

**To Our Shareholders**



**Business Report for the 96th Business Term**

(From April 1, 2010 through March 31, 2011)

**JUKI CORPORATION**

Security code: 6440

# FINANCIAL HIGHLIGHTS

## MAJOR POINTS OF BUSINESS PERFORMANCE

Net sales increased by 57% from FY2009 (the previous fiscal year).

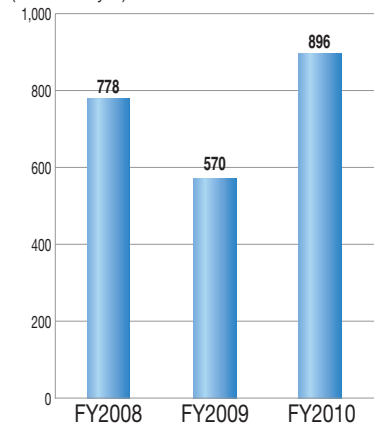
Operating income, ordinary income, and net income have moved back into the black for the first time in three fiscal years.

Year-end dividends are scheduled to be 3 yen per share.

**Net sales 89.6 billion yen**  
(up by 32.6 billion yen from FY2009)  
**Operating income 1.1 billion yen**  
(up by 12.3 billion yen from FY2009)  
**Ordinary income 1.2 billion yen**  
(up by 12.3 billion yen from FY2009)  
**Net income 2.5 billion yen**  
(up by 13.7 billion yen from FY2009)

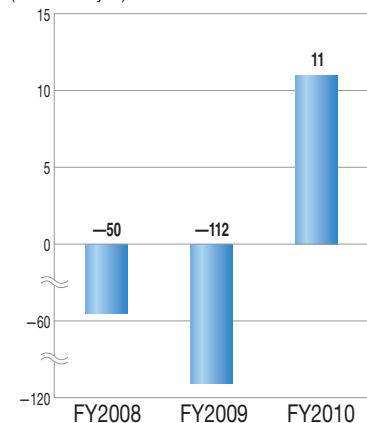
### Net sales

(100 million yen)



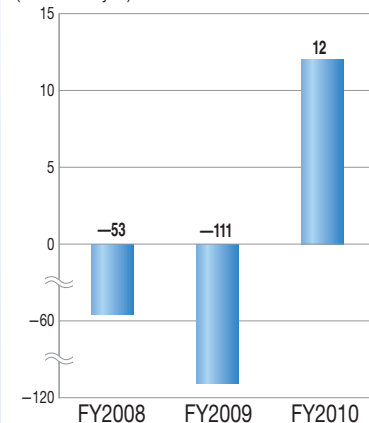
### Operating income

(100 million yen)



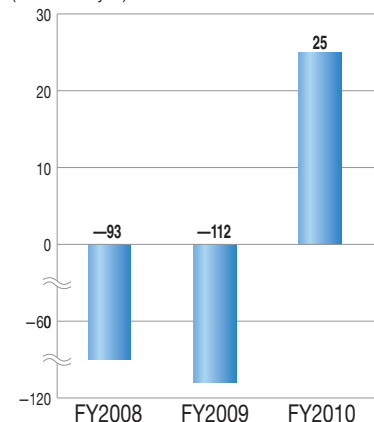
### Ordinary income

(100 million yen)



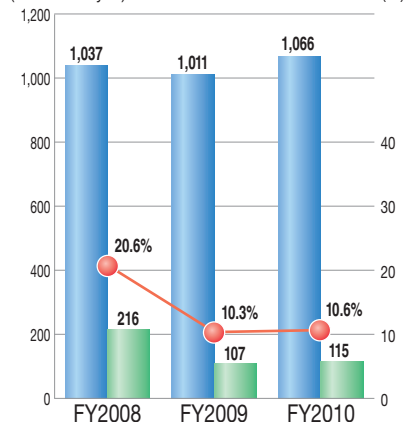
### Net income

(100 million yen)



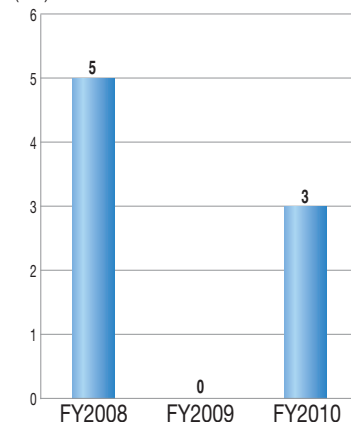
### Total assets Net assets Shareholders' equity ratio

(100 million yen)



### Cash dividends per share

(Yen)



We would like to express our appreciation for your ongoing support of our business activities.

