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(Code 6440)  
June 3, 2011

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CALL FOR THE 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our sincere sympathy to those people affected by the Great East Japan Earthquake.

You are cordially invited to attend the 96th Ordinary General Meeting of Shareholders (the "Meeting") of JUKI CORPORATION (the "Company") to be held as indicated below.

**If you are unable to attend the Meeting, you may exercise your voting rights in writing. Please review the enclosed "Reference Documents for the General Meeting of Shareholders, enter your votes "for" or "against" in each of the proposals in the Voting Right Exercise Form, and return the form to reach us no later than June 27, 2011 (Monday), at 6:00 p.m. (on Japan Time basis).**

- 1. Date and Time:** June 28, 2011 (Tuesday), at 10:00 a.m.
- 2. Place:** Multi-purpose hall, 3rd floor of the East Tower of the Company's Head Office, 2-11-1, Tsurumaki, Tama-shi, Tokyo, Japan

Please be advised that the place where the Meeting is to be held has been changed to the address of Tsurumaki, Tama-shi, since the last fiscal year.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, the Consolidated Financial Statements for the 96th Fiscal Year (April 1, 2010 - March 31, 2011), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Company Auditors
  2. Non-consolidated Financial Statements for the 96th Fiscal Year (April 1, 2010 - March 31, 2011)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Partial Amendments to the Articles of Incorporation  
**Proposal No. 3:** Election of 7 Directors  
**Proposal No. 4:** Election of 2 Company Auditors  
**Proposal No. 5:** Election of 2 Substitute Company Auditors

- When you attend the Meeting, please submit the enclosed Voting Right Exercise Form at the reception desk on the day of the Meeting.
- Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Financial Statements, and Consolidated Financial Statements will be posted on the Company's website (URL: <http://www.juki.co.jp>).

(Attached documents)

## **Business Report**

(April 1, 2010 - March 31, 2011)

### **1. Overview of the Company Group**

#### **(1) Business Progress and Results**

Irrespective of the appreciation of the yen, our business for fiscal year 2010 (“FY 2010”) was underpinned by robust demand in China and other Asian regions. As a result, consolidated net sales stood at 89,596 million yen (up by 57.3% from the preceding fiscal year) and consolidated ordinary income stood at 1,174 million yen (versus a negative 11,102 million yen in the preceding fiscal year). The Group posted consolidated net income of 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 sales of real estate.

Business results by major segment are as follows:

##### 1) 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).

##### 2) SMT Systems Business (including pick-and-placer, etc.)

As a result of this Business having been due to steadily growing sales of high-speed pick-and-placers, etc. in the China market and robust development in Japan, the U.S. and Europe, our 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).

##### 3) Household Sewing Machines Business

Though sales in Japan was almost same as those for 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.

#### **(2) Capital Investments**

Capital investment totaling 1,797 million yen was disbursed in FY 2010, including 806 million yen for machinery and vehicles and 159 million yen for equipment, furniture and fixtures.

#### **(3) Financing**

Financing for FY 2010 was arranged using the Group’s own funds and borrowing from financial institutions.

#### **(4) Issues to Address**

Our group has established a new three-year plan (J No. 1 Plan) starting in fiscal 2011 and will work to become a “Strong Company which will be able to survive through the 21st century as a global *Monodzukuri* (art of product making) manufacturer” under the following six basic policies:

##### 1) Reinforcement and development of business platform

We will work on new businesses while reinforcing existing businesses and expanding their peripheral domains, in order to increase net sales further.

##### 2) Development of production strategy to realize “*Monodzukuri (manufacturing of products)*” capabilities (No. 1 QCD)

Based on the concept of “optimal production,” that is, i) manufacturing products where they are sold and ii) procuring parts and materials where they are used for manufacture, the strategy will consist of two main pillars: reconstructing production bases to support business expansion, and reconstructing the material procurement system.

##### 3) Reformulation of technology strategy for product development to meet market needs

We will promote the further globalization of our development system, and will also speed up high-end product development, mainly at our domestic bases.

4) Promotion of HR strategy to support corporate strength

To establish a solid base of human resources, we will reinforce talented persons who can fill integral roles in JUKI as a “*Monodzukuri*” company, and will, also, develop talented persons which can globally work for JUKI These are main pillars of the plan.

5) Reconstruction of business organizational structure

We implemented a company-wide organizational revision as of April 1, 2011. By reviewing the previous business division system and replacing it with the functional organization system, we will use management resources more flexibly and efficiently from a company-wide viewpoint.

6) Streamlining, simplification, speed-up, and globalization of administrative functions

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

We will address these issues through the concerted efforts of the Company group, in order to meet the expectations from our shareholders. We, kindly, ask our shareholders for their further supports and encouragements.

**(5) Changes in Assets and Income (Loss)**

1) **Changes in Assets and Income (Loss) on Company Group basis**

(In millions of yen, except for per share amounts)

Item	The 93rd fiscal year ended March 31, 2008	The 94th fiscal year ended March 31, 2009	The 95th fiscal year ended March 31, 2010	The 96th fiscal year ended March 31, 2011
Net sales	130,351	77,832	56,970	89,596
Operating income (loss)	11,516	(5,259)	(11,102)	1,174
Net income (loss)	4,126	(9,347)	(11,233)	2,467
Net income (loss) per share	¥ 31.94	¥ (72.34)	¥ (86.93)	¥19.09
Total assets	117,635	103,654	101,081	106,593
Net assets	37,100	21,589	10,686	11,549
Net assets per share	¥ 284.55	¥ 164.98	¥ 80.66	¥87.45

(Note) Net income (loss) per share is calculated using the average number of shares during the fiscal year (excluding treasury shares). Net assets per share are calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).

2) **Changes in Assets and Income (Loss) on Company basis**

(In millions of yen, except for per share amounts)

Item	The 93rd fiscal year ended March 31, 2008	The 94th fiscal year ended March 31, 2009	The 95th fiscal year ended March 31, 2010	The 96th fiscal year ended March 31, 2011
Net sales	76,329	47,593	27,725	60,101
Operating income (loss)	9,009	(4,578)	(10,655)	2,461
Net income (loss)	4,074	(8,186)	(9,975)	1,684
Net income (loss) per share	¥ 31.53	¥ (63.36)	¥ (77.19)	¥13.03
Total assets	83,458	79,307	83,591	87,048
Net assets	35,155	25,510	15,545	17,262
Net assets per share	¥ 272.12	¥ 197.40	¥ 120.29	¥133.59

(Note) Net income (loss) per share is calculated using the average number of shares during the fiscal year (excluding treasury shares). Net assets per share are calculated using the number of shares issued as of the end of the fiscal year (excluding treasury shares).

**(6) Material Subsidiaries**

Company name	Capital (In millions of yen)	The Company's percentage of equity participation		Main business
		Direct	Indirect	
JUKI MATSUE CORPORATION	400	100%	—	Manufacture and sales of industrial sewing machines and parts
JUKI DENSHI KOGYO CORPORATION	300	100%	—	Manufacture and sales of SMT systems, etc.
JUKI AIZU CORPORATION	229	100%	—	Manufacture and sales of the lost-wax products
JUKI SALES (JAPAN) CORPORATION	86	100%	—	Sales of industrial sewing machines in Japan
JUKI (HONG KONG) LTD.	HK\$148,655 thousand	100%	—	Sales of industrial sewing machines in China and East Asian regions
JUKI CENTRAL EUROPE SP.ZO.O.	PLN50 thousand	100%	—	Sales of industrial sewing machines in European regions
JUKI AMERICA, INC.	U.S.\$26,346 thousand	100%	—	Sales of industrial sewing machines in U.S.A.
JUKI (CHINA) CO., LTD.	RMB358,365 thousand	100%	—	Administration of subsidiaries in China and sales of industrial sewing machines and household sewing machines
JUKI SINGAPORE PTE. LTD.	U.S.\$8,079 thousand	100%	—	Sales of industrial sewing machines in Asian regions
JUKI XINXING INDUSTRY CO., LTD.	RMB160,000 thousand	—	89.9%	Manufacture and sales of industrial sewing machines
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	RMB196,148 thousand	27.5%	72.5%	Manufacture and sales of industrial sewing machines
TOKYO JUKI INTERNATIONAL TRADE (SHANGHAI) CO., LTD.	RMB5,001 thousand	100%	—	Sales of SMT systems, etc. in China

