



Creating the next **VALUE**

Innovation gives a merchandise competitive edge creating new value in the meantime.  
Focusing on this principle, JUKI has been exerting ceaseless efforts in technical development  
coupled with higher quality services in every aspect to customers.  
We will be excited at the prospect of serving you in global marketplaces with new values and  
satisfaction both through supportive hardware and software for long.  
Customer Satisfaction and Creation of first-rate Values are what we keep looking ahead as  
our corporate policy.

## JUKI CORPORATION

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# Annual Report



**2005**  
JUKI CORPORATION



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# FINANCIAL HIGHLIGHTS

JUKI CORPORATION and Consolidated Subsidiaries

Yen in millions and dollars in thousands, except for per share amounts

Consolidated	2005	2004	2003	2002	2005
<b>Years ended March 31</b>					
Net Sales	¥ 127,950	¥ 120,625	¥ 118,556	¥ 114,197	\$ 1,195,791
Income (loss) Before Income Taxes and Minority Interests	7,074	3,504	(1,057)	893	66,111
Net Income (loss)	5,523	866	(3,231)	289	51,618

## As of March 31

Total Assets	115,916	118,563	139,012	115,157	1,083,328
Shareholders' Equity	13,566	3,260	2,113	6,741	126,789

	Yen		U.S.dollars		
Net Income (loss) per Share	¥ 51.07	¥ 8.47	¥ (31.91)	¥ 2.85	\$ 0.48

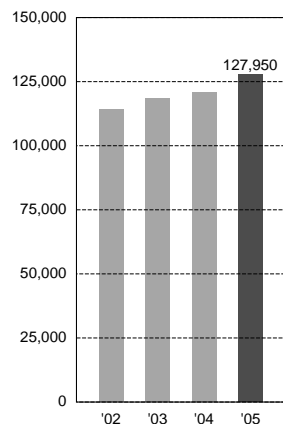
Note : Dollar figures in this annual report refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the approximate exchange rate of ¥107=US\$1 on March 31, 2005. Net income per share is based on the average number of shares of common stock outstanding during the respective fiscal year.



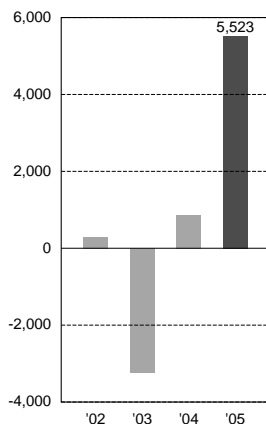
# To Our Shareholders

# 01

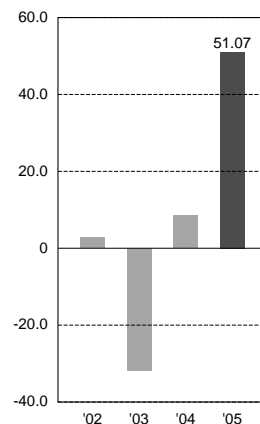
**Net Sales**  
(Millions of Yen)



**Net Income (loss)**  
(Millions of Yen)



**Net Income (loss) per share**  
(Yen)





## To Our Shareholders,

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### Business Results

First of all, we would like to express our appreciation for your continued support and patronage.

We have been tackling various managerial issues with a strong focus on the "simultaneous pursuit of profit and cash flow," the basic policy and motto established under the Medium-Term Three-Year Management Plan commenced from the fiscal year 2004.

Our Juki group has striven to improve profitability through a succession of cost-cutting measures, including a close review of shifting our production bases. We have also worked to strengthen our financial basis by implementing three core measures to reduce interest-bearing debt: minimizing inventory, selling off underutilized real estate, and issuing bonds with warrants.

As a result, the Juki group has achieved total sales of 127,949 million yen (6.1 percent increase from the previous year), ordinary profit of 8,646 million yen (126.6 percent increase) and net profit of 5,523 million yen (537.5 percent increase) on a consolidated basis for the fiscal year ended

March 31 2005, the final year of our Medium-Term Management Plan. The Juki group was also able to settle its cumulative loss, a longstanding challenge for the group over the last several years.

Turning to the business achievements of Juki Corporation alone, the company recorded sales of 75,221 million yen (5.8 percent increase from the previous year), ordinary profit of 4,570 million yen (127.5 percent increase) and net profit of 2,812 million yen (loss of 5,957 million yen) for this period.

Based on the business results summarized above, we are pleased to pay a year-end dividend of 4 yen per share to our shareholders.

We deeply regret the company's inability to meet the expectations of shareholders and distribute dividends over the previous three periods from fiscal 2001 to 2003. Taking this opportunity, we would like to express our sincere appreciation for the support and kind consideration you have extended to our company during those difficult years.

All of us at the Juki group are determined to continue our utmost effort to further improve our business performance. Your continued guidance and support is sincerely requested.

## Medium-Term Management Plan

From fiscal year 2005 onward, Juki is commencing a new Medium-Term Three-Year Management Plan calling for ongoing cost reductions and improvements in the company's financial position. Juki also continues to follow its basic aims and policies calling for active investment in growth fields to further strengthen and enlarge the operating bases of the Juki group.

### Basic aims

To "continuously grow and create corporate value based on enhanced CS (Customer Satisfaction)," and to simultaneously pursue both "profit and cash flow."

### Policies

#### (1) Enhance the corporate brand value

Juki enhances corporate value for customers, stockholders, and its own employees by providing excellent products and services, reinforcing its quality control system, preventing and remedying environmental burdens, and further improving its compliance system.

#### (2) Expand operations (Realize growth strategies by strengthening group operations)

Juki continues to reinforce its industrial sewing machine and other businesses while laying the groundwork for the company's new growth strategy.

#### (3) Improve profitability (Restructure Juki's technologies, know-how, etc., as a manufacturer)

After investing in business growth, Juki reduces costs and increases profit margins to ensure stable profits in the future.

#### (4) Strengthen the balance sheet of the Juki Group

Juki continues to increase its equity capital and asset effectiveness in order to strengthen its balance sheet by reducing debts payable.

#### (5) Revitalize human resources and organizations

Juki infuses its organization and people with an energizing commitment to CS (Customer Satisfaction) and a high motivation to learn (knowledge and skills).

Through our ongoing progress in advancing these basic policies, we target 145 billion yen in sales, of 100 million yen of income from ordinary operations, 35 billion yen of equity capital, and 50 billion yen of interest-bearing debt in fiscal year 2007.

July 2005

**Kazuyuki Nakamura**

President,  
JUKI CORPORATION



# Guide to JUKI's

# 02

## Business policy

### 1. Basic business policy

The Juki group strives to meet the expectations of its customers, stockholders, business partners, and employees by providing excellent products and services under its basic business policy of "Total Quality Management." Our ongoing focuses are customer satisfaction, enhanced corporate value, and sustainable growth.

Now, after more than 60 years in business as a major industrial manufacturer, Juki pursues the corporate mission of creating new value and contributing socially through global business activities. The Juki corporate slogan expresses the ideal to which all members of the Juki group aspire:

"MIND & Technology-Technology with Heart."

### 2. Basic policy of profit-sharing

Profit-sharing is an immediate priority in our business. Juki makes every possible effort to return stable dividends and satisfactory profits to its stockholders while retaining sufficient capital to expand and improve both its business and corporate performance in the future.

Juki performed favorably over the last fiscal year, with better-than-expected business results and a clearing of its consolidated deficit. This enabled the company to pay a year-end dividend of four yen per share.

### 3. Basic concept and policy of corporate governance and the status of its implementation

#### (1) Basic concept of corporate governance

Juki continues to develop and expand its corporate governance system. The optimally effective operation of this system is crucial not only for maintaining sound and effective management, but also for meriting the confidence of our stakeholders. Our next immediate goals are to improve management transparency through the rapid and accurate disclosure of information to stockholders and investors.

#### (2) Measures for corporate governance

1) Status of corporate governance, including the management organization responsible for management decision-making, operations, and surveillance

Juki has established a Management Strategy Conference under its directors to increase the timeliness and mobility of management. The Company also implements an operating officer system and has appointed 'chief officers' (directors in charge) to facilitate the business and affairs of the Corporation with clear designations of responsibility.

