

Explanatory Meeting for Account Settlement for FY2010 on Consolidated Basis

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Part I

Summary of business performance

Changes in business performance and dividends for FY2010

Net sales increased by 57% from FY2009.

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

Year-end dividend is scheduled to be 3.00 yen per share.

(Million yen)

	FY07	FY08	FY09 (A)	FY10 (B)	Comparison with the results for FY2009 Increase/decrease amount (B-A)
Net sales	130,351	77,832	56,970	89,596	32,626
Operating income	12,352	-4,975	-11,187	1,144	12,331
Ordinary income	11,516	-5,259	-11,102	1,174	12,276
Net income	4,126	-9,347	-11,233	※ ² 2,467	13,700
Dividends	10 yen per share	5 yen per share	0 yen per share	3 yen per share	+3 yen per share
※ ¹ Exchange Rate	US\$ 113 yen Euro 161 yen	100 yen 142 yen	92 yen 129 yen	84 yen 111 yen	-8 yen -18 yen

Increased by 57%
year on year

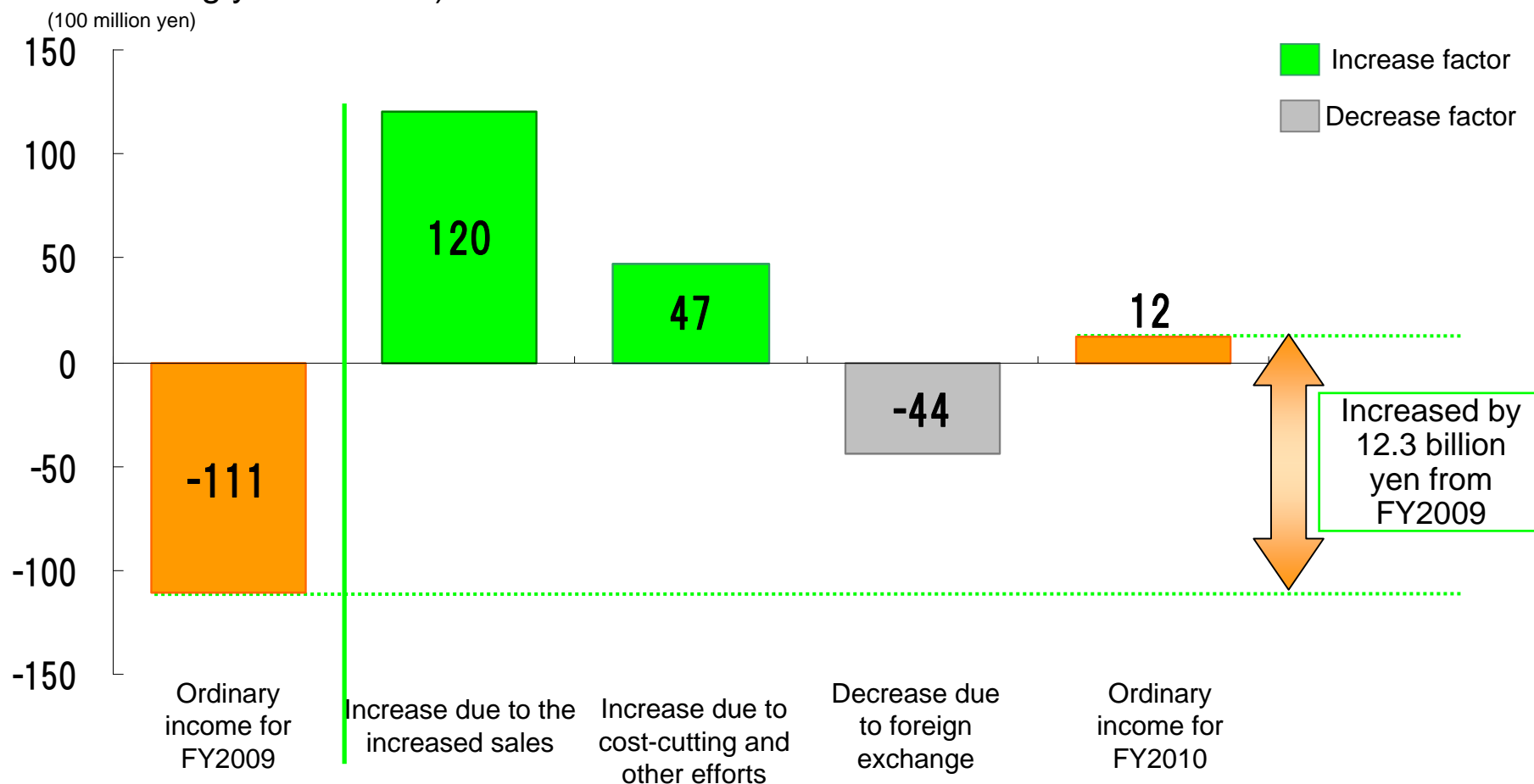
※¹ Exchange rate is an average rate during the period, and such rate influences operating income.

※² Extraordinary income: 2.0 billion yen (incl. 1.9 billion yen from a gain on sale of the former head office building and land located in Kokuryo, etc.)
Extraordinary loss: 1.0 billion yen (incl. 0.3 billion yen due to occurrence of Earthquake and 0.2 billion yen of a valuation loss on investment securities, etc.)

I-1-(2)

Factors contributing to the increase in ordinary income for FY2010

Ordinary income increased by 12.0 billion yen due to the increased sales. It also increased by 4.7 billion yen due to cost-cutting and other efforts. Ordinary income decreased, meanwhile, by 4.4 billion yen due to foreign exchange (i.e. strong yen situation).



Changes in major financial indexes

- Inventories increased by 6.9 billion yen in order to continually meet rising demand.
 Interest-bearing debts decreased by 2.2 billion yen due to sale of the former head office building and land located in Kokuryo, etc.