**(7) Principal Business**

Segment	Summary of Business
Industrial Sewing Machines Business	Manufacture and sales of industrial sewing machines
SMT Systems Business	Manufacture and sales of SMT systems (including high-speed pick-and-placers)
Household Sewing Machines Business	Manufacture and sales of household sewing machines

**(8) Principal Offices and Plants**

Company name	Office or plant	Location
JUKI CORPORATION	Head Office	Tokyo
	Ohtawara Plant	Tochigi
JUKI DENSHI KOGYO CORPORATION	Head Office Plant	Akita
JUKI MATSUE CORPORATION	Head Office Plant	Shimane
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Head Office Plant	Shanghai, China
JUKI XINXING INDUSTRY CO., LTD.	Head Office Plant	Hebei, China
JUKI (CHINA) CO., LTD.	Head Office	Shanghai, China
JUKI (HONG KONG) LTD.	Head Office	Hong Kong
JUKI SINGAPORE PTE. LTD.	Head Office	Singapore
TOKYO JUKI INTERNATIONAL TRADE (SHANGHAI) CO., LTD.	Head Office	Shanghai, China

**(9) Employees** (As of March 31, 2011)

## 1) Group

Segment	Number of employees	Change from previous fiscal year-end
Industrial Sewing Machines Business	3,898	225
SMT Systems Business	1,130	294
Household Sewing Machines Business	381	42
Other business	970	38
Company-wide (common)	234	(1)
Total	6,613	598

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

## 2) Company

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
1,190	(6)	42.3 years old	18.4 years

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

**(10) Major Creditors and Balance of Borrowings**

(As of March 31, 2011)

Creditor	Balance of borrowings (In millions of yen)
Mizuho Bank, Ltd.	15,809
The Sumitomo Trust & Banking Co., Ltd.	9,307
Mizuho Trust & Banking Co., Ltd.	6,347
The Hiroshima Bank, Ltd.	5,291
Mizuho Corporate Bank, Ltd.	3,476
The Joyo Bank, Ltd.,	2,629

## 2. Status of Shares (As of March 31, 2011)

- (1) Total number of authorized shares 400,000,000 shares
- (2) Total number of issued and outstanding shares 129,370,899 shares (including 149,132 treasury shares)
- (3) Number of shareholders 13,639 persons
- (4) Major shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	5,501	4.25
Goldman Sachs International	4,959	3.83
Mizuho Bank, Ltd.	4,690	3.62
Nippon Life Insurance Company	4,306	3.33
Asahi Mutual Life Insurance Co.	3,556	2.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,115	2.41
The Dai-ichi Life Insurance Company, Limited	2,558	1.97
Meiji Yasuda Life Insurance Company	2,300	1.77
Ryo Komura	2,029	1.57
Mizuho Trust & Banking Co., Ltd.	2,005	1.55

(Note) The shareholding ratio is calculated by means of deducting treasury shares (149,132 shares) from the number of the issued and outstanding shares.

### 3. Company Officers

#### (1) Directors and Company Auditors

(As of March 31, 2011)

Position	Name	Areas of Responsibility within the Company	Significant concurrent positions
Director and Chairman	Kazuyuki Nakamura	Representative Director	
Director and President	Akira Kiyohara	Representative Director	
Director and Executive Vice-President	Tomohisa Miyake	Operating Officer “In charge of Technology” and Operating for Technology HQ	
Managing Director	Shinji Yamaguchi	Executive Division Manager of Industrial Sewing Machines Div.	
Managing Director	Hirokazu Nagashima	Executive Division Manager of Electronic Assembly and Test Systems Div.	
Managing Director	Hiroshi Nakamura	Operating Officer, Planning HQ and General Manager of Corporate Planning Dept. Operating Officer “In charge of Internal Control and Compliance”	
Director	Toshihiko Ozaki		Senior Managing Director of Teikoku Piston Ring Co., Ltd. and Director of TPR Trading Co., Ltd.
Full-time Company Auditor	Ryoji Murayama		
Full-time Company Auditor	Kousuke Inoue		
Company Auditor	Masahiro Watanabe		President of Mizuho Trust Systems Co., Ltd.
Company Auditor	Masako Wakana		Attorney

- (Notes)
1. Director, Mr. Toshihiko Ozaki, was newly elected as and assumed the position of Director at the 95th Ordinary General Meeting of Shareholders held on June 25, 2010.
  2. Director, Mr. Toshihiko Ozaki, is an Outside Director as defined in Item 15 of Article 2 of the Companies Act.
  3. Company Auditors, Mr. Kousuke Inoue, Masahiro Watanabe, and Ms. Masako Wakana, are Outside Company Auditors as defined in Item 16 of Article 2 of the Companies Act.
  4. Company Auditors, Mr. Kousuke Inoue and Mr. Masahiro Watanabe, have been engaged in corporate management for many years and have considerable financial and accounting knowledge.
  5. Director, Mr. Toshihiko Ozaki and Company Auditor, Ms. Masako Wakana are such independent director and independent company auditor, respectively, as specified by the Tokyo Stock Exchange.
  6. The following are the areas of responsibility for Directors, after organizational revision on of April 1, 2011:

Name	Areas of responsibility after revision
Tomohisa Miyake	“In charge of Development Center”
Shinji Yamaguchi	“In charge of Business Operation Center (Sewing Machinery Business Unit),” Senior Executive Director of Sewing Machinery Business Unit, and General Manager of Customer Support Dept., Sewing Machinery Business Unit
Hirokazu Nagashima	“In charge of Business Operation Center (Electronic Assembly Systems Business Unit),” “In charge of Quality Assurance Dept.,” and Senior Executive Director of Electronic Assembly Systems Business Unit
Hiroshi Nakamura	“In charge of Administration Center (Corporate Planning Dept., Human Resources Dept., and General Affairs Dept.),” “In charge of Business Development Center,” General Manager of Corporate Planning Dept., and

	"In charge of Internal Control and Compliance"
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**(2) Amount of Remuneration to Directors and Company Auditors for FY 2010, etc.**

Title	Number of payees	Amount of Remuneration (In millions of yen)
Director	9	203
Company Auditor	4	47
Total	13	250

(Notes) 1. The above number of payees and amount of remuneration include two directors who retired during FY 2010 and amount of remuneration to such directors, respectively.

2. No bonuses for directors and company auditors has been paid and are payable.

**(3) Outside Officers**

## 1) Significant concurrent positions

(As of March 31, 2011)

Title	Name	Concurrent positions	Relation with the Company
Director	Toshihiko Ozaki	Senior Managing Director of Teikoku Piston Ring Co., Ltd. and Director of TPR Trading Co., Ltd.	The Company has no material business relation with those firms.
Company Auditor	Masahiro Watanabe	President of Mizuho Trust Systems Co., Ltd.	The Company has no material business relation with the firm.

## 2) Main activities

Title	Name	Main activities
Director	Toshihiko Ozaki	Participated in 9 out of 11 Board of Directors' meetings since he assumed the position on June 25, 2010, and provided expert opinions, mainly as an experienced manager, as necessary.
Company Auditors	Kousuke Inoue	Participated in all 13 Board of Directors' meetings and in all 13 Board of Company Auditors' meetings held in FY 2010; provided expert opinions, mainly as an experienced manager, as necessary.
	Masahiro Watanabe	Participated in all 13 Board of Directors' meetings and in all 13 Board of Company Auditors' meetings held in FY 2010; provided expert opinions, mainly as an experienced manager, as necessary.
	Masako Wakana	Participated in all 13 Board of Directors' meetings and in all 13 Board of Company Auditors' meetings held in FY 2010; provided expert opinions, mainly as an experienced lawyer, as necessary.