Alongside the Board of Corporate Auditors, the Company assigns its Internal Auditing Department, Compliance Committee, and Risk-Management Committee to enhance supervisory functions across the Juki group in audit-related affairs.

Seven directors, 16 operating officers, and 4 auditors are now appointed. All seven of the directors double as operating officers. Two of the auditors are outside auditors.

2) Personal relationships, capital ties, business connections, or other interests among our directors, outside directors, and outside auditors

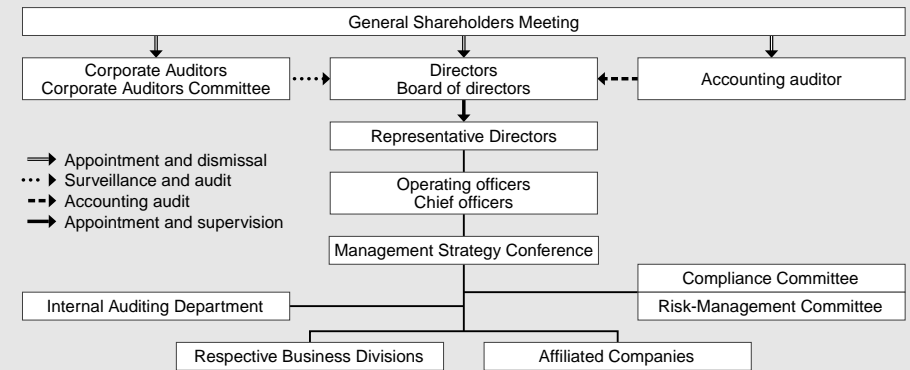
Juki has no outside directors, and its outside auditors have no interests in the Juki group.

3) Efforts to improve corporate governance within one year

Juki has recently taken a number of steps to improve its corporate ethics and the soundness of its management. In addition to establishing a Compliance Committee in March 2004, we have instituted a Code of Conduct for Employees and an In-House Whistleblowing System. To strengthen internal controls and improve management transparency, we have reviewed the Juki Regulations of Authority and appointed an in-house adjudicator to deliberate ethical issues arising in the course of internal affairs.

The Risk-Management Committee was set up to reduce risks by coping with abrupt changes and fluctuations in the corporate environment. The committee members rapidly collect and deliver information as required.

The following outlines the organizations in our Company responsible for internal control and surveillance of management and operations.



### 4. Issues relating to parent companies

Juki has no parent company.

## Research and development activities

**Development activities in the Juki group are divided between the research department and design department. The former researches and develops fundamental technologies to be adopted in Juki products, while the latter handles product development in the respective business segments. The research and development cost of entire group in the current consolidated fiscal year was 4,849 million yen (percentage-of-sales: 3.79 percent) (185 million increase from the previous year). The total number of industrial property rights, a handy measure of the results of research and development activities, stood at 833 at the end of the fiscal year 2004. This marks an increase of 112 cases from the previous fiscal year.**

### 1. Activities in common within the group

Customers benefit from the research and development activities of the Juki group through the resulting gains in CS (Customer Satisfaction), quality, prices, and timely product launches. The entire group remains wholly committed to the development of products to satisfy customers.

Juki group is now working towards compliance with two new standards: the WEEE standard to be enforced chiefly in Europe from August 2005 and the RoHS standard to be enforced from July of 2006. Our environmental efforts advanced in August 2004 with the commencement of plans for the Juki Group Green Procurement Guideline, a new set

of environmental standards to ensure the manufacture of safer products without the use of hazardous substances. The Juki group will be completing these plans by July 2006.

### 2. Research and development activities by segment

#### (1) Industrial sewing machines segment

This segment develops industrial sewing machines at industry-leading levels with a solid commitment to differentiating Juki as a world class producer in every aspect of development, including quality, reliability, productivity, new technology, and information technology. To meet the recent customer demand for "highly efficient

sewing machines which operate cleanly," our research divisions have been advancing the uses of dry heads and direct-drive motors in newly developed products, as well as in our mainstream sellers such as the DDL-9000, LZ-2290A, and LK-1900A. We have also been advancing our technologies to develop sewing machines with robust IT functions for the rapid exchange and processing of data on production, maintenance, design specifications, orders, and even training functions for novice operators. In the fields of covering stitches and overlock sewing machines, the recently launch of the MF-7700 and MO-6700 series have set new precedents and expanded the scope of the market.

This segment will continue to create sewing machines with higher customer value by improving reliability, quality, performance, and the level of IT integration. These efforts, together with improved CS and more ambitious service activities to integrate development, production, and sales operations, will allow us to materially contribute to the global sewing industry and cope with the rapidly advancing competition from sewing machine manufacturers in China and other countries.

#### (2) Home sewing machines segment

This segment researches and develops Home sewing machines, small overlock machines, and semi-professional sewing machines. Our research development blocks are based in two locations, the Tokyo Headquarters and the manufacturing premises of Juki Hiroshima Corporation. To streamline efficiency, the work of these blocks is segregated based on the characteristics of model groups. Both blocks continue to develop a steady stream new products. Our major recent releases include the HZL-010N, a high-end computerized sewing machine highly praised for its outstanding performance and unique automatic bobbin-thread-supply device, the only device of its type in the world; the HZL-85, a new Japanese version of a mid-level computerized sewing machine for foreign markets; the E-60, a mid-level computerized sewing machine recently awarded the 2004 Good Design Award and redesigned as sub-class models; and the TL-25 and TL-98P/98Q, a pair of serializations of semi-professional sewing machines developed for the domestic and overseas markets, respectively.

We continue to enhance the business of Juki overall by developing new products to meet the current demands of the marketplace on a timely basis.

#### (3) Electronic Assembly and Test Systems segment

The Electronic Assembly and Test Systems segment is mainly involved in the research and development of pick & placers to mount electronic components on substrates and various accompanying devices. Our development system encompasses Juki Corporation, JDK Corporation, and Juki Hiroshima Corporation. Each entity takes partial charge of functions in collaboration, capitalizing on their individual strengths.

This segment researches and develops core competencies such as parts recognition, handling, and pick-and-placing speed-up in order to meet the rising demand for improved reliability, stability, and productivity (surface-mounted components produced within a limited time frame) in the marketplace for pick and placers. We also produce excellent products by performing CAE analyses, design reviews, and reliability tests on a timely basis.

Our development activities have recently led to the release of three outstanding models in succession: the KE-2050R High-speed Chip Shooter equipped with functions for total management, self-diagnosis and automatic adjustments by a host computer, the KE-2060R High-Speed Flexible Pick and Placer, and the FX-1R ultrahigh-speed Modular Pick and Placer. We also have received outstanding reviews for two new devices released for semiconductor packaging in May of 2005: the ATF8, a brand new tape feeder, and the CX-1, a next-generation 'Flexible Pick and Placer.' This segment will continue to accelerate the pace of R&D and pursue the development of newer generations of pick and placers, feeders, and related devices as a means to enhance profits in this business.

#### (4) Other segments

Juki's segments in other fields press forward with research and development mainly via the efforts of the in-house development division to harness the strengths and unique qualities of our consolidated subsidiaries, including Juki Seimitsu Corporation, Juki Densan Corporation, JDK Corporation, Juki Hiroshima Corporation, and Juki Matsue Corporation, Juki Seimitsu Corporation, a producer of a part of arcade machines, and JDK Corporation, a specialist in terminal devices for banking services, have recently established new development blocks in Tokyo and are energetically proceeding with entrusted development businesses and other projects.

#### (5) Central Technical Research Institute

In addition to its R&D activities to enhance the value of the technologies of each segment, the Central Technical

Research Institute develops fundamental technologies to create technical seeds for product development, material developments, research on new materials, collaborative projects with external institutions such as universities and other organizations, and the development of analytical and simulation by 3D CAD and CAE.

We will continue to strongly promote research and development activities that support the sustainable

growth and progress of the Juki group as a technological leader by establishing technology strategies, intellectual properties, and business bases from medium- and long-term standpoints. Our cross-section system for research and development administration enables us to promote R&D that extend across the group both domestically and abroad in an effective and efficient manner.