(Million yen)

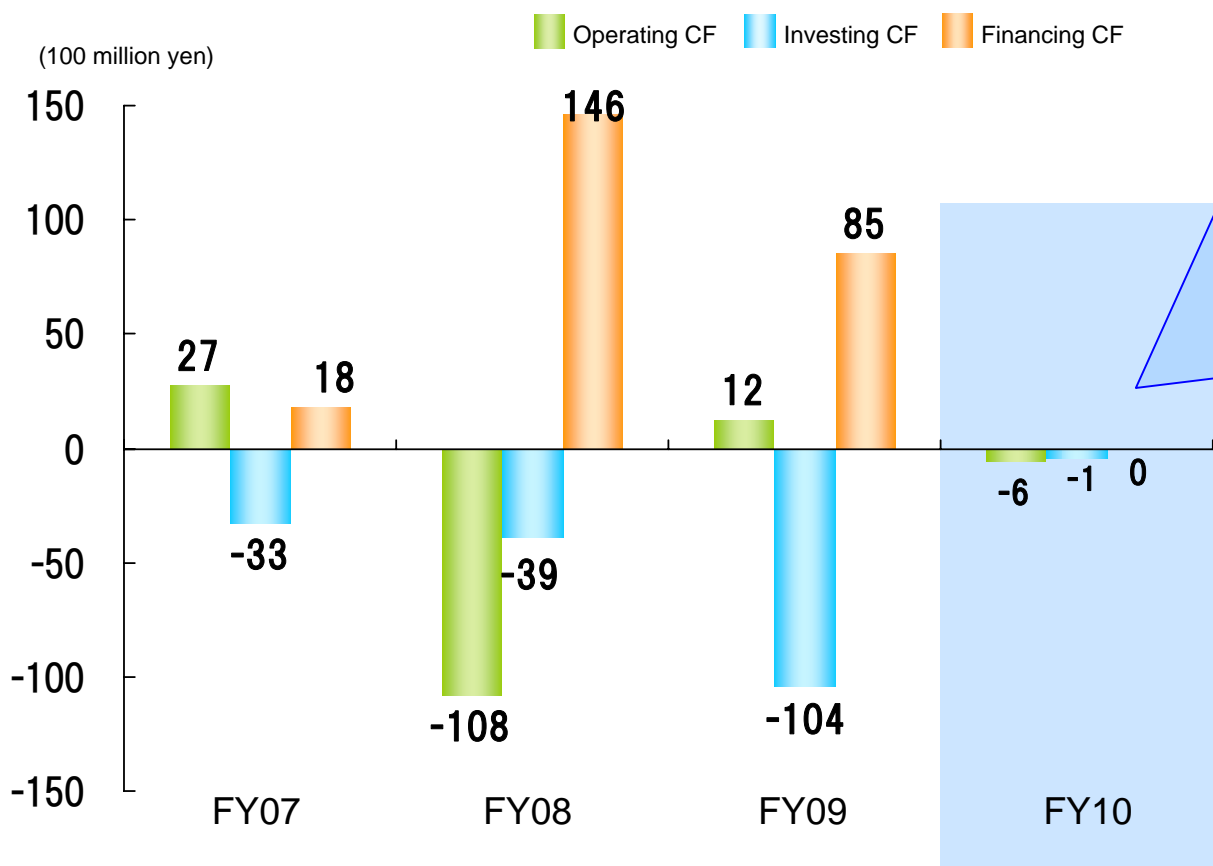
	End of FY2007	End of FY2008	End of FY2009 (A)	End of FY2010 (B)	Comparison with the results for FY2009 Increase/decrease amount (B-A)
Total assets	117,635	103,654	101,081	106,593	5,512
Inventories	42,240	36,070	29,297	36,240	6,943
Interest-bearing debts	40,994	56,001	65,848	63,697	-2,151
Net assets	37,100	21,589	10,686	11,549	※ 863
Shareholder's equity ratio	31.3%	20.6%	10.3%	10.6%	0.3%

※ Breakdown of an increase of 0.86 billion yen in net assets
 Income: 2.47 billion yen
 Foreign currency translation adjustment: -1.65 billion yen, etc.

I -1-(4)

Cash flows

Cash flow from operating activities was a negative 0.6 billion yen due to increase of working capital as a result of sales increase. Cash flow from investing activities was a negative 0.1 billion yen due to capital investment and sale of fixed assets.



Cash Flows for FY2010 (Summary)

(100 million yen)

Operating CF	-6
Income before tax	22
Depreciation & Amortization	37
Working capital	-111
Others	46
Investing CF	-1
Capital investment	-29
Sale of fixed assets	26
Others	2
Financing CF	0

Changes in net sales by segment

- Net sales for industrial sewing machines increased by about 60% from FY2009.
- Net sales for SMT systems increased by about 90% from FY2009.

(Million yen)

	FY07	FY08	FY09 (A)	FY10 (B)	Comparison with the results for FY2009 Increase/decrease amount (B-A)	Comparison with the results for FY2009 Increase/decrease ratio (B-A/A)
Industrial sewing machines	76,625	44,584	36,092	57,177	21,085	58.4%
SMT systems	29,812	19,960	12,040	22,437	10,397	86.4%
Household sewing machines	5,983	2,356	2,424	3,090	666	27.5%
Others	17,929	10,930	6,413	6,891	478	7.5%
Total net sales	130,351	77,832	56,970	89,596	32,626	57.3%

Changes in ordinary income by segment

All segments have returned to the black.

Industrial sewing machines and SMT systems businesses have returned to the black for the first time in three years.