## 3) Summary of liability limitation agreement

The Company has concluded the contracts for limitation of liability with Outside Director, Mr. Toshihiko Ozaki, and Outside Company Auditor, Mr. Masahiro Watanabe and Ms. Masako Wakana, to limit their liability as stipulated in Paragraph 1 of Article 423 of the Companies Act up to the total sum stipulated in Paragraph 1 of Article 425 of the Companies Act.

## 4) Total Amount of Remuneration to Outside Director and Outside Company Auditors for FY 2010, etc.

	Number of payees	Amount (In millions of yen)
Total Amount of Remuneration	4	31

(Note) No bonuses for director and company auditors have been and are payable.

(For reference)

<Operating Officers>

The Company has introduced the operating officer system. In addition to the Operating Officer positions concurrently assumed by all of the Directors (excluding Outside Directors), the following persons have been appointed as full-time Operating Officers:

(As of March 31, 2011)

Position	Name	Areas of responsibility within the Company	Significant concurrent positions
Senior Operating Officer	Shuji Yamaoka	Deputy Executive Division Manager of Industrial Sewing Machines Div., General Manager of Production HQ, and General Manager of Ohtawara Plant	
Operating Officer	Yoshihiro Otake	General Manager of Accounting Center	
Operating Officer	Harunobu Ono		President of JUKI AMERICA, INC.
Operating Officer	Takashi Mizuno	General Manager of Technology Management Dept., Technology HQ	
Operating Officer	Masahiro Ishizaka		President of JUKI GENERAL SERVICE CORPORATION
Operating Officer	Kimio Honma		President of JUKI HOUSEHOLD SEWING MACHINE CORPORATION
Operating Officer	Minoru Wada		President of JUKI DENSHI KOGYO CORPORATION President of JUKI YOSHINO KOGYO CORPORATION President of JUKI AKITA SEIMITSU CORPORATION
Operating Officer	Kiyotaka Kawano	General Manager of Management Dept., Industrial Sewing Machines Div.	
Operating Officer	Toshimasa Miura	General Manager of Human Resources Dept.	
Operating Officer	Toshinobu Shinozuka	General Manager of R&D Center	
Operating Officer	Satohiro Hama		President of JUKI SINGAPORE PTE. LTD.
Operating Officer	Naotake Miyashita		Director and General Manager of JUKI (CHINA) CO., LTD.
Operating Officer	Hirofumi Gotoh		Director and General Manager of JUKI (CHINA) CO., LTD.

(Note) The followings are the areas of responsibility and significant concurrent positions for Operating Officers, after the organizational revision on April 1, 2011:

(As of April 1, 2011 and May 1, 2011)

Position	Name	Areas of responsibility and significant concurrent positions after revision	
		Areas of Responsibility within the Company	Significant concurrent positions
Senior Operating Officer	Shuji Yamaoka	“In charge of Production Center”	
Senior Operating Officer	Shinsuke Uchinashi	“In charge of Administration Center (Corporate Administration Dept., and Finance & Accounting Dept.)”	
Operating Officer	Yoshihiro Otake	General Manager of Finance & Accounting Dept.	
Operating Officer	Takashi Mizuno	“Deputy in charge of Development Center” and General Manager of Technology Planning Dept.	
Operating Officer	Kimio Honma		President of JUKI SALES (JAPAN) CORPORATION
Operating Officer	Minoru Wada	“Deputy in charge of Production Center”	President of JUKI DENSHI KOGYO CORPORATION President of JUKI YOSHINO KOGYO CORPORATION President of JUKI AKITA SEIMITSU CORPORATION
Operating Officer	Kiyotaka Kawano	General Manager of Corporate Administration Dept.	
Operating Officer	Toshinobu Shinozuka	“Deputy in charge of Production Center” and General Manager of Purchase Planning Dept.	

(Note) Mr. Shinsuke Uchinashi assumed the position of Senior Operating Officer as of May 1, 2011.

#### **4. Accounting Auditor**

**(1) Accounting Auditor's Name**

Deloitte Touche Tohmatsu LLC

**(2) Accounting Auditor's Compensation, etc.**

- 1) Compensation to Accounting Auditor as provided in Paragraph 1 of Article 2 of the Certified Public Accountant Act of Japan 68 million yen
- 2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor 71 million yen

(Note) Among the principal subsidiaries, JUKI (HONG KONG) LTD., JUKI CENTRAL EUROPE SP.ZO.O., JUKI (CHINA) CO., LTD., JUKI SINGAPORE PTE. LTD., JUKI XINXING INDUSTRY CO., LTD., JUKI (SHANGHAI) INDUSTRIAL CO., LTD., and TOKYO JUKI INTERNATIONAL TRADE (SHANGHAI) CO., LTD. are audited by certified public accountants or audit corporations other than the Company's Accounting Auditor.

**(3) Non-audit Operation**

The Company entrusts the Accounting Auditor with “Advice and guidance concerning International Financial Reporting Standards (IFRS),” and this advisory service corresponds to business not provided in Paragraph 1 of Article 2 of the Certified Public Accountant Act (Non-audit operation).

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

The Company has not established a policy regarding the determination of termination or nonrenewal of the appointment of Accounting Auditors.

## **5. Systems to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation and that business is conducted properly**

The Company adopted a resolution on the “Basic policy to construct internal control system” at the Board of Directors’ meeting held on May 17, 2006. The details of the resolution, which have been revised by later resolutions based on reviews as needed, are at present as follows:

- (1) System to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation of the Company
  - 1) The Company shall establish “JUKI Corporation’s Code of Conduct” which shall provide the principles of the JUKI corporate philosophy as the legal entity, in order to makes clear its positive attitude towards compliance.
  - 2) The Company shall establish “Code of Conduct for Officers and Employees,” a set of specific guidelines for the performance of duties, in order to make officers and employees to aggressively acknowledge the importance of compliance with laws and regulations to.
  - 3) The group-wide system for compliance and compliance management shall be provided in the “Compliance Rules.”
  - 4) The Company shall take a resolute attitude toward any antisocial individuals and organizations who adversely influence social order and sound corporate activities.
- (2) System to store and control information related to Directors’ execution of duties
  - 1) The Company shall establish “Rules for Filing Important Documents store, and shall store and control information related to the execution of duties by Directors in accordance with the said Rules.”
- (3) Rules and other systems for managing the risk of loss
  - 1) The Company shall establish “Risk Management Rules” to manage group-wide risks.
  - 2) The Company shall establish “Risk Management Committee” to examine significant risks the Company faces, and shall, also, prepare preventive measures against such risks and to manage each division’ and each department’s preventive measures activities against risks.
  - 3) “Crisis-Management Task Force” shall take prompt actions against any realized risks.
- (4) System to ensure that Directors exercise their duties efficiently
  - 1) In order to enable Directors to facilitate the prompt exercise of theirs duties, the Company shall adopt Operating Officers system under which the Operating Officers may be transferred some of the authorities required for exercising Directors’ duties.
  - 2) Employees may be transferred some of the authorities required for exercising Directors’ duties in accordance with t “Authorization Rules,” for the purpose of efficient decision-making.
  - 3) Important decision-making matters shall be discussed at “Management Strategy Council” and shall be decided by the President after such discussion.
  - 4) Rules for exercising Directors’ duties shall be provided in “Organization Rules”, and Directors shall use the efforts to efficiently exercise their duties in accordance with the said Rules.
- (5) System to ensure that employees perform their duties in compliance with relevant laws, regulations, and the Articles of Incorporation of the Company
  - 1) The Company shall establish “JUKI Corporation’s Code of Conduct” which shall provide the principles of the JUKI corporate philosophy as the legal entity, in order to makes clear its positive attitude towards compliance.
  - 2) The Company shall establish “Code of Conduct for Officers and Employees,” a set of specific guidelines for the performance of duties, in order to make employees aggressively acknowledge the importance of compliance with laws and regulations to employees.
  - 3) Department in charge of handling legal affairs shall conduct activities to spread compliance education and compliance management for enhanced legal compliance.
  - 4) The position of Operating Officer in charge of Internal Control & Compliance shall be established, and this Officer shall be responsible for legal compliance and shall bear the duties of supervision of relevant organizations and their activities.
  - 5) The group-wide system for compliance system and operation & management of such system shall be provided in “Compliance Rules.”