## Overview of business results

**The world economy grew stably over the consolidated fiscal year 2004, backed by strong momentum in the United States and China in the first six months. The recent boom in digital consumer electronics has helped sustain the trend of economic recovery. Midway through the year, however, prospects for future growth in Japan were dampened somewhat by escalating oil prices, the rising yen against the dollar, and the trend of inventory adjustment in the semiconductor sector.**

**In this business environment, the Juki group (Juki and consolidated subsidiaries) reinforced its efforts to reduce costs, improve its financial standing, and thoroughly implement the measures planned for the final fiscal year of the Medium-Term Management Plan. As a result, the consolidated net sales for the fiscal year 2004 reached 127,949 million yen (6.1 percent increase from the corresponding term of the previous fiscal year) and consolidated ordinary profits reached 8,646 yen (126.6 percent increase). These were the largest profit margins ever achieved by the Juki group. Extraordinary expenses were incurred to fund the liquidation of group businesses for further improvements in efficiency and optimization of performance. However, the consolidated net profit for the term was 5,523 million yen (537.5 percent increase).**

### 1. Business results by segment

#### (1) Industrial sewing machines segment

The monetary tightening in China, an important production base for industrial sewing machines, affected performance in this segment. Production continued to grow, however, and the abolishment of a quota, the quantitative import restraint of fibers in Europe and the United States, helped the company maintain exports and domestic consumption of its products at high levels.

As a result, consolidated net sales totaled 62,343 million yen (4.6 percent increase from the corresponding term of the previous fiscal year) and operating profit totaled 6,394 million yen (6.3 percent increase).



#### (2) Home sewing machines segment

The potential development of a deflationary spiral in the United States due to rising oil prices has been a

concern in foreign countries. Nonetheless, OEM sales were pushed above the levels of the previous fiscal year through aggressive sales



activities. While forecasts predict a gradual economic recovery for Japan, the trend in personal consumption is still opaque. As a result, the consolidated net sales were 12,545 million yen (7.7 percent decrease from the corresponding term of the previous fiscal year) and the operating profit was 665 million yen (58.1 percent increase) for the entire Home sewing machines business.

#### (3) Electronic Assembly and Test Systems segment

The consolidated net sales in the SMT systems business were 22,568 million yen (28.3 percent increase from the corresponding term of the previous fiscal year) and the operating profit was 1,096 million yen (versus a negative profit of 1,126 million yen) for the entire SMT

systems business. These benefits gained from the release of new products, capacity investments chiefly by the digital household appliance industry, and burgeoning demand in both Europe and the United States outweighed the pressures of severe price competition.

- (4) Electronic and Precision Instruments** (terminal devices for banking services, arcade machines, etc.) Active order receipts in Japan boosted sales of the related equipment of arcade machines. As a result, consolidated net sales were 14,712 million yen (14.5 percent increase from the corresponding term of the previous fiscal year) and the operating profit was 1,734 million yen (3.8 percent decrease).
- (5) Others** (jewelry goods and health-related products) Consolidated net sales were 15,779 million yen (7.1 percent decrease from the corresponding term of the previous fiscal year) and operating profit was 1,393 million yen (32.4 percent increase).

## 2. Business results by region

### (1) Japan

Sales of 69,243 million yen (2.7 percent increase from the corresponding term of the previous fiscal year) and operating profit of 8,373 million yen (10.8 percent increase).

### (2) United States

Sales of 8,836 million yen (16.7 percent increase from the corresponding term of the previous fiscal year) and operating profit of 241 million yen (versus a negative profit of 93 million yen).

### (3) Asia

Sales of 40,892 million yen (10.3 percent increase from

the corresponding term of the previous fiscal year) and operating profit of 2,583 million yen (5.7 percent increase).

### (4) Europe

Sales of 8,977 million yen (4.8 percent increase from the corresponding term of the previous fiscal year) and operating profit of 85 million yen (versus a negative profit of 570 million yen).

## 3. Status of cash flow

Cash and cash equivalents (referred to as "funds" hereinafter) on a consolidated basis stood at 9,923 million yen at the end of this consolidated fiscal year, down by 1,610 million yen from the corresponding term of the previous fiscal year.

### (Cash flow from operating activities)

Increased funds from operating activities in the current consolidated fiscal year stood at 8,195 million yen (18,829 million yen increase from the corresponding term of the previous fiscal year). This gain was attributable to reduced inventory assets.

### (Cash flow from investing activities)

Decreased funds from investing activities in the current consolidated fiscal year stood at 2,231 million yen (5,254 million yen increase from the corresponding term of the previous fiscal year). This change was chiefly due to investment in production facilities.

### (Cash flow from financial activities)

Decreased funds from financial activities in the current consolidated fiscal year stood at 7,656 million yen (24,649 million yen decrease from the corresponding term of the previous fiscal year). The squeeze from debts with interest outweighed the 5,798 million yen income from the bond issue.



# Financial Section

## Consolidated Balance Sheets

JUKI CORPORATION and Consolidated Subsidiaries, March 31, 2005 and 2004

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note1)
	2005	2004	2005
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	¥ 9,923	¥ 11,533	\$ 92,739
Marketable securities (Note 3)	50	40	465
Short-term investments (Note 4)	1,815	2,177	16,965
Receivables:			
Trade notes (Note 10)	2,866	2,163	26,785
Trade accounts (Note 10)	21,266	20,579	198,745
Other	853	1,303	7,967
Allowance for doubtful accounts	(2,521)	(2,627)	(23,556)
Inventories (Note 5)	38,474	42,280	359,569
Deferred tax assets (Note 9)	2,577	2,211	24,088
Prepaid expenses and other current assets	3,930	1,871	36,731
Total current assets	79,233	81,530	740,498
<b>PROPERTY, PLANT AND EQUIPMENT (Note 6):</b>			
Land	5,940	5,956	55,511
Buildings and structures	22,625	21,574	211,453
Machinery and equipment	20,115	20,355	187,994
Furniture and fixtures	20,763	20,972	194,043
Construction in progress	173	74	1,618
Total	69,616	68,931	650,619
Accumulated depreciation	(47,225)	(47,225)	(441,360)
Net property, plant and equipment	22,391	21,706	209,259
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities (Notes 3 and 6)	5,444	5,293	50,876
Investments in and long-term loans to unconsolidated subsidiaries and associated companies	1,168	1,626	10,920
Long-term receivables	164	307	1,535
Deferred tax assets (Note 9)	2,558	2,447	23,901
Other assets	4,958	5,654	46,339
Total investments and other assets	14,292	15,327	133,571
<b>TOTAL</b>	<b>¥ 115,916</b>	<b>¥ 118,563</b>	<b>\$ 1,083,328</b>

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note1)
	2005	2004	2005
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings (Note 6)	¥ 21,332	¥ 33,343	\$ 199,363
Current portion of long-term debt (Note 6)	19,146	21,380	178,935
Payables:			
Trade notes (Note 10)	10,615	12,100	99,207
Trade accounts (Note 10)	6,212	6,974	58,057
Income taxes payable	1,172	1,288	10,950
Accrued expenses	6,114	5,500	57,139
Other current liabilities	4,155	3,802	38,835
Total current liabilities	68,746	84,387	642,486
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt (Note 6)	26,400	24,614	246,726
Liability for retirement benefits (Note 7)	6,358	5,460	59,426
Other long-term liabilities	369	399	3,447
Total long-term liabilities	33,127	30,473	309,599
<b>MINORITY INTERESTS</b>	<b>477</b>	<b>443</b>	<b>4,454</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12, 13 and 14)</b>			
<b>SHAREHOLDERS' EQUITY (Notes 8 and 15):</b>			
Common stock-authorized, 400,000,000 shares; issued, 117,020,771 shares in 2005 and 101,375,990 shares in 2004	12,441	9,941	116,273
Capital surplus	5,509	6,901	51,485
Retained earnings (deficit)	183	(9,229)	1,713
Net unrealized gain on available-for-sale securities	595	330	5,560
Foreign currency translation adjustments	(5,134)	(4,665)	(47,979)
Total	13,594	3,278	127,052
Treasury stock-at cost, 94,786 shares in 2005 and 66,157 shares in 2004	(28)	(18)	(263)
Total shareholders' equity	13,566	3,260	126,789
<b>TOTAL</b>	<b>¥ 115,916</b>	<b>¥ 118,563</b>	<b>\$ 1,083,328</b>

See notes to consolidated financial statements.