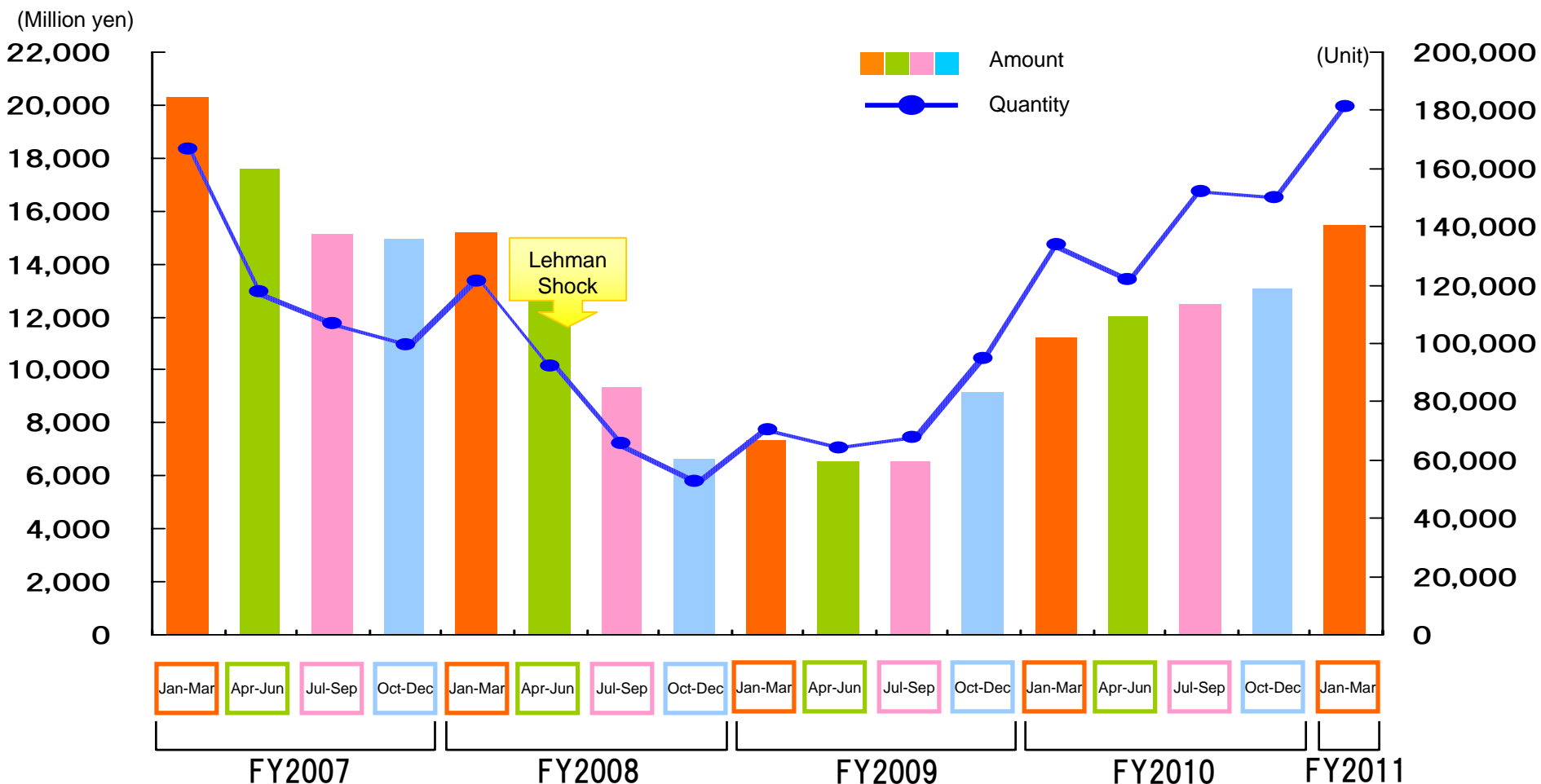
Household sewing machines business has returned to the black as a result of business renovation.

	FY07	FY08	FY09 (A)	FY10 (B)	(Million yen) Comparison with the results for FY2009 Increase/decrease amount (B-A)
Industrial sewing machines	14,360	-816	-5,453	1,670	7,123
STM systems	1,380	-2,536	-3,503	751	4,254
Household sewing machines	-2,043	-1,490	-269	18	287
Others	142	304	-13	59	72
Eliminations or Corporate Expenses	-2,324	-720	-1,863	-1,324	539
Total ordinary income	11,516	-5,259	-11,102	1,174	12,276

I - 2 - (2) - 1

Industrial sewing machines: Change in Sales Quantities and Sales Amounts (excl. parts, etc.)

Sales Quantities exceeded the peak level accomplished in FY2007.



(Note) The above figures are simple aggregates of sales quantities in Japan and abroad for each of same quarter (on calendar basis), and as a result, are not identical to those recorded for the account settlement.