- 6) The Company shall establish an “Consultation Window” available for direct access by employees, for the purpose of making such Window to respond to such questions related to compliance as raised by such employees.
- (6) System to ensure the propriety of the business operations of the Company and of the business group consisting of the Company’s group companies
  - 1) The Company’s “Risk Management System” and “Compliance System” shall cover the whole group, including all group companies.
  - 2) The position of Operating Officer in charge of Internal Control & Compliance shall be established, and this Officer shall be responsible for group-wide legal compliance and shall bear the duties of supervision of relevant organizations and their activities.
  - 3) The group-wide system for compliance and compliance management shall be provided in the “Compliance Rules.”
  - 4) The Company shall stipulate the management control system by each of business segments in its “Organization Rules” and “Group companies management rules.”
  - 5) The Company shall check and adjust the management policies and management plans of the group companies at its “Group Management Conference.”
  - 6) Decision-making on the allocation of management resources in group companies shall be provided in the “Authorization Rules.”
  - 7) The Company’s Internal Auditing Department shall conduct internal audits, as needed, on group companies.
- (7) Matters concerning employees to be assigned at the request of Company Auditors for their assistance
  - 1) “Company Auditors Office” directly reporting to the Company Auditors shall be established as an organization to assist the Company Auditors.
- (8) Independence from Directors of such employees as specified in the preceding item (7)
  - 1) Employees belonging to the “Company Auditors Office” shall follow the directions and instructions of the Company Auditors and collect information necessary for the Company Auditors’ audit.
  - 2) The Company Auditors may express opinions on the personnel transfer and performance evaluation of the employees belonging to the “Company Auditors Office.”
- (9) System for Directors and employees to report to Company Auditors, and other relevant systems
  - 1) Full-time Company Auditors shall attend the Board of Directors’ meetings, Management Strategy Council, Group Management Conference, Risk Management Committee, and other important meetings and collect necessary information by themselves.
  - 2) Directors shall promptly report to the Company Auditors on any event likely to cause significant damage to the Company, any sign of fraudulence in the Director’s exercise of duties, any serious event in violation of laws, regulations, or the Articles of Incorporation, and other events equivalent thereto.
  - 3) Company Auditors may request the relevant departments to directly report to them on any information the Company Auditors deem to be necessary.
- (10) Other systems to ensure that the Company Auditors conduct audits effectively
  - 1) In addition to expressing their opinions at the Board of Directors’ meetings, the Company Auditors may exchange opinions with Representative Directors from time to time in order to enhance the effectiveness of the Company Auditors’ audits.
  - 2) Company Auditors may conduct the Company Auditors’ audit in cooperation with the Internal Auditing Department, as needed.
  - 3) Corporation Company Auditors may conduct the Company Auditors’ audit in cooperation with corporate lawyers and certified public accountants, as needed.
- (11) System to ensure the reliability of financial reporting
  - 1) The Company shall develop and manage systems for effective internal control on financial reporting, in order to ensure reliable financial reporting.

# Consolidated Financial Statements

(April 1, 2010 - March 31, 2011)

## Consolidated Balance Sheet

(As of March 31, 2011)

(In millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>63,764</b>	<b>Current liabilities</b>	<b>66,117</b>
Cash and deposits	7,178	Notes and accounts payable-trade	14,836
Notes and accounts receivable-trade	17,357	Short-term borrowings	42,643
Merchandise and products	24,169	Corporate bonds redeemable within 1 year	40
Work in progress	5,282	Lease obligations	278
Raw materials and supplies	6,788	Accrued expenses	2,480
Deferred tax assets	582	Income taxes payable	251
Others	3,564	Deferred tax liabilities	16
Allowance for doubtful accounts	(1,158)	Reserve for bonuses	747
<b>Fixed assets</b>	<b>42,829</b>	Reserve for loss on disaster	305
<b>Tangible fixed assets</b>	<b>30,714</b>	Notes payable-construction	122
Buildings and structures	18,149	Others	4,395
Machinery, equipment and vehicles	3,398	<b>Fixed liabilities</b>	<b>28,925</b>
Tools, furniture and fixtures	875	Corporate bonds	80
Land	7,510	Long-term borrowings	19,958
Lease assets	744	Lease obligations	697
Construction in progress	37	Reserve for retirement benefits	6,336
<b>Intangible fixed assets</b>	<b>1,855</b>	Reserve for retirement benefits for directors and corporate auditors	174
<b>Investments and other assets</b>	<b>10,258</b>	Others	1,678
Investment securities	1,956	<b>Total liabilities</b>	<b>95,043</b>
Long-term borrowings	554	<b>(Net assets)</b>	
Long-term prepaid expenses	395	<b>Shareholders' equity</b>	<b>18,496</b>
Deferred tax assets	6,971	Capital stock	15,950
Others	1,213	Retained earnings	2,604
Allowance for doubtful accounts	(832)	Treasury stock	(58)
		<b>Accumulated other comprehensive income</b>	<b>(7,196)</b>
		Valuation difference on available-for-sale securities	74
		Deferred gains or losses on hedges	(97)
		Foreign currency translation adjustment	(7,173)
		<b>Minority interests</b>	<b>249</b>
		<b>Total net assets</b>	<b>11,549</b>
<b>Total assets</b>	<b>106,593</b>	<b>Total liabilities and net assets</b>	<b>106,593</b>

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

## Consolidated Statements of Income

(April 1, 2010 - March 31, 2011)

(In millions of yen)

Description	Amount	
<b>Net sales</b>		<b>89,596</b>
<b>Cost of sales</b>		<b>68,030</b>
<b>Gross profit</b>		<b>21,565</b>
<b>Selling, general and administrative expenses</b>		<b>20,420</b>
<b>Operating income</b>		<b>1,144</b>
<b>Non-operating income</b>		
Interest income	126	
Dividend income	204	
Foreign exchange gains	593	
Others	574	1,499
<b>Non-operating expenses</b>		
Interest expenses	1,330	
Others	139	1,469
<b>Ordinary income</b>		<b>1,174</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	1,924	
Others	59	1,984
<b>Extraordinary losses</b>		
Loss on sale and disposal of fixed assets	57	
Impairment loss	138	
Loss on evaluation of investment securities	240	
Loss on liquidation of subsidiaries and affiliates	114	
Provision of reserve for loss on disaster	305	
Others	139	996
<b>Net income before income taxes and minority interests</b>		<b>2,162</b>
Corporate income tax, inhabitants tax and enterprise taxes	409	
Corporate tax adjustments	(720)	(310)
<b>Net income before minority interests</b>		<b>2,473</b>
Minority interests		6
<b>Net income</b>		<b>2,467</b>

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

## Consolidated Statements of Changes in Net Assets

(April 1, 2010 - March 31, 2011)

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	15,950	8,976	(8,839)	(57)	16,030
Changes during the fiscal year					
Transfer from capital surplus to retained earnings		(8,976)	8,976		-
Net income			2,467		2,467
Purchase of treasury stock				(1)	(1)
Net amount of changes not included in shareholders' equity during the fiscal year					-
Total changes during the fiscal year	-	(8,976)	11,443	(1)	2,465
Balance as of March 31, 2011	15,950	-	2,604	(58)	18,496

(In millions of yen)

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of March 31, 2010	16	(99)	(5,523)	(5,605)	261	10,686
Changes during the fiscal year						
Transfer from capital surplus to retained earnings				-		-
Net income				-		2,467
Purchase of treasury stock				-		(1)
Net amount of changes not included in shareholders' equity during the fiscal year	57	1	(1,649)	(1,590)	(12)	(1,602)
Total changes during the fiscal year	57	1	(1,649)	(1,590)	(12)	863
Balance as of March 31, 2011	74	(97)	(7,173)	(7,196)	249	11,549

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

# Notes to Consolidated Financial Statements

## 1. Notes to the basis for the preparation of consolidated financial statements

### (1) Scope of consolidation

- 1) Number of consolidated subsidiaries: 32

Names of principal subsidiaries:

JUKI SINGAPORE PTE. LTD., JUKI (HONG KONG) LTD., JUKI DENSHI KOGYO CORPORATION, JUKI AMERICA, INC., and 28 other subsidiaries.

