

To Our Shareholders



Business Report for the First Half of the 96th Business Term

April 1, 2010 through September 30, 2010

JUKI CORPORATION

Security code: 6440

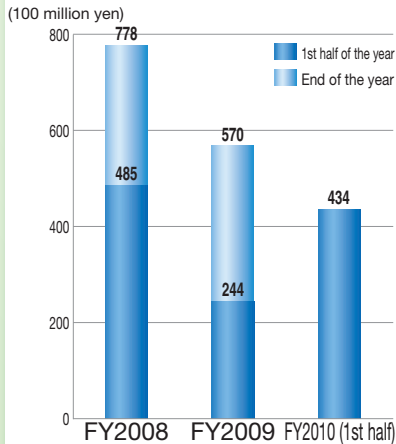
FINANCIAL HIGHLIGHTS

MAJOR POINTS OF BUSINESS PERFORMANCE

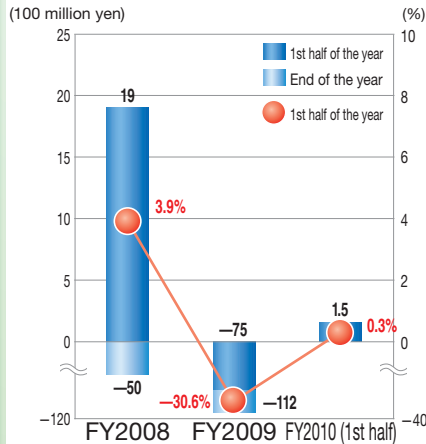
Net sales increase by 78% from the same period of the previous year
 Operating income, ordinary income, and net income move back into the black.

Net sales 43.4 billion yen
 (up by 19.0 billion yen from FY2008)
Operating income 0.15 billion yen
 (up by 7.61 billion yen from FY2008)
Ordinary income 0.28 billion yen
 (up by 7.81 billion yen from FY2008)
Net income 0.64 billion yen
 (up by 8.13 billion yen from FY2008)

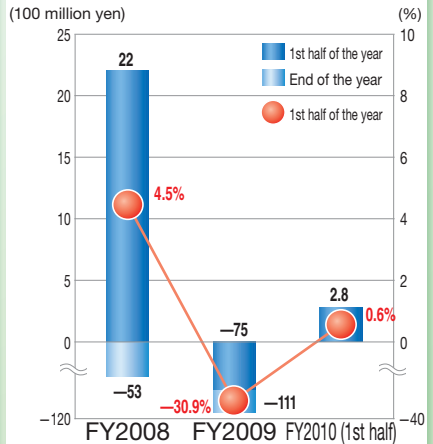
Net sales



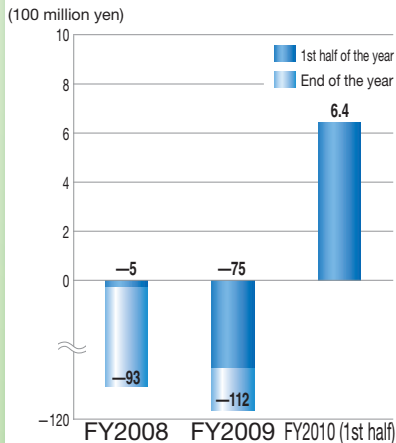
Operating income Ratio of operating income to net sales



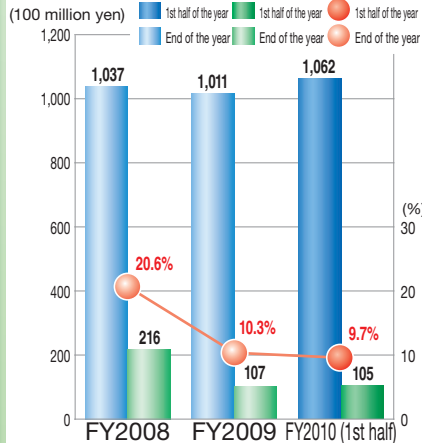
Ordinary income Ratio of ordinary income to net sales



