 Retired from Mizuho Research Institute Ltd.</p> <p>April 2014 Joined Tokiwa Kosan Co., Ltd., Executive Officer</p> <p>June 2015 Director and Executive Officer, ditto (Present)</p>	0 shares
<p>[Reason for nomination as candidate for substitute Audit & Supervisory Board Member]</p> <p>The Company determined that Ms. Junko Watanabe is capable of appropriately providing appropriate advice and conducting audits based on her wealth of experience and knowledge as management through business and diversity management, and execution of duties as a Director. In addition, she has sufficient financial and accounting knowledge.</p>		

- (Notes)
1. The above candidate for substitute Audit & Supervisory Board Member has no special interest with the Company.
 2. Ms. Junko Watanabe is a substitute for Outside Audit & Supervisory Board Member.
 3. Ms. Junko Watanabe satisfies the requirements for an independent officer specified by the Tokyo Stock Exchange. Upon the approval of the election of Ms. Junko Watanabe in this proposed resolution and her assuming office as Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.
 4. Upon the approval of the election of Ms. Junko Watanabe in this proposed resolution and her assuming office as Audit & Supervisory Board Member, the Company will conclude a “Contract for Limitation of Liability” with her for the purpose of limiting her liability, as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 43 of the Company’s Articles of Incorporation. The maximum amount of liability under said contract is the amount provided for in the applicable laws and regulations.
 5. The Company may cancel the election of substitute Audit & Supervisory Board Member before she assumes office as Audit & Supervisory Board Member.
The cancellation shall be resolved by a majority of the Board of Directors and shall require the consent of the Audit & Supervisory Board.