## Consolidated Statements of Income

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
<b>NET SALES</b> (Note 10) .....	¥ 127,950	¥ 120,625	\$ 1,195,791
<b>COST OF SALES</b> (Notes 10 and 11) .....	83,141	78,914	777,014
Gross profit .....	44,809	41,711	418,777
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 11) .....	34,367	33,999	321,189
Operating income .....	10,442	7,712	97,588
<b>OTHER INCOME (EXPENSES):</b>			
Interest and dividend income .....	229	201	2,136
Interest expenses .....	(1,930)	(2,359)	(18,037)
Discount charge of installment credits .....	(757)	(1,081)	(7,072)
Loss on sales of trade notes and accounts receivables .....	(213)	(249)	(1,992)
Gain on sales of property, plant and equipment .....	140	1,469	1,308
Loss on sales and disposals of property, plant and equipment .....	(168)	(331)	(1,570)
Gain on sales of investment securities .....		986	
Loss on sales and devaluation of investment securities .....	(367)	(52)	(3,426)
Loss on sales of investments in subsidiaries .....		(169)	
Foreign currency exchange loss-net .....	(9)	(1,328)	(84)
Special severance payments to employees .....		(175)	
Loss on devaluations and disposals of inventories .....		(2,087)	
Loss on liquidation of subsidiaries .....	(1,195)		(11,167)
Other-net .....	902	967	8,427
Other expenses-net .....	(3,368)	(4,208)	(31,477)
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b> .....	7,074	3,504	66,111
<b>INCOME TAXES</b> (Note 9):			
Current .....	2,134	1,985	19,944
Deferred .....	(657)	(568)	(6,141)
Total income taxes .....	1,477	2,553	13,803
<b>MINORITY INTERESTS IN EARNINGS OF CONSOLIDATED SUBSIDIARIES</b> ..	74	85	690
<b>NET INCOME:</b> .....	¥ 5,523	¥ 866	\$ 51,618

	2005		2004	
	Yen		Yen	U.S. Dollars (Note 1)
<b>PER SHARE OF COMMON STOCK</b> (Note 2.n):	¥ 51.07			
Basic net income .....	4.00	¥ 8.47		\$ 0.48
Cash dividends applicable to the year .....				0.04

See notes to consolidated financial statements.

## Consolidated Statements of Shareholders' Equity

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2005 and 2004

	Millions of Yen						
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings (Deficit)	Net Unrealized Gain (Loss) on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
<b>BALANCE, APRIL 1, 2003</b> .....	101,323,423	¥ 9,941	¥ 6,901	¥ (10,088)	¥ (1,059)	¥ (3,569)	¥ (13)
Net income .....				866			
Bonuses to directors .....				(3)			
Decrease of the Company's equity by sale of consolidated subsidiaries .....					(4)		
Net increase in unrealized gain on available-for-sale securities .....					1,389		
Net decrease in foreign currency translation adjustments .....						(1,096)	
Increase in treasury stock .....	(13,590)						(5)
<b>BALANCE, MARCH 31, 2004</b> .....	101,309,833	9,941	6,901	(9,229)	330	(4,665)	(18)
Net income .....				5,523			
Bonuses to directors .....				(8)			
Exercise of warrants .....	15,644,781	2,500	2,500				
Surplus reversal .....			(3,892)	3,892			
Adjustment of retained earnings for newly consolidated subsidiary .....				5			
Net increase in unrealized gain on available-for-sale securities .....					265		
Net decrease in foreign currency translation adjustments .....						(469)	
Increase in treasury stock .....	(28,629)						(10)
<b>BALANCE, MARCH 31, 2005</b> .....	116,925,985	¥ 12,441	¥ 5,509	¥ 183	¥ 595	¥ (5,134)	¥ (28)

	Thousands of U.S. Dollars (Not 1)					
	Common Stock	Capital Surplus	Retained Earnings (Deficit)	Net Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
<b>BALANCE, MARCH 31, 2004</b>	\$ 92,909	\$ 64,495	\$ (86,252)	\$ 3,083	\$ (43,603)	\$ (166)
Net income .....			51,618			
Bonuses to directors .....			(75)			
Exercise of warrants .....	23,364	23,364				
Surplus reversal .....		(36,375)	36,375			
Adjustment of retained earnings for newly consolidated subsidiary ..			47			
Net increase in unrealized gain on available-for-sale securities ..				2,477		
Net decrease in foreign currency translation adjustments .....					(4,376)	
Increase in treasury stock .....		1				(97)
<b>BALANCE, MARCH 31, 2005</b> .....	\$ 116,273	\$ 51,485	\$ 1,713	\$ 5,560	\$ (47,979)	\$ (263)

See notes to consolidated financial statements.

## Consolidated Statements of Cash Flows

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note1)
	2005	2004	2005
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	¥ 7,074	¥ 3,504	\$ 66,111
Adjustments for:			
Income taxes-paid	(2,040)	(17)	(19,062)
Depreciation and amortization	3,261	3,389	30,475
Provision for doubtful accounts	(71)	(316)	(659)
Provision for accrued pension and severance costs	817	248	7,638
Foreign currency exchange (gain) loss	(240)	1,104	(2,246)
Gain on sales of investment securities		(986)	
Loss on sales and devaluation of investment securities	367	52	3,426
Loss on sales of investments in subsidiaries		169	
Gain on sales of property, plant and equipment	(140)	(1,469)	(1,308)
Loss on sales and disposals of property, plant and equipment	168	331	1,570
Changes in assets and liabilities, net of effects:			
Increase in receivables	(628)	(565)	(5,874)
Decrease in inventories	3,615	8,181	33,788
(Decrease) increase in payables	(2,230)	4,333	(20,838)
(Decrease) increase in notes receivables discounted	(907)	1,358	(8,472)
Other-net	(851)	(487)	(7,956)
Net cash provided by operating activities	8,195	18,829	76,593
<b>INVESTING ACTIVITIES:</b>			
Purchases of property, plant and equipment	(3,175)	(3,648)	(29,668)
Proceeds from sales of property, plant and equipment	414	4,763	3,866
Purchases of investment securities	(22)	(400)	(210)
Proceeds from sales of investment securities and investment in subsidiaries	17	2,460	162
Other-net	534	2,080	4,994
Net cash (used in) provided by investing activities	(2,232)	(5,255)	(20,856)
<b>FORWARD</b>	¥ 5,963	¥ 24,084	\$ 55,737

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note1)
	2005	2004	2005
<b>FORWARD</b>	¥ 5,963	¥ 24,084	\$ 55,737
<b>FINANCING ACTIVITIES:</b>			
Decrease in short-term borrowings-net	(12,134)	(22,461)	(113,400)
Proceeds from long-term debt	20,243	12,939	189,187
Repayments of long-term debt	(21,490)	(15,065)	(200,837)
Proceeds from issuance of bonds	5,799		54,191
Dividends paid	(65)	(58)	(604)
Other-net	(10)	(5)	(96)
Net cash used in financing activities	(7,657)	(24,650)	(71,559)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>			
<b>ON CASH AND CASH EQUIVALENTS</b>	(103)	(560)	(969)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,797)	(1,126)	(16,791)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	11,533	12,659	107,786
<b>CASH AND CASH EQUIVALENTS OF NEWLY</b>			
<b>CONSOLIDATED SUBSIDIARY, BEGINNING OF YEAR</b>	187		1,744
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	¥ 9,923	¥ 11,533	\$ 92,739
<b>NONCASH INVESTING AND FINANCING ACTIVITIES:</b>			
Increase of common stock by exercise of warrants	¥ 2,500		\$ 23,364
Increase of capital surplus by exercise of warrants	2,500		23,364

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

JUKI CORPORATION and Consolidated Subsidiaries, Years Ended March 31, 2005 and 2004

## 1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of JUKI CORPORATION (the "Company") and its consolidated subsidiaries (together, the "Group") have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2004 financial statements to conform to classifications and presentations used in 2005.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥107 to \$1, the approximate rate of exchange at March 31, 2005. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a ) Consolidation

The consolidated financial statements as of March 31, 2005 and 2004, include the accounts of the Company and its 47 significant subsidiaries.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to

exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 8 (11 in 2004) unconsolidated subsidiaries and 4 (5 in 2004) associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Consolidation goodwill is the difference between the cost and underlying net equity of investments in consolidated subsidiaries and associated companies at acquisition and is amortized on a straight-line basis over 5 years. The consolidation goodwill is impaired if the expectation of its future value is assessed less than the value estimated when it was acquired.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

### b ) Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificate of deposits, commercial paper and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

### c ) Inventories

Inventories are principally stated at cost as determined by the average method for merchandise, finished goods and work-in-process, and by the last purchase price method for raw materials and supplies.