JUKI MIYAZAKI SEIMITSU CORPORATION, a former consolidated subsidiary which has merged with the Company, and JUKI (EUROPE) GMBH, which went into liquidation, are excluded from the scope of consolidation.

- 2) Names of major non-consolidated subsidiaries:

Six non-consolidated subsidiaries, including, Showa Juki Co., Ltd., are excluded from the scope of consolidation because their exclusion does not preclude reasonable judgment on the Group's financial situation and management results as a whole.

### (2) Application of equity-method

The six non-consolidated subsidiaries and NISSEN Co., Ltd. and four other affiliates are excluded from application of equity-method because their exclusion does not preclude reasonable judgment on the group's financial situation and management results as a whole.

### (3) Accounting periods of consolidated subsidiaries

The year-end balance sheet date for JUKI AMERICA, INC., JUKI (HONG KONG) LTD., JUKI CENTRAL EUROPE SP.ZO.O., JUKI SINGAPORE PTE. LTD., and 14 other subsidiaries is December 31. Necessary adjustments are provided for any important transactions occurring between the year-end balance sheet date and consolidated balance sheet date for any of these companies. The year-end balance sheet dates for other consolidated subsidiaries are the same as the consolidated balance sheet date.

### (4) Accounting standards

- 1) Standards and methods for valuation of important assets

A. Securities

Available-for-sale securities with market quotations

Stated based on the market price, etc. on the balance sheet date

(Unrealized gains and losses are excluded from income and reported in a separate component of net assets. The cost of sale is calculated using the moving average method.)

Available-for-sale securities without market quotations

Stated at cost using the moving-average method

B. Derivatives

Stated mainly at market.

C. Inventories

Stated at the lower of cost.

Merchandise and products and work in progress      Mainly by the average method or first-in

	first-out method
Raw materials and supplies	Mainly by the average method or last cost method

2) Depreciation & Amortization method for important depreciable assets

A. Tangible fixed assets (excluding lease assets)

The declining-balance method is applied for the Company and its domestic consolidated subsidiaries. However, the straight-line method is applied for buildings acquired on and after April 1, 1998 (excluding any building fixtures). Overseas consolidated subsidiaries are mainly subject to the straight-line method.

The main economic useful lives are as follows:

Buildings and structures	3-50 years
Machinery, equipment and vehicles	2-15 years
Tools, furniture and fixtures	2-20 years

B. Intangible fixed assets (excluding lease assets) and long-term prepaid expenses

The Company and its consolidated subsidiaries use the straight-line method. However, software bundled with computer hardware is amortized every fiscal year by no less than an equal amount calculated based on effective years (3 - 5 years), and computer software for internal use is amortized by the straight-line method over the estimated internal useful lives (5 years). Overseas consolidated subsidiaries are subject to the straight-line method.

C. Lease assets

Lease assets pertaining to finance leases without ownership transfer of the lease assets to the lessee. The straight-line method is applied on the assumptions that the useful life equals the lease term and that the residual value equals zero; provided, however, that lease assets whose leasing started on or before March 31, 2008 are accounted for by the accounting method used for ordinary lease transactions.

3) Standards for recognition of important reserves

A. Allowance for doubtful accounts

For loss caused by uncollectible debt to the Company and its domestic consolidated subsidiaries, allowance for doubtful accounts is provided based on the historical write-off rate for ordinary receivables and the estimated amount of irrecoverable debt based on the recoverability of individual cases for specified receivables such as debt with a possibility of default. For overseas consolidated subsidiaries, the estimated write-off amount is provided.

B. Reserve for bonuses

A reserve for bonuses is provided based on the estimated future payment of bonuses to employees.

C. Reserve for retirement benefits

The Company and its major domestic consolidated subsidiaries provide a reserve for employees' retirement benefits based on the estimated retirement benefit obligation and pension plan assets as of this consolidated fiscal year-end.

Some overseas consolidated subsidiaries provide such reserve mainly based on the estimated

retirement benefit obligation as of this consolidated fiscal year-end.

Differences due to changes of accounting standards for the Company and its domestic consolidated subsidiaries are amortized on a straight-line basis over a period of 10 years. Actuarial calculation differences are amortized on a straight-line basis over a period equal to or less than the average remaining service period for employees at the time such gains or losses are realized (10 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses are realized. Prior service cost is amortized wholly in the fiscal year in which it is realized.

D. Reserve for retirement benefits for directors and corporate auditors

The system of retirement benefits for directors and corporate auditors was abolished with a cut-off date of June 28, 2007. The estimated amount payable as of the cut-off date is provided. Nine consolidated subsidiaries provide the reserve in an amount that would be required by the internal rule if all the eligible Directors and Company Auditors retired at the balance sheet date.

E. Reserve for loss on disaster

The amount estimated at the end of this consolidated fiscal year as necessary for expenditures such as expenses required for restoration of assets damaged by the Great East Japan Earthquake is provided.

4) Standards for translation of important assets or liabilities in foreign currencies into yen

Monetary assets and liabilities in foreign currencies are translated into yen based on the spot exchange-rate in the foreign exchange market on the consolidated balance sheet date, and the foreign exchange gains and losses from translation are recognized in the income statement. Assets and liabilities of overseas consolidated subsidiaries are translated into yen based on the spot exchange-rate in the foreign exchange market on the consolidated balance sheet date, while revenue and expenses are translated into yen based on the average exchange rate for the fiscal term. The differences resulting from these translations are included in "Foreign currency translation adjustment" and "Minority interests" under net assets.

5) Accounting for important hedging activities

A. Method

Deferral hedge accounting is applied.

Designation is applied to forward exchange contracts that qualify for designation, and designated exceptional accounting is applied to interest-rate swaps that qualify for exceptional accounting.

B. Means for hedging and hedged item

<u>Means for hedging</u>	<u>Hedged item</u>
Interest-rate swap	Long-term loans

Forward exchange contract      Foreign currency receivables

C. Hedging policy

Hedging is allowed only for practical purposes and for the purpose of avoiding future risks of interest rate and foreign exchange rate fluctuations.

D. Method for assessing the effectiveness of hedges

At the start of hedging, the Company Group assesses the effectiveness of offset in interest rate or foreign exchange rate fluctuation. Then, during the period of hedging, the Company Group uses the predetermined assessment method to assess whether the high effectiveness of offset is maintained at every fiscal year end. However, this assessment is omitted for interest-rate swaps subject to designated exceptional accounting.

6) Accounting for consumption taxes

The tax-exclusion method is applied for consumption tax and local consumption tax.

(5) Amortization of goodwill

Goodwill is amortized equally over a period of 5 years.

(6) Significant changes to the basis for the preparation of consolidated financial statements

Application of the “Accounting standard for asset retirement obligations”:

The “Accounting standard for asset retirement obligations” (ASBJ Statement No. 18, dated March 31, 2008) and “Guidance on the Accounting standard for asset retirement obligations” (ASBJ Guidance No. 21, dated March 31, 2008) are applied from this consolidated fiscal year.

The effects of this application on operating income, ordinary income, and net income before income taxes are immaterial.