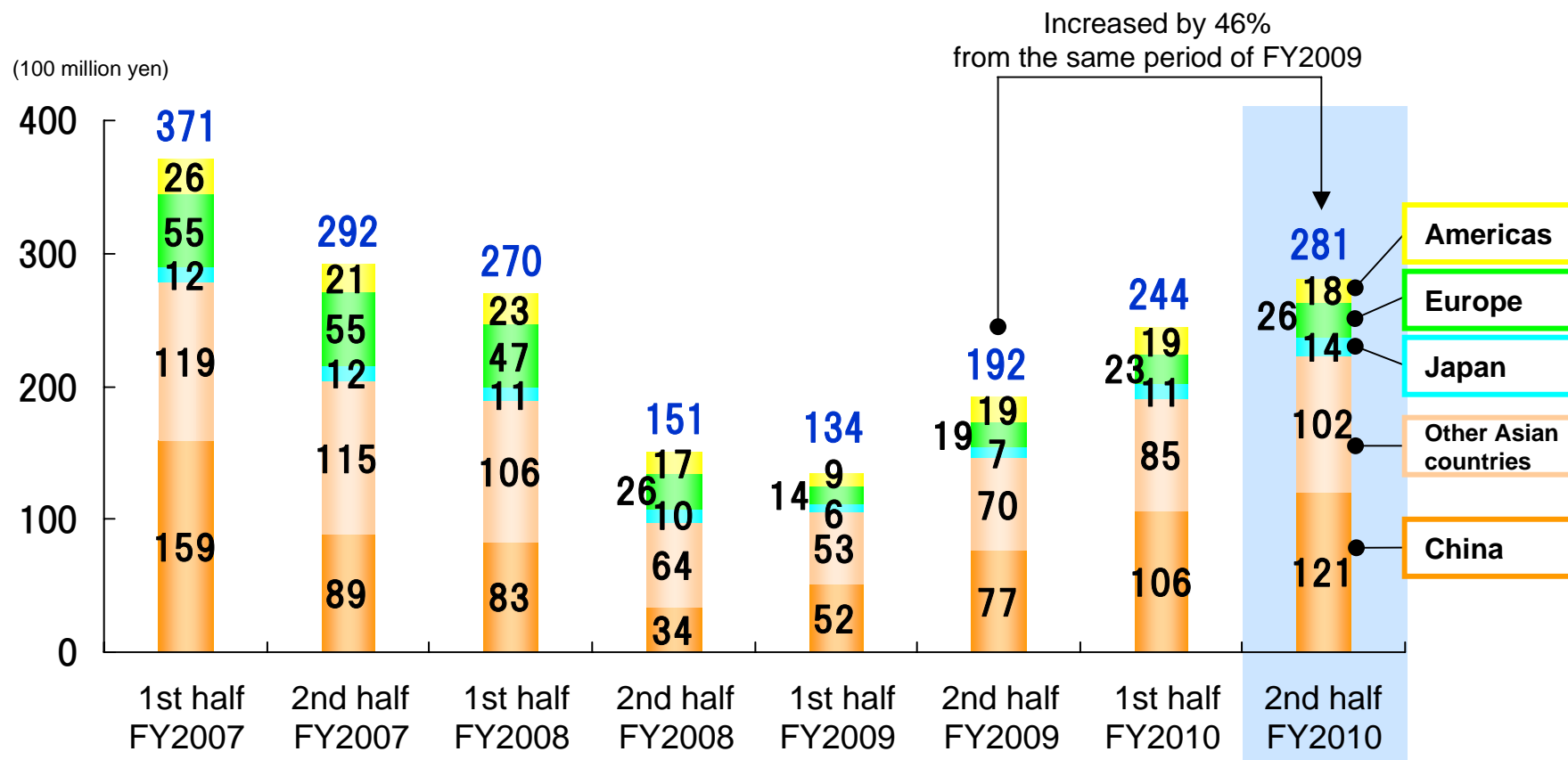
I-2-(2)-2

Industrial sewing machines: Changes in Net Sales Amounts by region (excl. parts, etc.)



Net Sales Amount increased by 57% in China and by 46% in other Asian countries from the same period of FY2009.

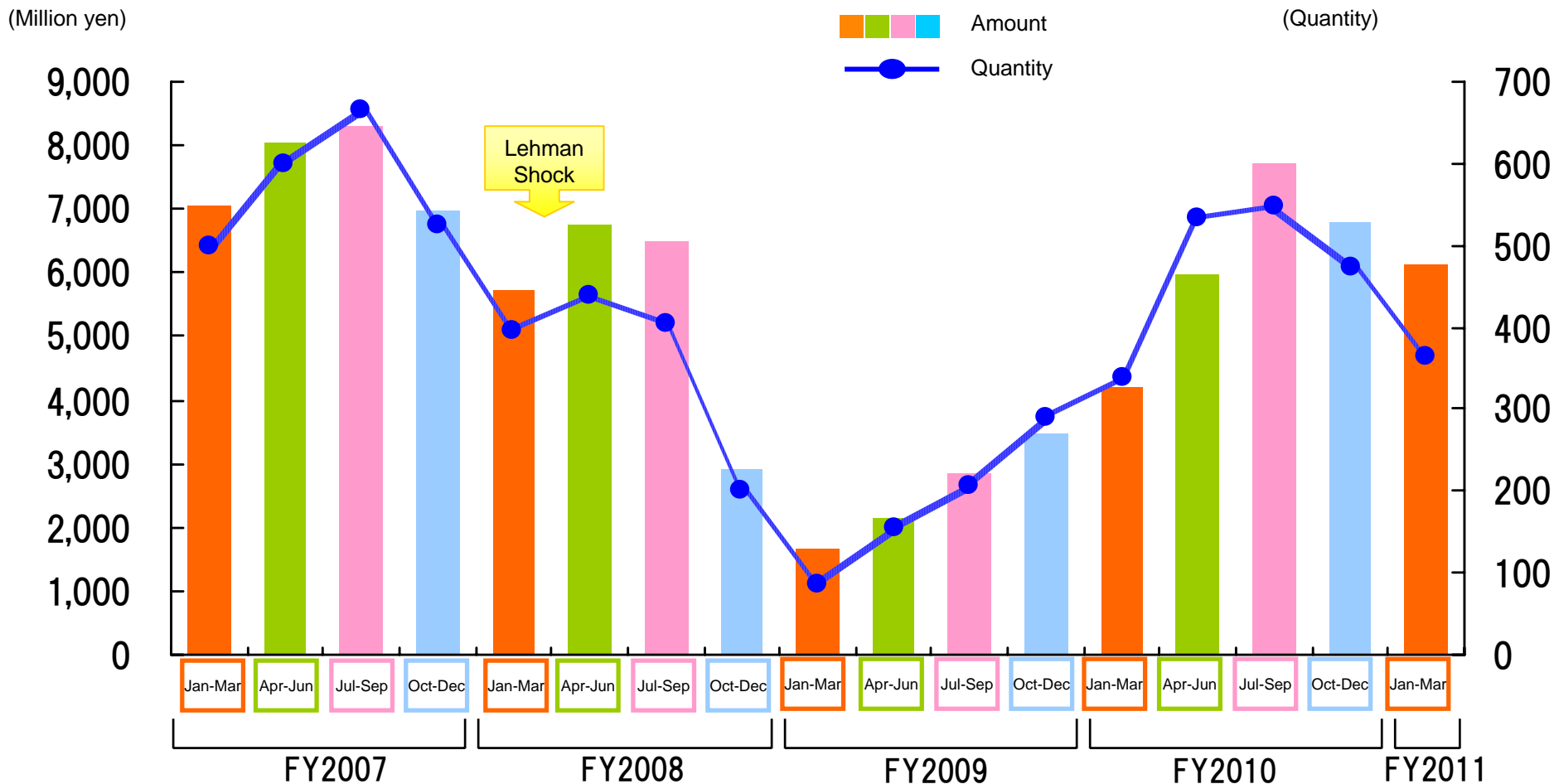
Total Net Sales Amounts increased by 46%.