### d ) Marketable and Investment Securities

Marketable and investment securities are classified as

available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

### e ) Property, Plant and Equipment

Property, plant and equipment are stated at cost.

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to the buildings acquired after April 1, 1998 of the Company and its domestic subsidiaries, and to the whole property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally from 5 to 50 years for buildings and structures, from 2 to 12 years for machinery and equipment and from 2 to 15 years for furniture and fixtures.

### f ) Allowance for Doubtful Accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the past credit loss experience and an evaluation of potential losses in the receivables outstanding.

### g ) Liability for Retirement Benefits and Pension Plans

The Company has retirement benefits and pension plans for employees. Employees terminating at the mandatory retirement age are entitled to pension payments under the funded pension plan.

Effective April 1, 2000, the Company and domestic consolidated subsidiaries adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The transitional obligation, determined as of April 1, 2000, is being amortized over 10 years.

Retirement benefits to directors and corporate auditors of the Company and 4 consolidated domestic subsidiaries are provided at 100% of the amount which would be paid if they all retired at the balance sheet date.

### h ) Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

### i ) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

### j ) Appropriations of Retained Earnings

Appropriations of retained earnings at each year end are reflected in the financial statements for the following year upon shareholders' approval.

### k ) Foreign Currency Transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

### l ) Foreign Currency Financial Statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for shareholders' equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.

Revenue and expense accounts of the consolidated foreign subsidiaries are translated into yen at the average

exchange rate.

#### m) Derivatives and Hedging Activities

The Group uses derivative financial instruments ("derivatives") to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts, currency swaps and interest rate swaps are utilized by the Group to reduce foreign currency exchange and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts and currency swaps utilized to hedge foreign exchange exposures for export sales are measured at fair value and the unrealized gains/losses are recognized in income. Forward contracts utilized for forecasted (or committed) transactions are also measured at fair value but the unrealized gains/losses are deferred until the underlying transactions are completed.

Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

#### n) Per Share Information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because the Company had no dilutive securities outstanding at March 31, 2005 and 2004.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable

to the respective years including dividends to be paid after the end of the year.

#### o) New Accounting Pronouncements

In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003 the Accounting Standards Board of Japan ("ASB") issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets." These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The new accounting standard requires an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset or asset group exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or asset group or the net selling price at disposition.

The Group expects to adopt these pronouncements as of April 1, 2005 and is currently in the process of assessing the effect of adoption of these pronouncements.

## 3 MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Current-Bonds	¥ 50	¥ 40	\$ 465
Non-current:			
Marketable equity securities	¥ 4,510	¥ 4,342	\$ 42,154
Bonds	101	101	943
Other	833	850	7,779
<b>TOTAL</b>	<b>¥ 5,444</b>	<b>¥ 5,293</b>	<b>\$ 50,876</b>

The carrying amounts and aggregate fair values of marketable and investment securities as of March 31, 2005 and 2004, were as follows:

March 31, 2005	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥ 3,522	¥ 1,002	¥ 14	¥ 4,510
Bonds	100	1		101
Other	569	26	12	583

March 31, 2004	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥ 3,804	¥ 745	¥ 207	¥ 4,342
Bonds	100	1		101
Other	576	26	10	592

March 31, 2005	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	\$ 32,920	\$ 9,366	\$ 132	\$ 42,154
Bonds	935	8		943
Other	5,312	243	114	5,441

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2005 and 2004, were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Equity securities	¥ 251	¥ 249	\$ 2,343
Bonds and other securities	49	49	460
<b>TOTAL</b>	<b>¥ 300</b>	<b>¥ 298</b>	<b>\$ 2,803</b>

Proceeds from sales of available-for-sale securities for the year ended March 31, 2004 was ¥2,457 million. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥986 million and ¥40 million, respectively, for the year ended March 31, 2004.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2005, were as follows:

	Thousands of U.S. Dollars	
	Millions of Yen	U.S. Dollars
Due in one year or less	¥ 42	\$ 393
Due after one year through five years	35	323
Due after five years through ten years	107	1,000
<b>TOTAL</b>	<b>¥ 184</b>	<b>\$ 1,716</b>

## 4 SHORT-TERM INVESTMENTS

Short-term investments as of March 31, 2005 and 2004, consisted of time deposits with an original maturity over three months.

## 5 INVENTORIES

Inventories as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Merchandise	¥ 2,321	¥ 1,849	\$ 21,693
Finished goods	22,712	27,055	212,262
Work-in-process	4,959	6,730	46,348
Raw materials	8,011	6,311	74,864
Supplies	471	335	4,402
<b>TOTAL</b>	<b>¥ 38,474</b>	<b>¥ 42,280</b>	<b>\$ 359,569</b>

## 6 SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings as of March 31, 2005 and 2004, consisted of notes to banks and bank overdrafts. The annual interest rates applicable to the short-term borrowings ranged from 1.20% to 4.13% and 0.556% to 5.23% at March 31, 2005 and 2004, respectively.

Long-term debt as of March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
0.6% to 1.4% unsecured bonds, due 2008	¥ 1,300	¥ 500	\$ 12,150
1.42% to 4.47% loans from banks, due 2006-2015	43,906	45,195	410,336
1.55% to 2.20% loans from insurance companies, due 2005-2006	269	216	2,516
7.75% loans from another company, due 2005	71	83	659
<b>Total</b>	<b>45,546</b>	<b>45,994</b>	<b>425,661</b>
Current portion	(19,146)	(21,380)	(178,935)
<b>Long-term debt, less current portion</b>	<b>¥ 26,400</b>	<b>¥ 24,614</b>	<b>\$ 246,726</b>

Annual maturities of long-term debt as of March 31, 2005, for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2006	¥ 19,146	\$ 178,935
2007	11,103	103,762
2008	7,433	69,472
2009	4,910	45,891
2010	2,657	24,831
2011 and thereafter	297	2,770
<b>TOTAL</b>	<b>¥ 45,546</b>	<b>\$ 425,661</b>

As of March 31, 2005, the following assets were pledged to secure long-term debt aggregating ¥18,671 million (\$174,492 thousand), bonds guaranteed by banks aggregating ¥500 million (\$4,673 thousand), and certain short-term borrowings and current portion of long-term debt aggregating ¥18,709 million (\$174,849 thousand):

	Millions of Yen	Thousands of U.S. Dollars
Investment securities	¥ 2,495	\$ 23,318
Buildings-net of accumulated depreciation	5,864	54,802
Machinery-net of accumulated depreciation	1,649	15,414
Land	4,123	38,534
Other	214	1,997
<b>TOTAL</b>	<b>¥ 14,345</b>	<b>\$ 134,065</b>

## 7 LIABILITY FOR RETIREMENT BENEFITS

The Company and most of its domestic consolidated subsidiaries have a severance payment and pension plan covering substantially all employees. The amounts of the severance and pension payments are, in general, determined on the basis of length of service and current basic salary at the time of termination of service. If the termination is involuntary, the employee is entitled to greater payments than in the case of voluntary retirement. Certain foreign consolidated subsidiaries have a defined

contribution pension plan. Retirement allowances for directors and corporate auditors are paid subject to approval of the shareholders in accordance with the Japanese Commercial Code (the "Code"). Liability for retirement benefits at March 31, 2005 and 2004, included those for directors and corporate auditors in the amount of ¥291 million (\$2,721 thousand) and ¥210 million, respectively.