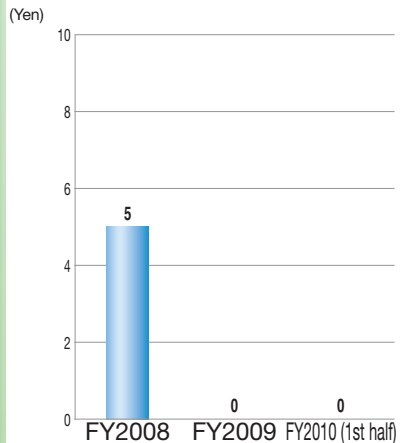
Net income



Total assets Net assets Shareholders' equity ratio



Cash dividends per share



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

In presenting our business results for the first half of the 96th business term (from April 1, 2010 through September 30, 2010), I would like to take the opportunity to convey a few words to our shareholders.

Consolidated net sales in the second quarter on an accumulative basis (the first half) stood at 43,363 million yen, up by 78% from the same period of the previous year. We credit this to the effects of new product releases, in addition to robust domestic demand in emerging countries such as China and other Asian countries. Ordinary income stood at 278 million yen, up by 7,812 million yen from the same period of the previous year, moving JUKI back into the black. We credit this to sales increases and fixed cost reductions achieved in spite of the impact of the high yen. Net income stood at 640 million yen, up by 8,134 million yen from the same period of the previous year. We partly credit this to a gain from the sale of the former head office in Kokuryo, Tokyo.

Regrettably, in view of uncertainties in the future market environment, the Board of Directors chose not

to distribute a dividend in the first half of the year. For this we apologize to our shareholders and sincerely ask for your understanding.

In the second half 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. We also work strongly to globalize our management system in anticipation of an ongoing appreciation of the yen and tougher competition in the market.

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



Akira Kiyohara
President

Industrial Sewing Machines Business

Net sales stood at 26,604 million yen, up by 68% from the same period of the previous year. We credit this to robust domestic demand in China and other emerging countries. The sales almost recovered to its level of the first half of FY2008. Especially, the sales in China doubled from the same period of the previous year, which recovered to two-thirds of its peak level of the first half of FY2007. Ordinary income stood at 617 million yen, up by 4,340 million yen from the same period of the previous year. We credit this to sales increases and cost reductions achieved in spite of the impacts of the high yen.

In the second half of the year we will expand sales of new products for domestic demand in emerging countries and export market, increase production capacity, and reduce costs.

Net sales **26.6** billion yen

Ordinary income **0.62** billion yen

**Product
PICK UP!**

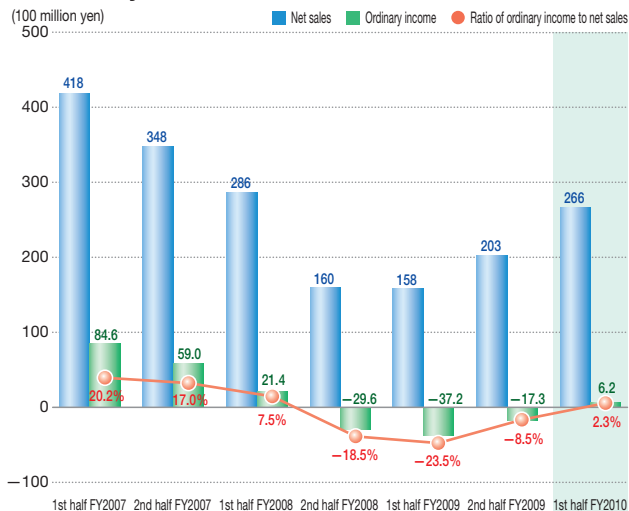


One-needle lockstitch sewing machine DDL-8100e

The DDL-8100e is a lockstitch machine strategically positioned to meet domestic demand in emerging countries. JUKI has focused on development and sales of sophisticated sewing machines guaranteed to deliver superior sewing quality and higher productivity, mainly for the export market. The release of the DDL-8100e will expand JUKI sales in promising emerging countries worldwide.