I-2-(3)-1

SMT Systems: Change in Sales in Sales Quantities and Sales Amounts

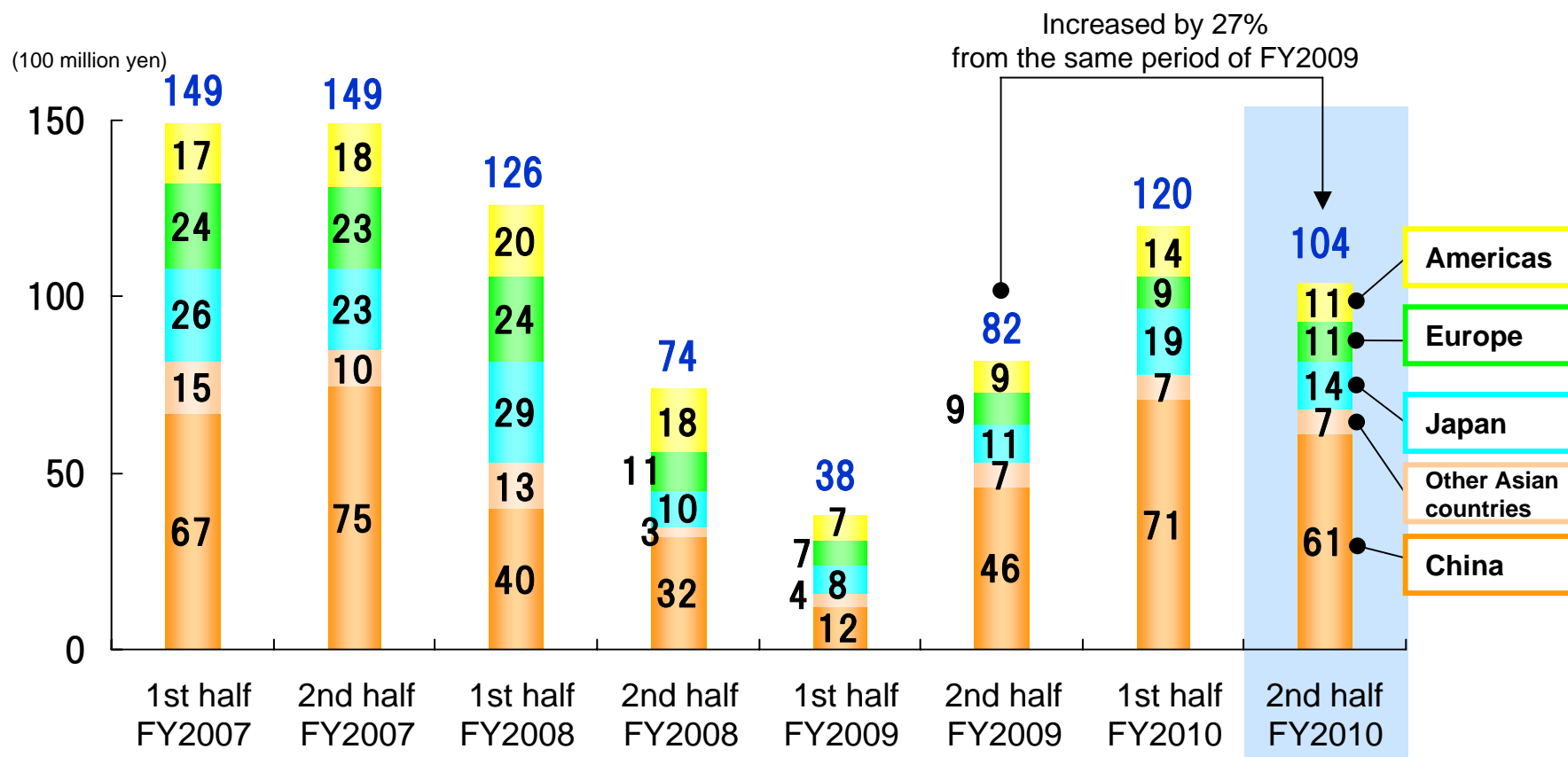
Sales Quantities exceeded the level for the period before Lehman Shock (1st half FY2008).



(Note) The above figures are simple aggregates of Sales Quantities in Japan and abroad for each of the same quarters (on calendar basis), and as a result, are not identical to those recorded in the account settlement.

SMT Systems: Changes in Net Sales Amount by region

Net Sales Amounts in China increased by 33% from the same period of FY2009, and total Net Sales Amounts increased by 27%.



【Change of fiscal term】

(1) Purpose

- To manage business operations more efficiently, including budget compilation and management of the results of the Company group, on a consolidated basis
- To facilitate the procedures necessary for unifying the fiscal term of the consolidated companies, in order to satisfy a requirement under the International Financial Reporting Standards (IFRS)

(2) Outline


- The Company will change its account settlement date from March 31 to December 31.
- The fiscal term ending December 31, 2011, a transitional term due to this change, is scheduled to be nine months from April 1, 2011 to December 31, 2011.

【Business performance forecasts for the next fiscal term】

- Because of the influence of the Great East Japan Earthquake of March 11, 2011 and other factors, it is difficult to reasonably forecast business performance results for the fiscal term ending December 31, 2011 is difficult. Therefore, the performance forecast for the next fiscal term has not been determined.
- The forecast will be disclosed promptly if and after it becomes possible to forecast the business performance.

【Fundamental Corporate Policy on Dividend Distribution】

- We will endeavor to return adequate profits to our shareholders based on a policy of stable dividend distribution, in comprehensive consideration of retained earnings to prepare for future business operations and the business results of the fiscal term.