(7) Change of presentation method

1) In accordance with the revision of the Corporate Calculation Regulations, “valuation difference” and “foreign currency translation adjustments” are presented under “accumulated other comprehensive income” in the Consolidated Balance Sheet and the Consolidated Statements of Changes in Net Assets from this consolidated fiscal year.

2) In accordance with the revision of the Corporate Calculation Regulations, “net income before minority interests” is presented in the Consolidated Statements of Income from this consolidated fiscal year.

3) “Syndicated loan fee” (49 million yen for this consolidated fiscal year), an item presented separately in the previous consolidated fiscal year, has become immaterial and is therefore included in “Others” under “Non-operating expenses” from this consolidated fiscal year.

4) “Special retirement benefits” (44 million yen for this consolidated fiscal year), an item presented separately in the previous consolidated fiscal year, has become immaterial and is therefore included in

“Others” under “Extraordinary losses” from this consolidated fiscal year.

## 2. Notes to Consolidated Balance Sheet

### (1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Buildings and structures	15,800 million yen
Machinery, equipment and vehicles	573 million yen
Land	6,197 million yen
Intangible fixed assets	155 million yen
<u>Investment securities</u>	<u>1,295 million yen</u>
Total	24,021 million yen

(Collateralized loans)

Short-term borrowings	26,824 million yen
<u>Long-term borrowings</u>	<u>18,162 million yen</u>
Total	44,987 million yen

### (2) Accumulated depreciation of tangible fixed assets 34,805 million yen

The accumulated amount of impairment loss is included in the amount of accumulated depreciation.

### (3) Notes discounted 604 million yen

### (4) Financial covenants

An amount of 20,846 million yen among loans is subject to financial covenants concerning net assets and ordinary income.

## 3. Notes to Consolidated Statements of Income

Impairment loss

The Company group provides impairment loss for the following asset groups in this consolidated fiscal year:

Use	Place	Category	Amount
Idle real estate and others	Hiroshima	Buildings and structures	134 million yen
Idle facilities	Fukushima	Machinery, equipment and vehicles	4 million yen
Total			138 million yen

Carrying amounts were devalued to their recoverable amounts because of substantial declines of recoverable amounts for idle real estate and others and because of an absence of any specific plan for the use of idle facilities in the future. The decreased amount is included in impairment loss under extraordinary loss.

The impairment loss includes 62 million yen for buildings and structures, 4 million yen for machinery, equipment and vehicles, and 72 million yen for others.

The recoverable amounts for idle real estate and others and for idle facilities are recorded as zero.

#### 4. Notes to Consolidated Statements of Changes in Net Assets

- (1) Total number of issued shares as of this consolidated fiscal year-end

Common stock 129,370,899 shares

- (2) Dividends

(Dividends whose record date is during this fiscal year but whose effective date is after the end of this fiscal year)

The following dividend for common stock will be proposed for approval at the Ordinary General Meeting of Shareholders to be held on June 28, 2011.

Resolution	Type of stock	Source of dividend	Total dividends (In millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 28, 2011	Common stock	Retained earnings	387	3.00	March 31, 2011	June 29, 2011

#### 5. Notes on Financial Instruments

- (1) Status of Financial Instruments

The Company group procures necessary funds mainly by borrowing from financial institutions based on the capital investment plan. A temporary surplus fund is invested in financial assets that are highly secure. For customer credit risk concerning trade receivables (notes and accounts receivable-trade), write-off risk is kept lower by the division in charge according to the credit control rules. Investment securities are mainly stocks and the market value of listed stocks is checked quarterly.

Borrowed money is used for working funds (mainly short-term) and capital investment funds (long-term). Interest-swap contracts are used against the interest fluctuation risk of some long-term borrowings, in order to fix the amount of interest payable. Derivative transactions (related to foreign exchange and interest rate) are conducted only in the scope of practical purposes according to the internal control rules.

(2) Current Value of Financial Instruments.

The amounts posted on the consolidated balance sheet, current values, and differences thereof as of March 31, 2011 (consolidated balance sheet date for this fiscal year) are as follows:

(In millions of yen)

	Consolidated balance sheet amount (*1)	Current value (*1)	Difference
(1) Cash and deposits	7,178	7,178	–
(2) Notes and accounts receivable-trade (*2)	16,215	16,215	–
(3) Investment securities Other securities	1,601	1,601	–
(4) Notes and accounts payable-trade	[14,836]	[14,836]	–
(5) Short-term borrowings (*3)	[32,446]	[32,446]	–
(6) Long-term borrowings (*3)	[30,155]	[30,152]	(3)
(7) Derivative transactions	[349]	[349]	–

(\*1) Items for which the net total is payable. Amounts are shown in [ ].

(\*2) Notes and accounts receivable-trade are the net of the allowance for doubtful accounts.

(\*3) Long-term borrowings payable due within one year, an item included in short-term borrowing in the consolidated balance sheet, is included in long-term borrowings here.

(Note 1) Method for calculating the current value of financial instruments

(1) Cash and deposits, and (2) Notes and accounts receivable-trade:

Since the settlement periods for the foregoing are short, the current values thereof are almost equal to the carrying amount. Therefore, the corresponding carrying amount is used as the current value.

(3) Investment securities:

The going share price on the exchange is used as the current value.

(4) Notes and accounts payable-trade, and (5) Short-term borrowings:

Since the settlement periods for the foregoing are short, the current values thereof are almost equal to the carrying amount. Therefore, the corresponding carrying amount is used as the current value.

(6) Long-term borrowings:

The current value of long-term borrowings is calculated by discounting the total of principal and interest by an interest rate assumed in cases where similar borrowing is to be newly conducted. The current value of long-term borrowings with variable interest rates subject to the designated exceptional accounting for interest rate swaps (see (7) below) is calculated by discounting the total of principal and interest processed in combination with the interest rate swap by an interest rate reasonably assumed in the case of a similar borrowing.

(7) Derivative transactions:

The current value for derivative transactions is calculated based on the prices submitted by financial institutions. Derivative transactions subject to the designated exceptional accounting for interest rate swaps are processed in combination with the long-term borrowings to be hedged, and the current value of these transactions is therefore included in the current value of the long-term

borrowings.

(Note 2) Non-listed stocks (354 million yen included in the consolidated balance sheet) are not included in "(3) Investment securities Other securities," as the identification of the current values is deemed to be extremely difficult because of the absence of market values and the inability to estimate future cash flows.

## 6. Notes to Per Share Information

- |                          |           |
|--------------------------|-----------|
| (1) Net assets per share | 87.45 yen |
| (2) Net income per share | 19.09 yen |

## 7. Notes to Significant Subsequent Events

(Change of fiscal term)

At the Board of Directors' meeting held on April 26, 2011, the Company resolved to change the fiscal term (account settlement date), subject to the approval of a "Partial revision of the Articles of Incorporation" at the 96th Ordinary General Meeting of Shareholders to be held on June 28, 2011, as follows:

(1) Reasons

The Company will unify the group-wide fiscal term by changing the fiscal term of the Company and its domestic subsidiaries in order to more efficiently manage business operations, including budget compilation and management of the results of the Company group, on a consolidated basis. This change is also undertaken to facilitate the procedures necessary for unifying the fiscal term of the consolidated companies, as provided in the International Financial Reporting Standards (IFRS) now being reviewed and prepared for future application.

(2) Details

Account settlement date at present: March 31 every year

Account settlement date proposed: December 31 every year

The 97th fiscal term, a transitional term, will be nine months from April 1, 2011 to December 31, 2011.