We express our heartfelt sympathy to those who have suffered from the Great East Japan Earthquake.

In presenting our business results for the 96th business term (from April 1, 2010 through March 31, 2011), I would like to take the opportunity to convey a few words to our shareholders.

Irrespective of the appreciation of the yen, our business for the fiscal year 2010 was underpinned by robust demand in China and other Asian regions, resulting in consolidated net sales of 89,596 million yen, up by 57.3% from the preceding fiscal year, and consolidated ordinary income of 1,174 million yen (versus a negative 11,102 million yen in the preceding fiscal year). Consolidated net income stood at 2,467 million yen (versus a negative 11,233 million yen in the preceding fiscal year), thanks to various factors such as extraordinary income from sale of the former head office building located at Kokuryo, Tokyo

In consideration of the business results shown above and the status of profit return to shareholders

and other factors in total, we plan to pay a year-end dividend of 3 yen per share for the current fiscal term.

In the next fiscal term, we will improve business performance by expanding sales through new product releases and a strengthened sales force as well as enhancing our production capacity and speedily reducing cost. Further, in anticipation of the effect of Great Earthquake, ongoing appreciation of the yen, and tougher competition in the market, we will work strongly to enhance management efficiency under the new organization structure and promote further globalization.

In closing, we ask for the ongoing support and guidance of our shareholders.



Akira Kiyohara  
President

# Industrial Sewing Machines Business

Sales have shown an increasing trend, driven by active demand in the markets of China and emerging countries in Asia and other regions.

As a result, consolidated net sales of the Industrial Sewing Machines Business as a whole stood at 57,177 million yen, up by 58.4% from the preceding fiscal year. Ordinary income stood at 1,670 million yen, up by 7,123 million yen from the preceding fiscal year.

Net sales **57.2** billion yen

Ordinary income **1.67** billion yen

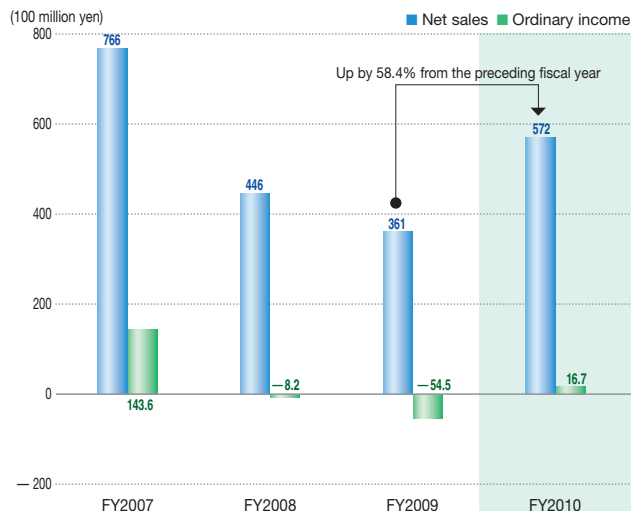


Product  
PICK UP!