The liability for employees' retirement benefits at March 31, 2005 and 2004, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Projected benefit obligation	¥ 14,607	¥ 14,259	\$ 136,512
Fair value of plan assets	(3,294)	(2,811)	(30,781)
Unrecognized actuarial loss	(1,858)	(2,141)	(17,368)
Unrecognized transitional obligation	(3,388)	(4,057)	(31,658)
<b>Net liability</b>	<b>¥ 6,067</b>	<b>¥ 5,250</b>	<b>\$ 56,705</b>

The components of net periodic benefit costs for the years ended March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Service cost	¥ 1,022	¥ 1,074	\$ 9,555
Interest cost	230	296	2,153
Expected return on plan assets	(47)	(56)	(446)
Amortization of transitional obligation	669	676	6,255
Recognized actuarial loss	275	273	2,567
Special severance payments		175	
Amortization of prior service cost		(69)	
<b>Net periodic benefit costs</b>	<b>¥ 2,149</b>	<b>¥ 2,369</b>	<b>\$ 20,084</b>

Assumptions used for the years ended March 31, 2005 and 2004, are set forth as follows:

	2005	2004
Discount rate	2.0%	2.5%
Expected rate of return on plan assets	2.5%	2.5%
Amortization period of prior service cost	1 year	1 year
Recognition period of actuarial gain/loss	10 years	10 years
Amortization period of transitional obligation	10 years	10 years

## 8 SHAREHOLDERS' EQUITY

Japanese companies are subject to the Code.

The Code requires that all shares of common stock are recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital, which is included in capital surplus. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The Code also provides that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve (a component of retained earnings) until such reserve and additional paid-in capital equals 25% of common stock. The amount of total additional paid-in capital and legal reserve that exceeds 25% of the common stock may be available for dividends by resolution of the shareholders. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock by resolution of the Board of Directors.

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the shareholders meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥3,608 million (\$33,718 thousand) as of March 31, 2005, based on the amount recorded in the Company's general books of account.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to

certain limitations imposed by the Code.

Bonds with warrants issued on April 26, 2004, were fully converted to common stock during this year, as a result, outstanding number of shares of common stock, common stock and capital surplus increased 15,644,781, ¥2,500 million (\$23,364 thousand), and ¥2,500 million (\$23,364 thousand), respectively.

## 9 INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 40.7% and 42.1% for the years ended March 31, 2005 and 2004, respectively.

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2005 and 2004, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
<b>Deferred tax assets:</b>			
Unrealized profit on inventories	¥ 721	¥ 763	\$ 6,741
Loss on disposals of inventories	192	711	1,793
Deferred gains on sales of property	923	959	8,622
Accrued bonuses	636	470	5,942
Enterprise tax	142	142	1,327
Allowance for doubtful accounts	229	216	2,142
Liability for severance payments	2,405	1,994	22,477
Loss on devaluations of investment securities	144	80	1,345
Tax loss carryforwards	7,482	7,676	69,923
Other	1,287	1,076	12,028
Less valuation allowance	(8,007)	(8,742)	(74,832)
<b>TOTAL</b>	<b>6,154</b>	<b>5,345</b>	<b>57,508</b>
<b>Deferred tax liabilities:</b>			
Undistributed earnings of associated companies	529	364	4,941
Net unrealized gain on available-for-sale securities	409	227	3,823
Allowance for doubtful accounts	33	40	306
Other	48	56	449
<b>TOTAL</b>	<b>1,019</b>	<b>687</b>	<b>9,519</b>
<b>Net deferred tax assets</b>	<b>¥ 5,135</b>	<b>¥ 4,658</b>	<b>\$ 47,989</b>

A reconciliation between the normal effective statutory tax rate and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2005 and 2004 is as follows:

	2005	2004
Normal effective statutory tax rate	40.7%	42.1%
Lower income tax rates applicable to income in certain foreign countries	(10.0)	(27.2)
Reversal of dividend income in consolidated subsidiaries	8.8	21.1
Reversal of unrealized profits and loss on investments in consolidated subsidiaries	3.5	12.8
Deficit of consolidated subsidiaries	4.7	29.3
Unrealized profits without recognition of deferred tax	0.5	(9.4)
Unrealized loss without recognition of deferred tax		12.2
Change in valuation allowance	(20.4)	
Inhabitant tax per capita levy	1.8	3.5
Other-net	(8.7)	(11.5)
Actual effective tax rate	20.9%	72.9%

At March 31, 2005, certain subsidiaries have tax loss carryforwards aggregating approximately ¥24,797 million (\$231,746 thousand) which are available to be offset against taxable income of each company in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2006	¥ 107	\$ 995
2009	191	1,787
2010 and thereafter	24,499	228,964
<b>TOTAL</b>	<b>¥ 24,797</b>	<b>\$ 231,746</b>

## 10 RELATED PARTY TRANSACTIONS

Transactions of the Group with unconsolidated subsidiaries and associated companies for the years ended March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Sales to	¥ 14	¥ 22	\$ 127
Purchases from	444	402	4,147
Trade notes and accounts receivable	4	4	35
Trade notes and accounts payable	94	112	882

## 11 RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥4,850 million (\$45,325 thousand) and ¥4,665 million for the years ended March 31, 2005 and 2004, respectively.

## 12 LEASES

The Group leases certain machinery, computer equipment and other assets.

Lease payments under finance leases, where the ownership of the property is not deemed to transfer to the lessee, were ¥1,469 million (\$13,726 thousand) and ¥1,586 million for the years ended March 31, 2005 and 2004, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2005 and 2004, was as follows:

	Millions of Yen				Thousands of U.S. Dollars			
	2005				2004			
	Machinery and Equipment	Furniture and Fixtures	Software	Total	Machinery and Equipment	Furniture and Fixtures	Software	Total
Acquisition cost	¥ 1,884	¥ 2,421	¥ 1,605	¥ 5,910	\$ 17,611	\$ 22,629	\$ 14,998	\$ 55,238
Accumulated depreciation	1,030	1,403	985	3,418	9,623	13,116	9,207	31,946
Net leased property	¥ 854	¥ 1,018	¥ 620	¥ 2,492	\$ 7,988	\$ 9,513	\$ 5,791	\$ 23,292

	Millions of Yen			
	2004			
	Machinery and Equipment	Furniture and Fixtures	Software	Total
Acquisition cost	¥ 2,038	¥ 2,523	¥ 1,374	¥ 5,935
Accumulated depreciation	1,071	1,345	629	3,045
Net leased property	¥ 967	¥ 1,178	¥ 745	¥ 2,890

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Due within one year	¥ 1,172	¥ 1,229	\$ 10,950
Due after one year	1,418	1,788	13,254
<b>TOTAL</b>	<b>¥ 2,590</b>	<b>¥ 3,017</b>	<b>\$ 24,204</b>

The imputed interest expense portion which is computed using the interest method is excluded from the above obligations under finance leases.

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Depreciation expense	¥ 1,408	¥ 1,534	\$ 13,160
Interest expense	56	65	521
<b>TOTAL</b>	<b>¥ 1,464</b>	<b>¥ 1,599</b>	<b>\$ 13,681</b>

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases at March 31, 2005 and 2004, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Due within one year	¥ 577	¥ 458	\$ 5,393
Due after one year	482	623	4,502
<b>TOTAL</b>	<b>¥ 1,059</b>	<b>¥ 1,081</b>	<b>\$ 9,895</b>

## 13 CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2005 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Trade notes discounted with banks	¥ 2,670	\$ 24,949
Guarantees and similar items of bank loans	550	5,142

## 14 DERIVATIVES

The Group enters into derivatives including foreign exchange forward contracts, currency swaps and interest rate swaps. The Group enters into derivatives in the normal course of business to reduce the exposure to fluctuations in foreign exchange rates and interest rates. The Group does not hold derivatives for speculation.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations in market conditions, including interest or foreign exchange rates. Since most of the Group's derivative transactions are related to qualified hedges of underlying business exposures, market gain or loss risk in the derivative instruments is basically offset by opposite movements in the value of the hedged assets or liabilities. Because the counterparties to those derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

The basic policies for the use of derivatives are approved by the Board of Directors and the execution and control of derivatives are controlled by the Finance Department. Each derivative transaction is periodically reported to the Board of Directors, where evaluation and analysis of derivatives are made.