# Non-consolidated Financial Statements

(April 1, 2010 - March 31, 2011)

## Non-consolidated Balance Sheet

(As of March 31, 2011)

(In millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>34,789</b>	<b>Current liabilities</b>	<b>46,348</b>
Cash and deposits	1,113	Notes payable-trade	6,298
Notes receivable-trade	2,384	Accounts payable-trade	6,709
Accounts receivable-trade	17,271	Short-term borrowings	29,689
Merchandise and products	6,161	Lease obligations	175
Work in progress	1,640	Accounts payable-other	528
Raw materials and supplies	92	Accrued expenses	1,226
Accounts receivable-other	4,202	Accrued income taxes	102
Deferred tax assets	311	Deposits received	194
Others	2,059	Deposits received from subsidiaries and affiliates	452
Allowance for doubtful accounts	(448)	Reserve for bonuses	385
<b>Fixed assets</b>	<b>52,259</b>	Reserve for loss on disaster	305
<b>Tangible fixed assets</b>	<b>18,812</b>	Notes payable-construction	60
Buildings	11,955	Others	219
Structures	276	<b>Fixed liabilities</b>	<b>23,437</b>
Machinery and equipment	263	Long-term borrowings	17,219
Vehicles	1	Lease obligations	412
Tools, furniture and fixtures	349	Long-term accounts payable	1,379
Land	5,605	Reserve for retirement benefits	4,137
Lease assets	345	Reserve for retirement benefits for directors and corporate auditors	116
Construction in progress	14	Others	171
<b>Intangible fixed assets</b>	<b>1,191</b>	<b>Total liabilities</b>	<b>69,785</b>
Patent rights	88	<b>(Net assets)</b>	
Software	856	<b>Shareholders' equity</b>	<b>17,287</b>
Lease assets	232	Capital stock	15,950
Others	14	Retained earnings	1,395
<b>Investments and other assets</b>	<b>32,255</b>	Other retained earnings	1,395
Investment securities	1,762	Retained earnings brought forward	1,395
Stocks of Subsidiaries and affiliates	18,525	Treasury stock	(58)
Investments in capital of subsidiaries and affiliates	7,494	<b>Valuation and translation adjustments</b>	<b>(24)</b>
Other investments in capital	35	Valuation difference on available-for-sale securities	72
Long-term loans to subsidiaries and affiliates	2,791	Deferred gains or losses on hedges	(97)
Long-term loans to employees	89		
Claims provable in bankruptcy	205	<b>Total net assets</b>	<b>17,262</b>
Long-term prepaid expenses	255	<b>Total liabilities and net assets</b>	<b>87,048</b>
Deferred tax assets	5,865		
Others	102		
Allowance for doubtful accounts	(567)		
Allowance for investment loss	(4,305)		
<b>Total assets</b>	<b>87,048</b>		

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

## Non-consolidated Statements of Income

(April 1, 2010 - March 31, 2011)

(In millions of yen)

Description	Amount	
<b>Net sales</b>		<b>60,101</b>
<b>Cost of sales</b>		<b>50,678</b>
<b>Gross profit</b>		<b>9,422</b>
<b>Selling, general and administrative expenses</b>		<b>10,198</b>
<b>Operating loss</b>		<b>775</b>
<b>Non-operating income</b>		
Interest income and dividend income	1,678	
Commission income	1,533	
Foreign exchange gains	535	
Others	450	4,196
<b>Non-operating expenses</b>		
Interest expenses	876	
Others	83	959
<b>Ordinary income</b>		<b>2,461</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	24	
Gain on extinguishment of tie-in shares	22	
Others	0	47
<b>Extraordinary losses</b>		
Loss on sale and disposal of fixed assets	24	
Impairment loss	134	
Loss on evaluation of investment securities	207	
Loss on evaluation of investments in subsidiaries and affiliates	621	
Provision of allowance for investment loss	359	
Provision of reserve for loss on disaster	305	
Others	29	1,682
<b>Net income before income taxes</b>		<b>825</b>
Corporate income tax, inhabitants tax and enterprise taxes	177	
Corporate tax adjustments	(1,035)	(858)
<b>Net income</b>		<b>1,684</b>

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

## Non-consolidated Statements of Changes in Net Assets

(April 1, 2010 - March 31, 2011)

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Other capital surplus	Other regained earnings		
Balance as of March 31, 2010	15,950	8,976	(9,264)	(57)	15,604
Changes during the fiscal year					
Transfer from other capital surplus to other retained earnings		(8,976)	8,976		–
Net income			1,684		1,684
Purchase of treasury stock				(1)	(1)
Net amount of changes not included in shareholders' equity during the fiscal year					–
Total changes during the fiscal year	–	(8,976)	10,660	(1)	1,683
Balance as of March 31, 2011	15,950	–	1,395	(58)	17,287

(In millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustment	
Balance as of March 31, 2010	40	(99)	(59)	15,545
Changes during the fiscal year				
Transfer from other capital surplus to other retained earnings			–	–
Net income			–	1,684
Purchase of treasury stock			–	(1)
Net amount of changes not included in shareholders' equity during the fiscal year	32	1	34	34
Total changes during the fiscal year	32	1	34	1,717
Balance as of March 31, 2011	72	(97)	(24)	17,262

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

## Notes to Non-consolidated Financial Statements

### 1. Notes to significant accounting policies

#### (1) Standards and methods for valuation of assets

##### 1) Securities

Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method.

Available-for-sale securities with market quotations

Stated based on the market price, etc. on the balance sheet date

(Unrealized gains and losses are excluded from income and reported in a separate component of net assets. The cost of sale is calculated using the moving average method.)

Available-for-sale securities without market quotations

Stated at cost using the moving-average method

##### 2) Derivatives

Stated mainly at market

##### 3) Inventories

Stated at the lower of cost

Merchandise and products and work in progress      Using the average method

Raw materials and supplies      Using the last cost method

#### (2) Depreciation & Amortization method for fixed assets

##### 1) Tangible fixed assets (excluding lease assets)

The declining-balance method is applied. However, the straight-line method is applied for buildings acquired on and after April 1, 1998 (excluding any building fixtures).

The main economic useful lives are as follows:

Buildings and structures      3-50 years

Machinery, equipment and vehicles      2-15 years

Tools, furniture and fixtures      2-20 years

##### 2) Intangible fixed assets (excluding lease assets) and long-term prepaid expenses

The straight-line method is applied. However, software bundled with computer hardware is amortized every fiscal year by no less than an equal amount calculated based on effective years (5 years), and computer software for internal use is amortized by the straight-line method over the estimated useful life (5 years).

##### 3) Lease assets

Lease assets pertaining to finance leases without ownership transfer of the lease assets to the lessee

The straight-line method is applied on the assumptions that the useful life equals the lease term and the residual value equals zero; provided, however, that lease assets whose leasing started on or before March 31, 2008 are accounted for by the accounting method used for ordinary lease transactions.

(3) Standards for recognition of reserves

1) Allowance for doubtful accounts

For loss caused by uncollectible debt, an allowance for doubtful accounts is provided based on the historical write-off rate for ordinary receivables and the estimated amount of irrecoverable debt based on the recoverability of individual cases for specified receivables such as debt with the possibility of default.

2) Allowance for investment loss

For loss caused by investment in subsidiaries, the amount deemed necessary is provided in consideration of the financial status, etc. of the subsidiaries.

3) Reserve for bonuses

A reserve for bonuses is provided based on the estimated future payment of bonuses to employees.

4) Reserve for retirement benefits

A reserve for retirement benefits is provided based on the estimated retirement benefit obligation and pension plan assets as of this fiscal year-end.

Differences due to changes of accounting standards are amortized on a straight-line basis over a period of 10 years. Actuarial calculation differences are amortized on a straight-line basis over a period equal to or less than the average remaining service period for employees at the time such gains or losses are realized (10 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses are realized. Prior service cost is amortized wholly in the fiscal year in which it is realized.

5) Reserve for retirement benefits for directors and corporate auditors

The system of retirement benefits for directors and corporate auditors was abolished with a cut-off date of June 28, 2007. The estimated amount payable as of the cut-off date is provided.

6) Reserve for loss on disaster

The amount estimated at the end of this fiscal year as necessary for expenditures such as expenses required for restoration of assets damaged by the Great East Japan Earthquake is provided.