## Automatic one-needle belt-loop attaching machine AB-1351

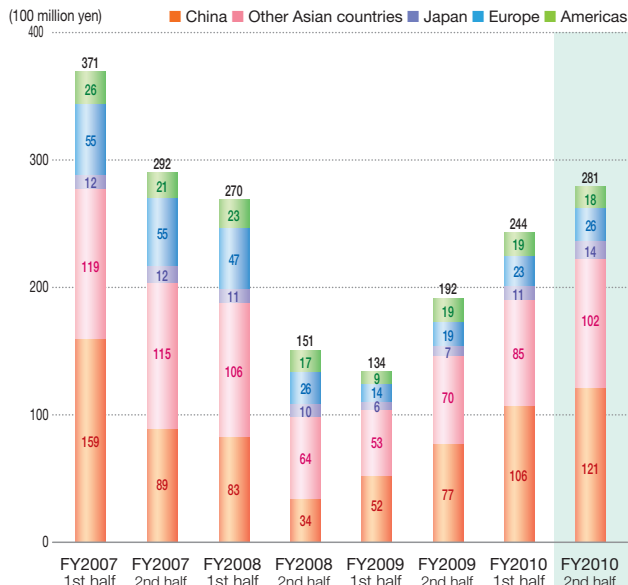
The AB-1351 is an automated sewing machine perfect for attaching belt loops to slacks and casual trousers. With seven sewing patterns built in, it offers great flexibility and versatility in attaching belt loops. JUKI aims to expand sales of this model in China and Southeast Asia, where soaring wages and the growing shortage of labor make boosting productivity a priority.

### Changes in net sales and ordinary income



### Changes in net sales by region (excluding parts etc.)

Net sales increased by 57% in China and by 46% in other Asian countries from the same period of the preceding fiscal year.



# SMT Systems Business

Bolstered by steadily growing sales of high-speed pick-and-placers in the China market and robust development in Japan, the U.S., and Europe, consolidated net sales of the SMT Systems Business as a whole stood at 22,437 million yen, up by 86.4% from the preceding fiscal year. Ordinary income stood at 751 million yen, up by 4,254 million yen from the preceding fiscal year.

Net sales **22.4 billion yen**

Ordinary income **0.75 billion yen**

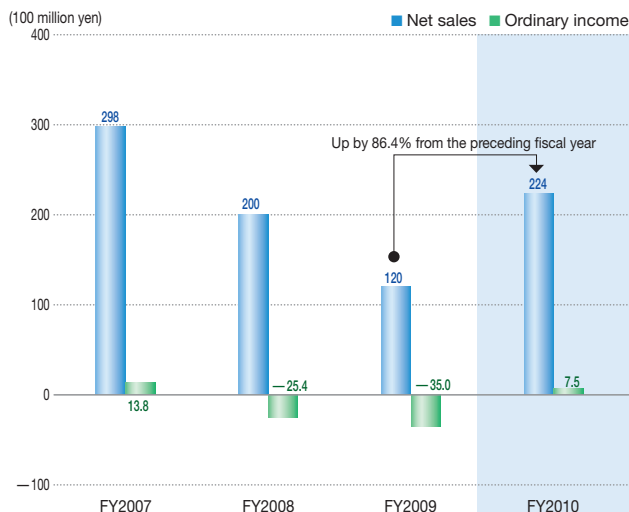


Product  
PICK UP!

## Our latest model of high-speed modular mounter FX-3R

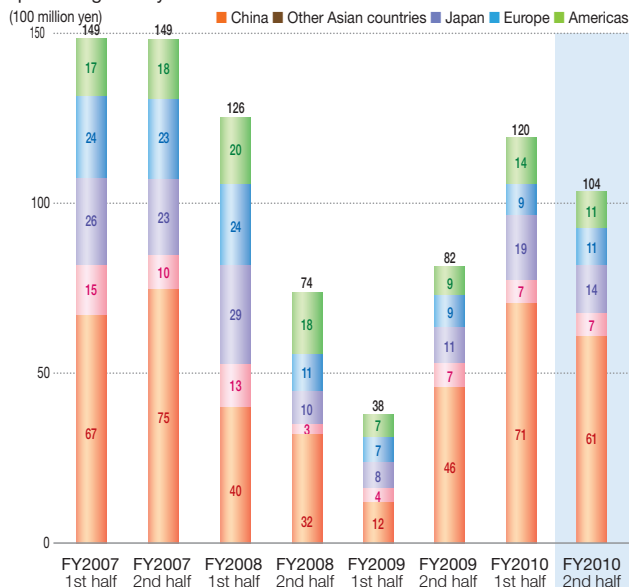
The FX-3R is a high-speed modular mounter that dramatically improves on the productivity of the FX-3 high-speed mounter. It can be coupled with the KE-3020 high-speed flexible mounter to create a high-speed, high quality production line. It is thus strategically placed to give JUKI an even larger share of the high-speed equipment market that is now the core of the mounter market.