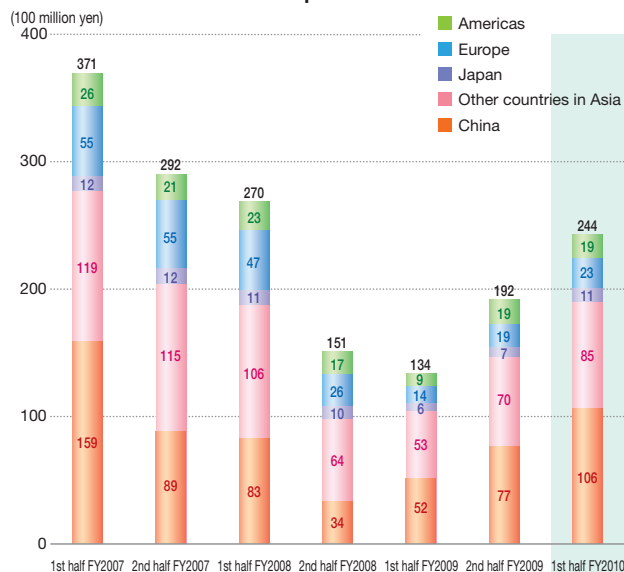
Changes in net sales and ordinary income

Net sales almost recover to its level of the 1st half of FY2008, and ordinary income moves back into the black.



Changes in net sales by region (exc. spare parts etc)

Net sales in China double from the same period of the previous year, which recover to two-thirds of its peak level of the 1st half of FY2007.



Net sales stood at 11,969 million yen, up by 211% from the same period of the previous year.

We credit this to the rapid growth in demand in China and robust demand in Japan, Europe and the United States. The sales recovered to the level of the first half of FY2008. Especially, the sales in China increased sixfold from the same period of the previous year, which recovered to its peak level of the second half of FY2007. Ordinary income stood at 442 million yen, up by 2,788 million yen from the same period of the previous year. We credit this to sales increases and costs reductions achieved in spite of the impacts of the high yen.

In the second half of the year we will increase a share in the high-speed machine market by releasing high-speed flexible mounters and strengthen sales in emerging countries.

Net sales **12.0** billion yen

Ordinary income **0.44** billion yen

**Product
PICK UP!**

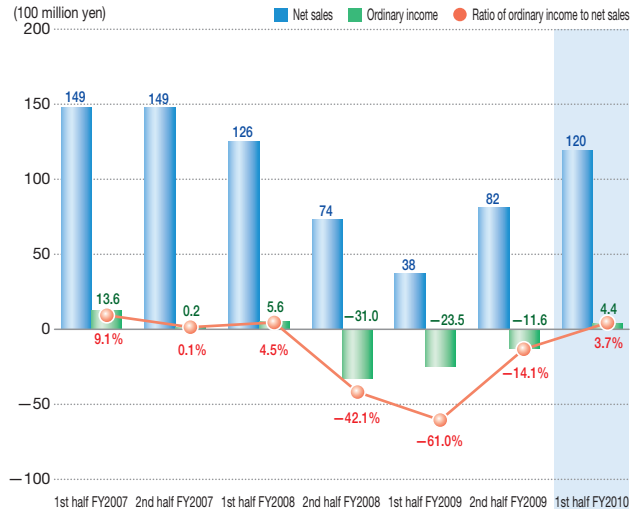


High-speed flexible mounter KE-3020/3020R

The KE-3020 and KE-3020R are high-speed flexible mounters designed to build up high-speed computerized production lines by connecting to JUKI's high-speed modular mounter, the FX-3. JUKI entered the high-speed machine market by releasing the FX-3 in May 2008. The KE-3020 and KE-3020R will be expanding our share in this market.