Part II

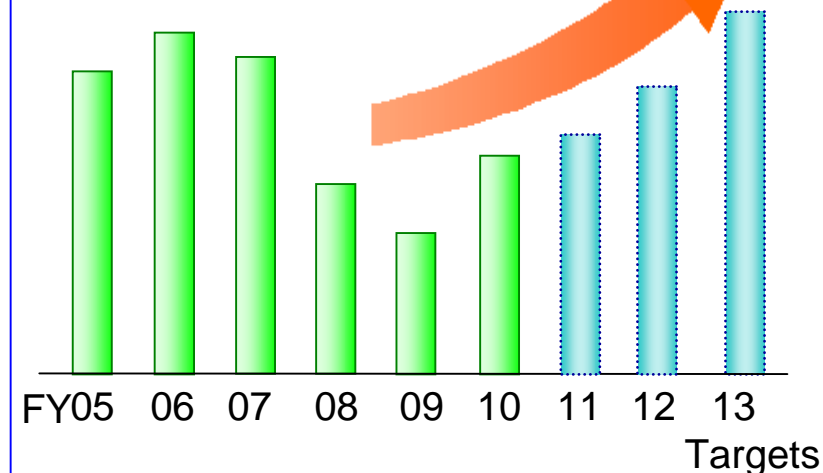
**Overview of the mid-term
management plan (FY2011-FY2013)**

II-(1)

Mid-term management plan targets

Strategic rapid growth plan

150 billion yen



Net sales¹

Targets for FY2013

Net sales 150 billion yen

Sewing machinery² 90 billion yen

FY2010 FY2013

Industrial sewing machines 84 billion yen [Share] 28% ▶ 34%

Household sewing machines 6 billion yen

Electronic Assembly systems 44 billion yen [Share] 8% ▶ 12%

Other 16 billion yen

Ordinary income 15 billion yen

Ordinary income: sales 10%

Assumed exchange rate: \$1 = 82 yen €1 = 110 yen

1. Representing net sales for accounting year (April-March=current fiscal term) according to the current applicable accounting standards.

2. From FY2011, industrial sewing machines and household sewing machines segments have been both subsumed under "sewing machinery segment", since April 1, 2011.

II-(2)-1

Concept (1) of the mid-term management plan: 3 management bases

J No. 1 Plan

Vision

To become a strong company which will be able to survive during and after the 21th century as a global 'Monodzukuri' (art of product making) manufacturer.

To win supports for JUKI's products and services from any and all customers (including potential customers) throughout the world.

Base of Strong Relationship with Customers

Supports from of customers around the world

Targets	FY2010	FY2013
Net sales	89.6 billion yen	150 billion yen
Net sales growth ratio	—	67%

Strong income and financial base

Strong confidence from shareholders and financial institutions

Targets	FY2010	FY2013
Ordinary income	1.2 billion yen	15 billion yen
Ordinary income ratio	1.3%	10%

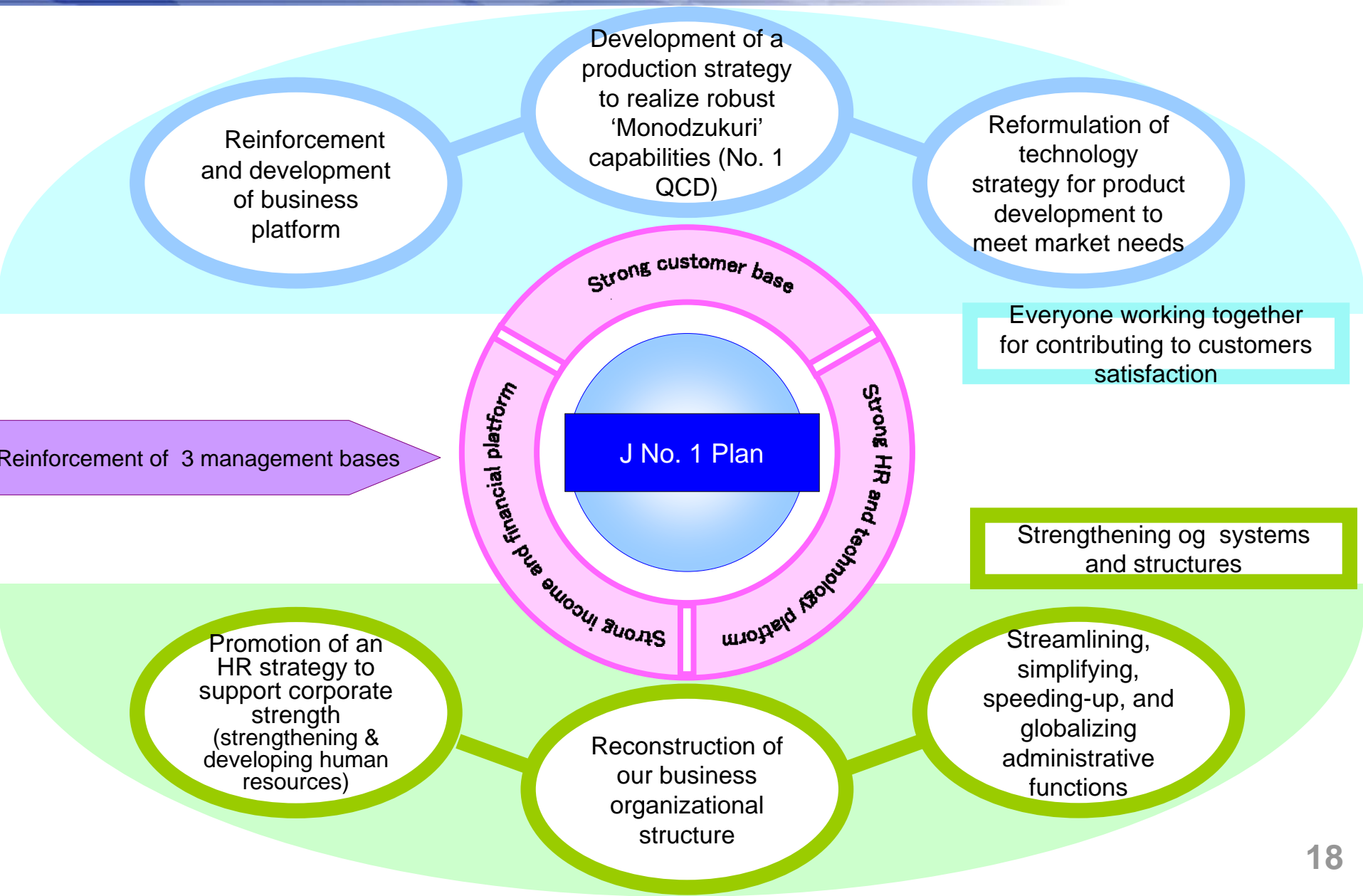
Strong HR and technology base

Ability and organizational vitality in the JUKI workforce

Targets	FY2010	FY2013
New product sales ratio	27%	40%
Localization Ratio: Employment of engineers (R&D) in foreign countries	7%	17%