## Changes in net sales and ordinary income



## Changes in net sales by region

Net sales in China increased by 33% from the same period of the preceding fiscal year.

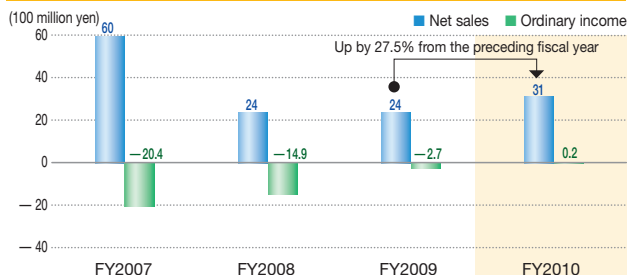


Though sales in Japan moved almost horizontally from the preceding fiscal year, consolidated net sales of the Household Sewing Machines Business as a whole stood at 3,090 million yen, up by 27.5% from the preceding fiscal year, backed by steady development in the U.S. and Europe markets. Ordinary income stood at 18 million yen, up by 287 million yen from the preceding fiscal year.

Net sales **3.1 billion yen**

Ordinary income **0.02 billion yen**

#### Changes in net sales and ordinary income



Product  
PICK UP!



#### Professional sewing machine SPUR series

The SPUR series is a professional sewing machine with foot controller that enables the operator to start and stop sewing and cut thread by foot. It thus makes it possible to keep eyes and hands focused on the needle during sewing and handle even delicate operations and difficult tasks with aplomb. A model designed for maximum ease of use.

### Consolidated Balance Sheets

(Unit: Million yen)

Item	Previous FY2009 as of March 31, 2010	Current FY2010 as of March 31, 2011	Year-on-year changes
<b>Assets</b>			
Current assets	55,851	63,764	7,913
Fixed assets	45,229	42,829	- 2,400
<b>Total assets</b>	<b>101,081</b>	<b>106,593</b>	<b>5,512</b>
<b>Liabilities</b>			
Current liabilities	60,137	66,117	5,980
Fixed liabilities	30,257	28,925	- 1,332
<b>Total liabilities</b>	<b>90,395</b>	<b>95,043</b>	<b>4,648</b>
<b>Net assets</b>			
Shareholders' equity	16,030	18,496	2,466
Accumulated other comprehensive income	- 5,605	- 7,196	- 1,591
Minority interests	261	249	- 12
<b>Total net assets</b>	<b>10,686</b>	<b>11,549</b>	<b>863</b>
<b>Total liabilities and net assets</b>	<b>101,081</b>	<b>106,593</b>	<b>5,512</b>

### Consolidated Statements of Income

(Unit: Million yen)

Item	Previous FY2009 April 1, 2009 through March 31, 2010	Current FY2010 April 1, 2010 through March 31, 2011	Year-on-year changes
Net sales	56,970	89,596	32,626
Cost of sales	47,140	68,030	20,890
Gross profit	9,829	21,565	11,736
Selling, general and administrative expenses	21,017	20,420	- 597
Operating income (loss)	- 11,187	1,144	12,331
Non-operating income	1,839	1,499	- 340
Non-operating expenses	1,753	1,469	- 284
Ordinary income (loss)	- 11,102	1,174	12,276
Extraordinary income	448	1,984	1,536
Extraordinary loss	1,006	996	- 10
Net income (loss) before taxes	- 11,660	2,162	13,822
Corporate income tax, inhabitants tax, and enterprise taxes	- 417	- 310	107
Net income (loss) before minority interests	-	2,473	-
Minority interests (loss)	- 8	6	14
<b>Net income (loss)</b>	<b>- 11,233</b>	<b>2,467</b>	<b>13,700</b>

# Mid-term management plan

## Outline of mid-term management plan (FY2011 – FY2013)



Target for FY2013

Net sales 150 billion yen  
Ordinary income 15 billion yen (Ordinary income ratio 10%)