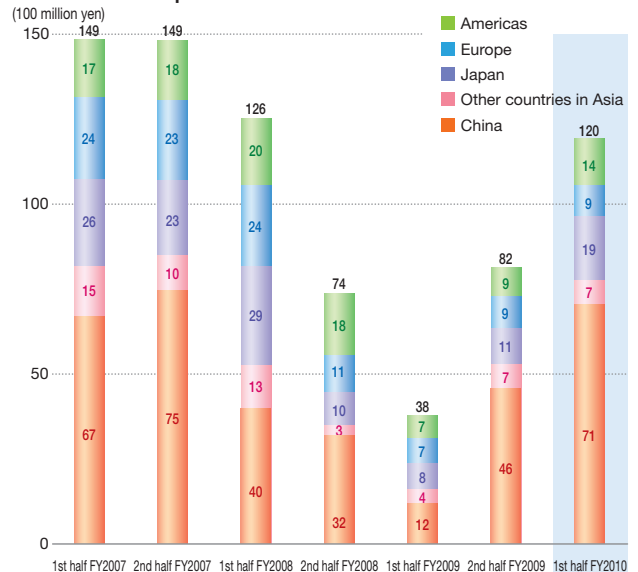
Changes in net sales and ordinary income

Net sales recover to its level of the 1st half of FY2008, and ordinary income moves back into the black.



Changes in net sales by region

Net sales in China increase sixfold from the same period of the previous year, which recover to its peak level of the 2nd half of FY2007.



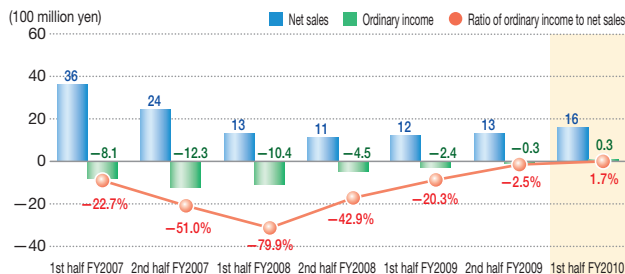
Net sales stood at 1,551 million yen, up by 33.3% from the same period of the previous year. We credit this to the favorable sales growth in Europe and the United States, and robust growth in Japan. Ordinary income stood at 27 million yen, up by 264 million yen from the same period of the previous year. We credit this to the effects of business restructuring.

In the second half of the year we will expand sales both in Japan and overseas and promote further cost reductions.

Net sales **1.6 billion yen**

Ordinary income **0.03 billion yen**

Changes in net sales and ordinary income



Product PICK UP!



Exceed Quilt Special HZL-F600JP

The HZL-F600JP is the ultimate achievement in household sewing machines, a model packed with functions for enhanced needlework and the sewing of beautiful quilts. This machine has been well accepted by many customers since its release. JUKI will be strengthening sales of the model both in Japan and overseas.

Consolidated Balance Sheets

(Million yen)

Item	End of previous FY2009 as of Mar 31, 2010	End of current 1st half of FY2010 as of Sep 30, 2010	Year-on-year changes
Assets			
Current assets	55,851	63,314	7,463
Fixed assets	45,229	42,915	- 2,314
Tangible fixed assets	32,911	31,656	- 1,255
Intangible fixed assets	2,302	2,015	- 287
Investments and other assets	10,015	9,243	- 772
Total assets	101,081	106,230	5,149
Liabilities			
Current liabilities	60,137	66,991	6,854
Fixed liabilities	30,257	28,708	- 1,549
Total liabilities	90,395	95,699	5,304
Net assets			
Shareholders' equity	16,030	16,670	640
Capital stock	15,950	15,950	0
Capital surplus	8,976	-	- 8,976
Retained earnings	- 8,839	778	9,617
Treasury stock	- 57	- 57	0
Valuation and translation adjustments	- 5,605	- 6,391	- 786
Minority interests	261	251	- 10
Total net assets	10,686	10,530	- 156
Total liabilities and net assets	101,081	106,230	5,149