II-(2)-2

Concept (2) of the mid-term management plan: 6 basic plans

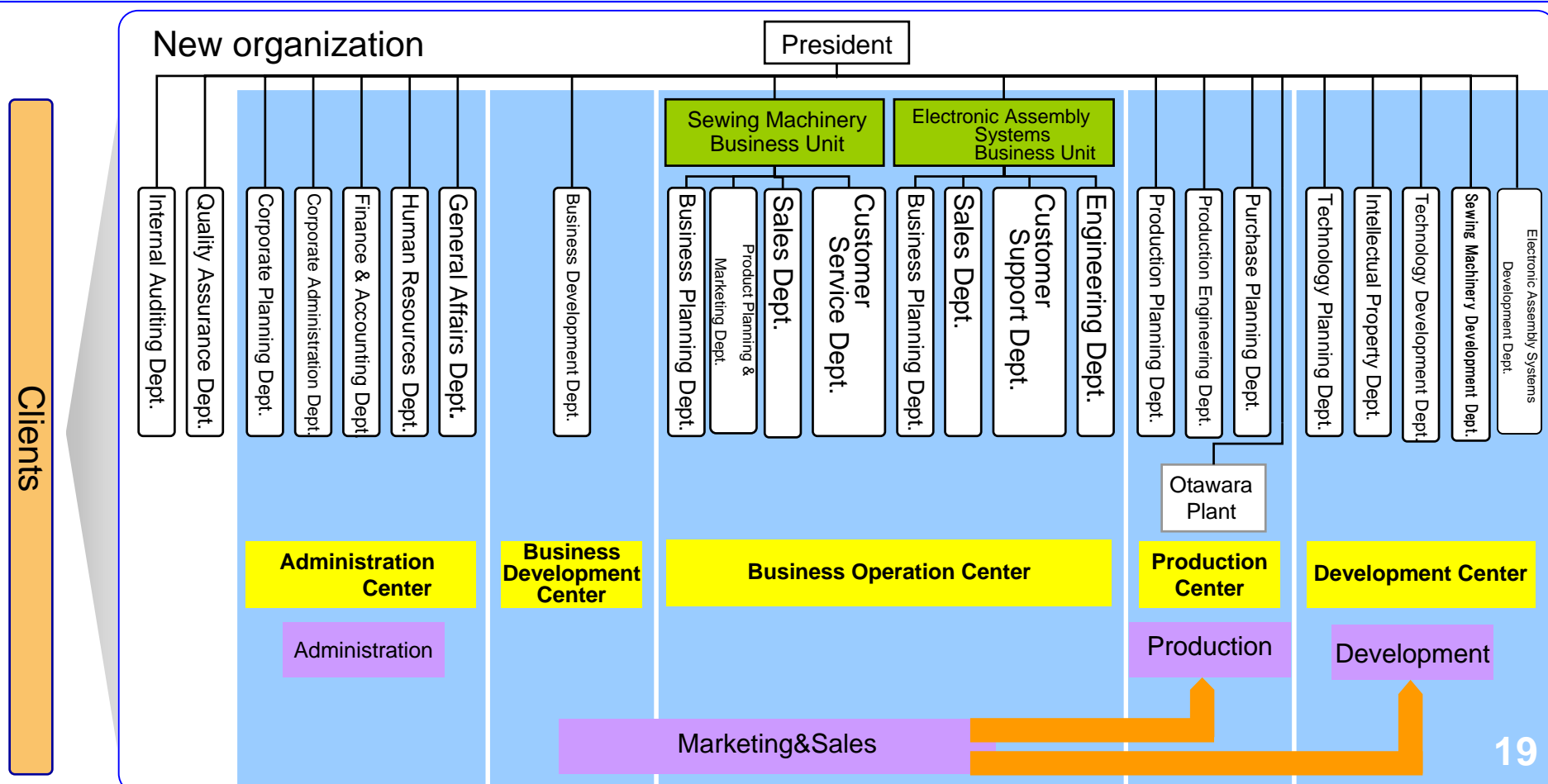


II-(3)

Organizational reforms

[About the organizational reforms]

- On Apr. 1, 2011, the business division system was replaced with a series of centers organized by each of functions.
- ⇒ Each of 5 centers with a specific function: marketing & sales, production, development, and administration.
- Business Center contained of 2 business units each handling different clients and products