The Group had the following derivatives contracts outstanding at March 31, 2005 and 2004:

	Millions of Yen					
	2005		2004			
	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss
Foreign currency forward contracts:						
Selling U.S. \$	¥ 15,343	¥ 15,665	(¥ 322)	¥ 8,676	¥ 8,655	¥ 21
Selling EUR	5,382	5,499	(117)	3,314	3,271	43
Currency swaps	1,125	(12)	(12)	1,079	(17)	(17)

	Thousands of U.S. Dollars		
	2005		Unrealized Gain/Loss
	Contract or Notional Amount	Fair Value	Unrealized Gain/Loss
Foreign currency forward contracts:			
Selling U.S. \$	\$ 143,391	\$ 146,398	\$(3,007)
Selling EUR	50,301	51,393	(1,092)
Currency swaps	10,510	(109)	(109)

Derivatives which qualify for hedge accounting for the years ended March 31, 2005 and 2004, are excluded from the disclosure of market value information.

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risk.

## 15 SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2005 were approved at the Company's shareholders meeting held on June 29, 2005:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥4.00 (\$0.04) per share	¥ 467	\$ 4,371
Bonuses to directors and corporate auditors	36	336

## 16 SEGMENT INFORMATION

Information about industry segments, geographical segments and sales to foreign customers of the Group for the years ended March 31, 2005 and 2004, is as follows:

## (1) Industry Segments

## a ) Sales and Operating Income

	Millions of Yen						Consolidated
	2005						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	
Sales to customers	¥ 62,343	¥ 12,545	¥ 22,569	¥ 14,713	¥ 15,780		¥ 127,950
Intersegment sales	1,263	154		529	3,358	¥ (5,304)	
Total sales	63,606	12,699	22,569	15,242	19,138	(5,304)	127,950
Operating expenses	57,212	12,033	21,472	13,508	17,744	(4,461)	117,508
Operating income	¥ 6,394	¥ 666	¥ 1,097	¥ 1,734	¥ 1,394	¥ (843)	¥ 10,442

## b ) Assets, Depreciation and Capital Expenditures

	Millions of Yen						Consolidated
	2005						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	
Assets	¥ 58,399	¥ 8,462	¥ 17,967	¥ 8,211	¥ 7,852	¥ 15,025	¥ 115,916
Depreciation	1,640	237	555	189	238	402	3,261
Capital expenditures	1,367	242	865	422	819	249	3,964

## a ) Sales and Operating Income

	Thousands of U.S. Dollars						Consolidated
	2005						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	
Sales to customers	\$ 582,649	\$ 117,246	\$ 210,921	\$ 137,504	\$ 147,471		\$ 1,195,791
Intersegment sales	11,804	1,441		4,942	31,379	\$(49,566)	
Total sales	594,453	118,687	210,921	142,446	178,850	(49,566)	1,195,791
Operating expenses	534,693	112,463	200,676	126,238	165,828	(41,695)	1,098,203
Operating income	\$ 59,760	\$ 6,224	\$ 10,245	\$ 16,208	\$ 13,022	\$(7,871)	\$ 97,588

## b ) Assets, Depreciation and Capital Expenditures

	Thousands of U.S. Dollars						Consolidated
	2005						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	
Assets	\$ 545,782	\$ 79,087	\$ 167,921	\$ 76,735	\$ 73,386	\$ 140,417	\$ 1,083,328
Depreciation	15,327	2,216	5,188	1,766	2,219	3,759	30,475
Capital expenditures	12,779	2,263	8,085	3,941	7,655	2,325	37,048

## a) Sales and Operating Income (Loss)

	Millions of Yen					
	2004					
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Other	Eliminations/Corporate	Consolidated
Sales to customers	¥ 59,607	¥ 13,592	¥ 17,592	¥ 29,834		¥ 120,625
Intersegment sales	493	39		2,398	¥ (2,930)	
Total sales	60,100	13,631	17,592	32,232	(2,930)	120,625
Operating expenses	54,082	12,043	18,719	29,377	(1,308)	112,913
Operating income (loss)	¥ 6,018	¥ 1,588	¥ (1,127)	¥ 2,855	¥ (1,622)	¥ 7,712

## b) Assets, Depreciation and Capital Expenditures

	Millions of Yen					
	2004					
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Other	Eliminations/Corporate	Consolidated
Assets	¥ 60,285	¥ 7,030	¥ 18,546	¥ 17,239	¥ 15,463	¥ 118,563
Depreciation	2,044	149	447	436	313	3,389
Capital expenditures	1,505	180	710	658	295	3,348

Effective April 1, 2004, the Group changed its industry segmentation from "Industrial Sewing Machines," "Home Sewing Machines," "Electronic Assembly and Test Systems" and "Other" to "Industrial Sewing Machines," "Home Sewing Machines," "Electronic Assembly and Test Systems," "Electronic and Precision Instruments" and "Other" because the importance of "Electronic and Precision Instruments" has increased.

If the segment information for the year ended March 31, 2004 were prepared using the new segmentation, such information would be as follows:

## a) Sales and Operating Income (Loss)

	Millions of Yen						
	2004						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	Consolidated
Sales to customers	¥ 59,607	¥ 13,592	¥ 17,592	¥ 12,852	¥ 16,982		¥ 120,625
Intersegment sales	493	39		21	2,377	¥ (2,930)	
Total sales	60,100	13,631	17,592	12,873	19,359	(2,930)	120,625
Operating expenses	54,082	12,043	18,719	11,071	18,306	(1,308)	112,913
Operating income (loss)	¥ 6,018	¥ 1,588	¥ (1,127)	¥ 1,802	¥ 1,053	¥ (1,622)	¥ 7,712

## b) Assets, Depreciation and Capital Expenditures

	Millions of Yen						
	2004						
	Industrial Sewing Machines	Home Sewing Machines	Electronic Assembly and Test Systems	Electronic and Precision Instruments	Other	Eliminations/Corporate	Consolidated
Assets	¥ 60,285	¥ 7,030	¥ 18,546	¥ 9,918	¥ 7,321	¥ 15,463	¥ 118,563
Depreciation	2,044	149	447	174	262	313	3,389
Capital expenditures	1,505	180	710	386	272	295	3,348

## (2) Geographical Segments

The geographical segments of the Group for the years ended March 31, 2005 and 2004, are summarized as follows:

	Millions of Yen					
	2005					
	Japan	North America	Asia	Europe	Eliminations / Corporate	Consolidated
Sales to customers	¥ 69,244	¥ 8,836	¥ 40,892	¥ 8,978		¥ 127,950
Intersegment sales	35,170	577	8,828	80	¥ (44,655)	
Total sales	104,414	9,413	49,720	9,058	(44,655)	127,950
Operating expenses	96,040	9,172	47,137	8,972	(43,813)	117,508
Operating income	¥ 8,374	¥ 241	¥ 2,583	¥ 86	¥ (842)	¥ 10,442
Assets	¥ 61,509	¥ 13,645	¥ 21,696	¥ 4,041	¥ 15,025	¥ 115,916

	Thousands of U.S. Dollars					
	2005					
	Japan	North America	Asia	Europe	Eliminations / Corporate	Consolidated
Sales to customers	\$ 647,138	\$ 82,580	\$ 382,171	\$ 83,902		\$ 1,195,791
Intersegment sales	328,694	5,394	82,501	745	\$(417,334)	
Total sales	975,832	87,974	464,672	84,647	(417,334)	1,195,791
Operating expenses	897,574	85,722	440,527	83,843	(409,463)	1,098,203
Operating income	\$ 78,258	\$ 2,252	\$ 24,145	\$ 804	\$(7,871)	\$ 97,588
Assets	\$ 574,851	\$ 127,524	\$ 202,771	\$ 37,765	\$ 140,417	\$ 1,083,328

	Millions of Yen					
	2004					
	Japan	North America	Asia	Europe	Eliminations / Corporate	Consolidated
Sales to customers	¥ 67,428	¥ 7,568	¥ 37,061	¥ 8,568		¥ 120,625
Intersegment sales	31,203	998	6,020	64	¥ (38,285)	
Total sales	98,631	8,566	43,081	8,632	(38,285)	120,625
Operating expenses	91,076	8,660	40,638	9,202	(36,663)	112,913
Operating income (loss)	¥ 7,555	¥ (94)	¥ 2,443	¥ (570)	¥ (1,622)	¥ 7,712
Assets	¥ 63,636	¥ 13,406	¥ 20,232	¥ 5,826	¥ 15,463	¥ 118,563

## (3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2005 and 2004, amounted to ¥73,425 million (\$686,219 thousand) and ¥67,533 million, respectively.