## Six Basic Plans

- 1 Reinforce and develop business platform**

We will work on new business while reinforcing existing business and expanding its peripheral domains, in order to increase net sales to 150 billion yen.
- 2 Develop a production strategy to realize robust 'Monodzukuri' (No. 1 QCD) capabilities**

We will promote the reconstruction of production bases to accord with business expansion and the reconstruction of material procurement system, based on the concept of "optimal production" (manufacturing products where they are sold and procuring materials and parts where they are used for manufacture).
- 3 Reformulate a technology strategy for product development to meet market needs**

We will promote the further globalization of our development system and speed up high-end product development mainly at our domestic bases.
- 4 Promote an HR strategy to support corporate strength (strengthen and develop human resources)**

We will establish a solid base of human resources by developing global talent and reinforcing personnel who play integral roles in JUKI as a "Monodzukuri" company, as main pillars of the plan.
- 5 Reconstruct our business organizational structure**

We implemented a company-wide organizational revision as of April 1, 2011. By reviewing the previous business division system and reshaping it into a functional organization, we will use management resources more flexibly and efficiently from a company-wide viewpoint.
- 6 Streamline, simplify, speed up, and globalize administrative functions**

We will standardize and simplify jobs by integrating and unifying administrative functions and proceed with globalization by strengthening head office functions in China.

## Corporate information

### ■ Corporate profile (as of March 31, 2011)

<b>Trade name</b>	JUKI CORPORATION
<b>Founded on</b>	December 15, 1938
<b>Paid in capital</b>	15,950.26 million yen
<b>Business items</b>	Industrial Sewing Machines, SMT Systems, Household Sewing Machines, etc.
<b>Number of employees</b>	6,613 (on a consolidated basis)
<b>Consolidated subsidiary companies</b>	32 companies

### ■ Stock information (as of March 31, 2011)

- Total number of authorized shares ..... 400,000,000 shares
- Total number of shares issued ..... 129,370,899 shares
- Total number of shareholders ..... 13,639

#### ● Stock distribution status by owner type



Individuals, others 48.92% (63,299,000 shares)	Financial institutions 31.53% (40,802,000 shares)	Foreign legal entities 14.48% (18,733,000 shares)
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Securities companies 2.14% (2,781,000 shares)	Other domestic legal entities 2.78% (3,607,000 shares)	Treasury stock 0.11% (149,000 shares)
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## Website guidance



<http://www.juki.co.jp>

## Shareholder's memo

<b>Business year</b>	April 1, 2010 through March 31, 2011
<b>Ordinary general meeting of shareholders</b>	June 28, 2011
<b>Record date for the ordinary general meeting of shareholders</b>	March 31, 2011
<b>Unit stock</b>	1,000 shares
<b>Method of public notice</b>	We will issue public notices electronically on our website ( <a href="http://www.juki.co.jp">http://www.juki.co.jp</a> ). If accidents or unforeseen causes prevent us from issuing public notices electronically, we will publish the notice in the newspaper <i>Nihon Keizai Shimbun</i> .

### Listed stock exchange

Shareholders list administrator and Special account administrator Mizuho Trust & Banking Co., Ltd.

**(Mailing address)** Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.  
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507

**(Inquiry contact)** 0120-288-324 (toll free)  
Business hours: 9:00 - 17:00 (excluding Saturdays, Sundays, and national holidays)

**Administration office for special account** Branch offices of Mizuho Trust & Banking Co., Ltd.  
Headquarters and branch offices of Mizuho Investors Securities Co., Ltd.

\* Please contact your securities companies to report address changes and other administrative matters.

## Special account

For shareholders who were not using JASDEC prior to the implementation of the electronic stock system, we open accounts ("special accounts") in their names with Mizuho Trust & Banking Co., Ltd., the administrator of the shareholders list.

Please telephone the above number for any inquiries about your special account, address changes, or other administrative matters.

## JUKI CORPORATION

2-11-1, Tsurumaki, Tama-shi, Tokyo 206-8551  
Tel: 042-357-2211