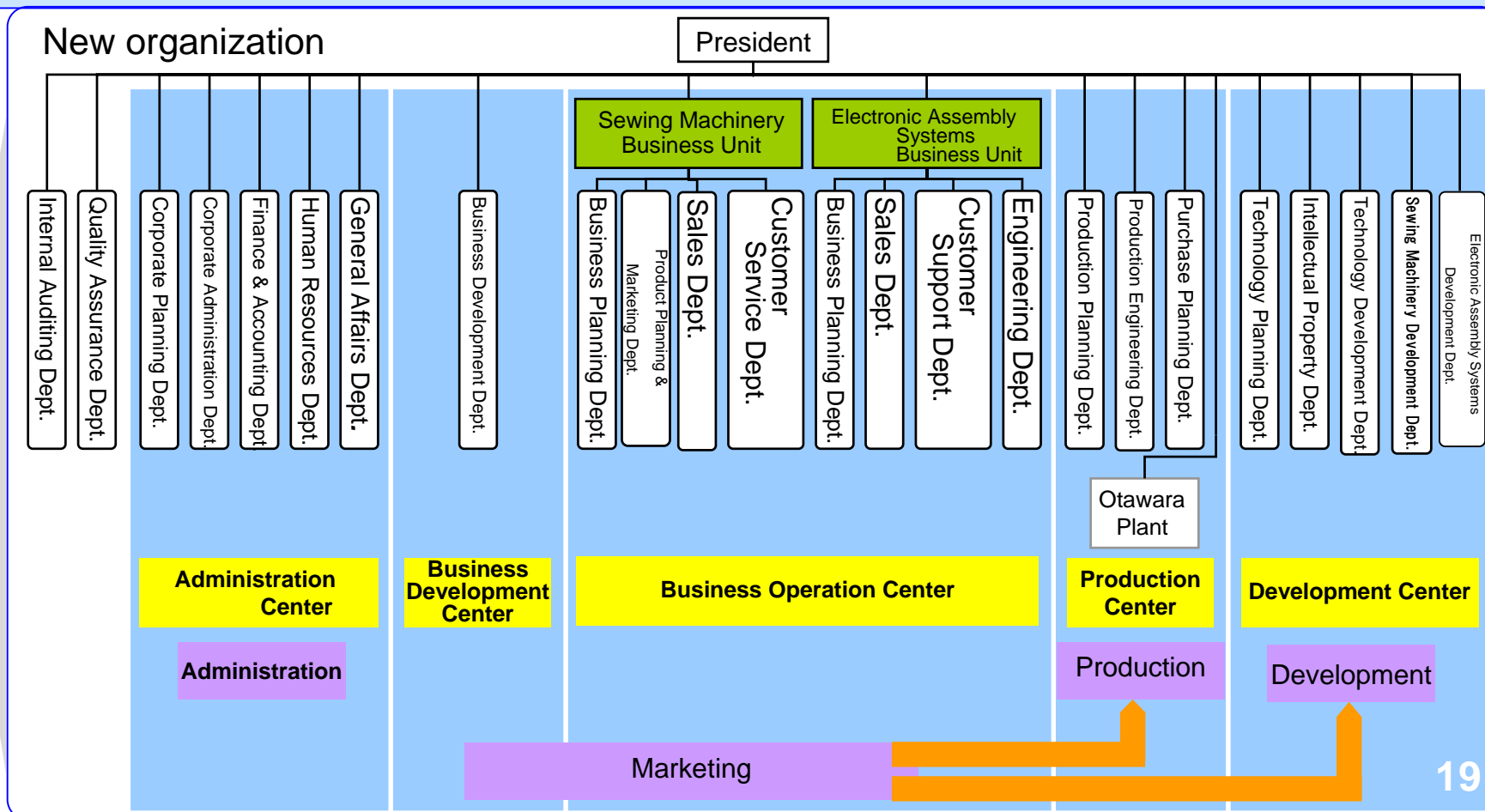
II-(3)

Organizational reforms

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 - ⇒ 5 centers each with a specific function: marketing, production, development, or administration.
- Business Center organized into 2 business units each handling different clients and products

Clients



II-(4)-1

Strategies and challenges for each functional arm

Business Center	Sewing Machinery Business Unit	Industrial sewing machines	<ul style="list-style-type: none"> ◆ To accelerate expansion into Chinese entry-level market (sales of machines to manufacturers of clothes, etc. to be consumed in China. ◆ To strengthen marketing & sales in growing markets other than China ◆ To strengthen and promote “machines for sewing knitwear” and “parts” businesses ◆ To promote alliances 	<ol style="list-style-type: none"> (1) To have established production line at Chinese sales company dedicated to tapping domestic demand (May 2010) (2) To have released entry-level model (DDL-8100e) (Nov. 2010) (3) To have established in-house company system in SE Asia (Feb. 2011) ⇒ Multi-polarization of marketing and sales hubs (4) To strengthen marketing and sales in Central and South America (5) To strengthen merchandising power by means of establishing alliances
		Household sewing machines	<ul style="list-style-type: none"> ◆ To Utilize industrial sewing machine supply chain 	<ol style="list-style-type: none"> (1) To release new products (2) To strengthen domestic Japanese marketing and sales functions by transferring to JUKI Sales (Japan) Corp. (3) Strengthen overseas sales (by harnessing industrial sewing machine sales network)
	Electronic Assembly Systems Business Unit	<ul style="list-style-type: none"> ◆ To boost market shares in high-speed machine market ◆ To strengthen sales structure in Asia and South America ◆ To expand product line-up by means of promoting and establishing alliances, etc. 	<ol style="list-style-type: none"> (1) To have released FX-3R in high-speed machine market (May 2011) (2) To have released entry-level model JX-200 (May 2011) (3) To strengthen organization in SE Asia (JUKI SMT ASIA) (4) To expand sales in South American market ⇒ To have begun JUKI do Brazil into full operation (Mar. 2011) (5) To strengthen efforts to cultivate major clients 	
Business Development Center	<ul style="list-style-type: none"> ◆ To develop new business through tie-ups with JUKI customers and business partners, etc. 			

Strategies and challenges for each functional organization

Production Center	<ul style="list-style-type: none"> ◆ To implement production strategy that achieves unbeatable QCD (No.1 QCD) ◆ To strengthen production capacity to meet robust market demand <ul style="list-style-type: none"> • To have brought No. 4 plant at JUKI Vietnam on line (Apr. 2011) • To examine further ways to strengthen production regime ◆ To strengthen procurement of materials such as components, parts. Etc. <ul style="list-style-type: none"> • To ensure ability to procure such materials in aftermath of earthquake • To strengthen such materials procurement capabilities in foreign countries to accommodate greater production capacity and lower costs
Development Center	<ul style="list-style-type: none"> ◆ To establish global development system (China, Vietnam) <ul style="list-style-type: none"> ⇒ To have set up R&D Center in Shanghai (Mar. 2011) ◆ To speed up product development to create products that have strong competitive powers in comparison with other competitors' products <ul style="list-style-type: none"> • To develop high-end products • To aggressively promote and establish alliances
Administration Center	<ul style="list-style-type: none"> ◆ To thoroughly review and reform administrative operations for the purpose of streamlining, simplifying, speeding up such operations ◆ To improve overall business management capabilities of Group companies ◆ To strengthen headquarters' functions in China

The prospective future results described in this document are only forecasts based on currently available information. There is a possibility of actualization of potential risks and occurrence of uncertain factors, and accordingly, please note that actual results in the future may differ from the results forecasted herein.

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