Consolidated Statements of income

(Unit: Million yen)

Item	1st half of previous FY2009 (Apr 1 through Sep 30, 2009)	1st half of current FY2010 (Apr 1 through Sep 30, 2010)	Year-on-year changes
Net sales	24,353	43,363	19,010
Cost of sales	21,163	32,735	11,572
Gross profit	3,189	10,627	7,438
Selling, general and administrative expenses	10,644	10,476	— 168
Operating income	— 7,454	151	7,605
Non-operating income	955	876	— 79
Non-operating expenses	1,036	749	— 287
Ordinary income	— 7,534	278	7,812
Extraordinary income	219	1,976	1,757
Extraordinary loss	628	584	— 44
Net income before taxes and minority interests	— 7,943	1,671	9,614
Corporate income taxes etc.	— 436	1,034	1,470
Loss of minority shareholders	— 12	— 3	9
Net income	— 7,494	640	8,134

Consolidated Statements of Cash Flows

(Unit: Million yen)

Item	1st half of previous FY2009 (Apr 1 through Sep 30, 2009)	1st half of current FY2010 (Apr 1 through Sep 30, 2010)	Year-on-year changes
Cash flow from operating activities	212	2,126	1,914
Cash flow from investing activities	— 6,068	837	6,905
Cash flow from financing activities	3,744	— 1,698	— 5,442
Effect of exchange rate changes on cash and cash equivalents	212	— 297	— 509
Net increase (or decrease) in cash and cash equivalents	— 1,898	967	2,865
Cash and cash equivalents at the beginning of the year	8,925	8,291	— 634
Cash and cash equivalents at the end of 1st half of the year	7,027	9,259	2,232

■ Corporate profile (as of September 30, 2010)

Trade name:	JUKI CORPORATION
Founded on:	December 15, 1938
Paid in capital:	15,950.26 million yen
Business items:	Industrial Sewing Machines, SMT Systems, Household Sewing Machines, etc.
Number of employees:	6,405 (on a consolidated basis)
Consolidated subsidiary companies:	33 companies

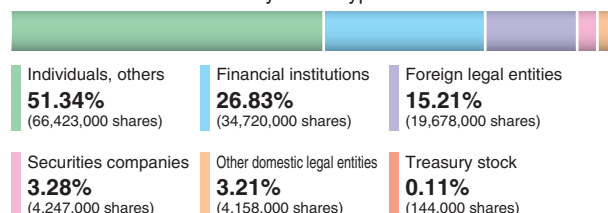
■ Directors and auditors (as of September 30, 2010)

Directors:	
Chairman	Kazuyuki Nakamura
President	Akira Kiyohara
Executive vice president (in charge of technology sector)	Tomohisa Miyake
Managing Directors	Shinji Yamaguchi Kazuhiro Nagashima Hiroshi Nakamura
Auditors:	
Full-time auditors	Ryoji Murayama Kousuke Murakami (Outside)
Auditors	Masahiro Watanabe (Outside) Masako Wakana (Outside)

■ Stock information (as of September 30, 2010)

- Total number of authorized shares: 400,000,000 shares
- Total number of shares issued: 129,370,899 shares
- Total number of shareholders: 14,678

● Stock distribution status by owner type



Shareholder's memo

Business year:	April 1 through March 31 of the next year (year after year)
Ordinary general meeting of shareholders:	In June (year after year)
Record date for the ordinary general meeting of shareholders:	March 31 (year after year)
Unit stock:	1,000 shares
Method of public notice:	We will issue public notices electronically on our website (http://www.juki.co.jp). If accidents or unforeseen causes prevent us from issuing public notices electronically, we will publish the notice in the newspaper <i>Nippon Keizai Shinbun</i> (<i>The Nikkei</i>).
Listed stock exchange:	Tokyo Stock Exchange, 1st section (Security code: 6440)
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.

Website guidance



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

JUKI CORPORATION

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