## INDEPENDENT AUDITORS' REPORT

Deloitte

Deloitte Touche Tohmatsu  
MS Shibaura Building  
4-13-23, Shibaura  
Minato-ku, Tokyo 108-8530  
Japan

Tel : + 81 (3) 3457-7321  
Fax: + 81 (3) 3457-1694  
www.deloitte.com/jp

To the Board of Directors of  
JUKI CORPORATION:

We have audited the accompanying consolidated balance sheets of JUKI CORPORATION (the "Company") and consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit

includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JUKI CORPORATION and consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

June 29, 2005



Member of  
Deloitte Touche Tohmatsu



Corporate Information

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## Corporate Date

## SHAREHOLDERS' GUIDE

<b>Trade Name</b> JUKI CORPORATION	<b>Transfer Agent and Registrar</b> Mizuho Trust and Banking Co., Ltd. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan	<b>Independent Auditor</b> Deloitte Touche Tohmatsu MS Shibaura Building 4-13-23, Shibaura, Minato-ku, Tokyo 108-8530, Japan  (As of March 31, 2005)
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## BOARD OF DIRECTORS

<b>Chairman</b> Takeo Yamaoka	<b>Managing Directors</b> Tomohisa Miyake Hiroshi Kawano	<b>Auditors</b> Shinya Kawamura Seiji Kurita Masahiro Watanabe
<b>President</b> Kazuyuki Nakamura	<b>Director</b> Masakuni Fujita Hirokazu Nagashima	All the directors hold the posts of executive officers concurrently.  (As of June 29, 2005)
<b>Senior Managing Director</b> Shigeyoshi Suzuki	<b>Corporate Auditors</b> Hiroshi Tabata	

## EXECUTIVE OFFICERS

<b>Senior Executive Officers</b> Toshikazu Nakano	<b>Executive Officers</b> Tutomu Yoshida Takashi Mizuno Harunobu Ono Masahiro Ishizaka Shuji Yamaoka	Shinji Yamaguchi Yoshihiro Otake Kimio Honma Taira Nishimoto Ikuro Iimura  (As of October 1, 2005)
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## MAJOR OFFICE AND PLANT

## Head Office



8-2-1, Kokuryo-cho, Chofu-shi,  
Tokyo 182-8655, Japan  
Tel: 81-3-3480-1111  
Fax: 81-3-3488-4055

## Central R&amp;D Laboratory



3-17-14, Funabashi, Setagaya-ku,  
Tokyo 156-0055, Japan  
Tel: 81-3-5429-3120  
Fax: 81-3-5429-3158

## Ohtawara Plant



1863, Kita-kanemaru, Ohtawara-shi,  
Tochigi 324-0011, Japan  
Tel: 81-287-23-5111  
Fax: 81-287-23-5594

## Consolidated Subsidiaries / Holding Company

## CONSOLIDATED SUBSIDIARIES

## Domestic

	Name	Address	Details of Main business
Japan	JUKI DENSHI KOGYO CORPORATION	Akita	Production of the SMT systems & electronic Equipment, etc.
	JUKI YOSHINO KOGYO CORPORATION	Akita	Manufacture of the parts for the precision machinery and appliances
	JUKI AKITA SEIMITSU CORPORATION	Akita	Production of Industrial sewing machines parts, etc.
	JUKI AIZU CORPORATION	Fukushima	Manufacture of the lost-wax products
	JUKI DENSAN CORPORATION	Fukushima	Manufacture of the electronic devices
	JUKI OHTAWARA CORPORATION	Tochigi	Production of Industrial sewing machines, etc.
	JUKI SEIMITSU CORPORATION	Tochigi	Manufacture of the precision equipment
	SUZUTAMI PRECISION INDUSTRY CO., LTD.	Niigata	Production of Industrial sewing machines parts, etc.
	JUKI METAL CORPORATION	Mie	Manufacture of the pig-iron and cast metal, etc.
	JUKI HIROSHIMA CORPORATION	Hiroshima	Production of Home sewing machines, etc.
	JUKI MATSUE CORPORATION	Shimane	Production of Industrial sewing machines, etc.
	JUKI MIYAZAKI SEIMITSU CORPORATION	Miyazaki	Production of Industrial sewing machines parts, etc.
	JUKI SALES (JAPAN) CORPORATION	Tokyo	Sales of Industrial sewing machines, etc.
JUKI HUMAN SUPPORT CORPORATION	Tokyo	Consulting of the personnel administration	
JUKI FACILITY SERVICE CORPORATION	Tokyo	Service of facility management, reform and printing, etc.	
JUKI LIVING CLUB CORPORATION	Tokyo	Sales of Household sewing machines, etc.	
JUKI JEWELRY CORPORATION	Tokyo	Sales of Jewelleries, etc.	

## Overseas

	Name	Address	Details of Main business
China	JUKI (SHANGHAI) SALES CO., LTD.	Shanghai	Sales of Industrial sewing machines, etc.
	JUKI (HONG KONG) LTD.	Hong Kong	Sales of Industrial sewing machines, etc.
	TOKYO JUKI INTERNATIONAL TRADE (SHANGHAI) CO., LTD.	Shanghai	Sales of SMTsystem, etc.
	JUKI XINXING INDUSTRY CO.,LTD.	Hebei	Production of Industrial sewing machines, etc.
	JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Shanghai	Production of Industrial sewing machines, etc.
	JUKI (NINGBO) CLOTHES EQUIPMENT INDUSTRIAL CO.,LTD.	Zhejiang	Production of Industrial sewing machines parts, etc.
	JUKI (NINGBO) PRECISION CO., LTD.	Zhejiang	Production of Industrial sewing machines parts, etc.
	SHANGHAI JUKI SEWING MACHINE CO., LTD.	Shanghai	Production of Home sewing machines, etc.
	JUKI (SHANGHAI) PRECISION CO., LTD.	Shanghai	Production of Home sewing machines, etc.
	Singapore	JUKI SINGAPORE PTE, LTD.	Bendemeer Road
Vietnam	JUKI VIETNAM CO., LTD.	Ho Chi Minh	Production of Industrial sewing machines parts, etc.
Germany	JUKI (EUROPE) GNBH	Hamburg	Sales of Industrial sewing machines, etc.
Italy	JUKI ITALIA S. P. A.	Milan	Sales of Industrial sewing machines, etc.
Poland	JUKI CENTRAL EUROPE SP.ZO. O.	Warszawa	Sales of Industrial sewing machines, etc.
U. S. A.	JUKI UNION SPECIAL, INC.	Miami	Sales of Industrial sewing machines, etc.
	UNION SPECIAL CORPORATION	Huntley	Sales of Industrial sewing machines, etc.

## Holding Company

	Name	Address
China	JUKI (CHINA) CO., LTD.	Shanghai,
Holland	JUKI EUROPEAN HOLDINGS B. V.	Netherland
U. S. A.	JUKI AMERICAS HOLDING INC.	Huntley
	JUKI AUTOMATION SYSTEMS HOLDING INC.	North Carolina

## Juki Corporate Overview

**MECHATRONICS COMPANY THAT LEAPS FORWARD ON THE GLOBAL STAGE WITH ITS HIGH-SPEED, HIGH-PRECISION, AND HIGH-QUALITY PRODUCTS**

**Founded:**

15 December 1938 as  
"Tokyo Juki  
Manufacturers Association"

**Shareholders:**

13,002shareholders

**No. of consolidated subsidiary companies:**

47 (as of the end of March 2005)

**Capital:**

12,441.21 million yen  
(as of the end of March 2005)

**Stock Listing:**

Tokyo Stock Exchange (1st Section)

**Headquarter:**

8-2-1 ,Kokuryo-cho, Chofu-shi, Tokyo

**Authorized Shares:**

400,000,000shares

**Business segments:**

Industrial sewing machines,  
SMT (Surface Mount Technology)  
system, Household sewing machines,  
Electronic equipment & computer  
peripherals, etc.

**Aggregate number of issued shares:**

117,020 thousand shares  
(as of the end of March 2005)

**No. of consolidated employees:**

7,642 (as of the end of March 2005,  
including 1,083 direct sales staffs)