(4) Other significant basic matters for the preparation of financial statements

1) Standards for translation of assets and liabilities in foreign currencies into yen

Monetary assets and liabilities in foreign currencies are translated into yen based on the spot exchange-rate in the foreign exchange market on the consolidated balance sheet date, and the foreign exchange gains and losses from the translations are recognized in the income statement.

2) Accounting for hedging activities

A. Method

Deferral hedge accounting is applied.

Designation is applied to forward exchange contracts that qualify for designation, and designated exceptional accounting is applied to interest-rate swaps that qualify for exceptional accounting.

B. Means for hedging and hedged item

Means for hedging

Hedged item

Interest-rate swap

Long-term loans

Forward exchange contract      Foreign currency receivables

C. Hedging policy

Hedging is allowed only for practical purposes and for the purpose of avoiding future risks of interest rate and foreign exchange rate fluctuations.

D. Method for assessing the effectiveness of hedges

At the start of hedging, the Company assesses the effectiveness of offset in interest rate or foreign exchange rate fluctuation. Then, during the period of hedging, the Company uses the predetermined assessment method to assess whether the high effectiveness of offset is maintained at every fiscal year end. However, this assessment is omitted for interest-rate swaps subject to designated exceptional accounting.

3) Accounting for consumption taxes

The tax-exclusion method is applied for consumption tax and local consumption tax.

(5) Significant change of accounting policy

Application of “Accounting standard for asset retirement obligations”

The “Accounting standard for asset retirement obligations” (ASBJ Statement No. 18, dated March 31, 2008) and “Guidance on the Accounting standard for asset retirement obligations” (ASBJ Guidance No. 21, dated March 31, 2008) are applied from this fiscal year.

The effects of this application on operating income, ordinary income, and net income before income taxes are immaterial.

(6) Change of presentation method

1) “Syndicated loan fee” (49 million yen for this fiscal year), an item presented separately in the previous fiscal year, has become immaterial and is therefore included in “Others” under “Non-operating expenses” from this fiscal year.

2) “Short-term loan” (613 million yen for this fiscal year), an item presented separately in the previous fiscal year, has become immaterial and is therefore included in “Others” under “Current assets” from this fiscal year.

3) “Rental deposit” (55 million yen for this fiscal year), an item presented separately in the previous fiscal year, has become immaterial and is therefore included in “Others” under “Investments and other assets” from this fiscal year.

4) “Long-term accounts payable” (48 million yen for the previous fiscal year), an item included in “Others” under “Fixed liabilities” in the previous fiscal year, has become material and is therefore presented separately from this fiscal year.

5) “Long-term guarantee deposits received” (7 million yen for this fiscal year), an item presented separately in the previous fiscal year, has become immaterial and is therefore included in “Others” under “Fixed liabilities” from this fiscal year.

## 2. Notes to Non-consolidated Balance Sheet

### (1) Assets offered as collateral and collateralized loans

(Assets offered as collateral)

Factory foundation	1,590 million yen
Other land and buildings	15,094 million yen
<u>Investment securities</u>	<u>1,295 million yen</u>
Total	17,980 million yen

(Collateralized loans)

Short-term borrowings	22,509 million yen
Long-term borrowings	16,214 million yen
<u>Deposits received</u>	<u>83 million yen</u>
Total	38,807 million yen

(2) Accumulated depreciation of tangible fixed assets                      13,938 million yen

### (3) Guarantee liability

(In millions of yen)

Guarantee	Guaranteed amount	Details
JUKI (CHINA) CO., LTD.	2,944	Guarantee on borrowing
JUKI SINGAPORE PTE. LTD.	1,809	Guarantee on borrowing
JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	1,475	Guarantee on borrowing
JUKI (VIETNAM) CO., LTD.	538	Guarantee on borrowing
JUKI METAL CORPORATION	210	Guarantee on leasing
JUKI SALES (JAPAN) CORPORATION	208	Guarantee on borrowing
JUKI (HONG KONG) LTD.	102	Guarantee on borrowing
Total	7,289	

### (4) Monetary receivables from and payables to subsidiaries and affiliates

Short-term monetary receivables	22,973 million yen
Long-term monetary receivables	2,791 million yen
Short-term monetary payables	9,403 million yen

### (5) Financial covenants

An amount of 20,846 million yen among loans is subject to financial covenants concerning net assets and ordinary income.

## 3. Notes to Non-consolidated Statement of Income

### (1) Transactions with subsidiaries and affiliates

Net sales	55,198 million yen
Purchase	35,887 million yen
Other operating transactions	1,652 million yen
Transactions other than operating transactions	3,411 million yen

(2) Impairment loss

The Company group provides impairment loss for the following asset group in this consolidated fiscal year:

Use	Place	Category	Amount
Idle real estate and others	Hiroshima	Buildings and others	134 million yen
Total			134 million yen

Carrying amounts were devalued to their recoverable amounts because of substantial declines of recoverable amounts for idle real estate and others. The decreased amount is included in impairment loss under extraordinary loss.

The impairment loss includes 62 million yen for buildings and 72 million yen for others.

The recoverable amounts for idle real estate and others are recorded as zero.

#### 4. Notes to Non-consolidated Statements of Changes in Net Assets

Number of treasury shares as of the fiscal year-end

Common stock                      149,132 shares

#### 5. Notes to Tax Effect Accounting

Major causes for accrual of deferred tax assets and deferred tax liabilities

(In millions of yen)

- Current:	
Deferred tax assets:	
Reserve for bonuses	156
Loss on evaluation of inventories	185
Income taxes payable	21
Allowance for doubtful accounts	182
Reserve for loss on disaster	124
Others	<u>30</u>
Total	700
Valuation allowance	<u>(389)</u>
Total deferred tax assets	<u>311</u>
- Fixed:	
Deferred tax assets:	
Reserve for retirement benefits	1,683
Allowance for investment loss	1,751
Allowance for doubtful accounts	220
Impairment loss	317
Reserve for retirement benefits for directors and corporate auditors	47
Loss brought forward	7,328
Loss on evaluation of investments in subsidiaries and affiliates	2,172
Others	<u>173</u>
Total	13,695
Valuation allowance	<u>(7,780)</u>
Total deferred tax assets	<u>5,915</u>
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	<u>49</u>
Total deferred tax liabilities	<u>49</u>
Net deferred tax assets	<u>5,865</u>

## 6. Notes to Leased Fixed Assets

(Finance lease transactions other than those in which ownership of the leased items is deemed to be transferred to the lessee)

(1) Amounts equivalent to purchase price, accumulated depreciation, and fiscal year-end balance

(In millions of yen)

Category	Amount equivalent to purchase price	Amount equivalent to accumulated depreciation	Amount equivalent to fiscal year-end balance
Machinery	243	189	54
Tools, furniture and fixtures	27	22	5
Software	397	354	43

(2) Amount equivalent to the fiscal year-end balance of future lease payments

Within one year	77 million yen
<u>Exceeding one year</u>	<u>47 million yen</u>
Total	125 million yen

(3) Lease payments, amount equivalent to depreciation and amount equivalent to interest expenses

Lease payments	243 million yen
Amount equivalent to depreciation	223 million yen
Amount equivalent to interest expenses	6 million yen

(4) Method for calculating the amount equivalent to depreciation

The straight-line method is applied on the assumption that the useful life equals the lease term and that the residual value equals zero.

(5) Method for calculating the amount equivalent to interest expenses

The difference between the total lease payment and the amount equivalent to the purchase price of leased items is used as the amount equivalent to interest expenses and is allocated to each fiscal term according to the interest method.

## 7. Notes to Transactions with Related Parties

### Subsidiaries and affiliates

Category	Company name	Ownership of voting rights, etc. (Ownership percentage)	Relationship with the related parties	Transaction details	Transaction amounts (In millions of yen)	Receivables or payables on transactions	
						Account item	Fiscal year-end balance (In millions of yen)
Subsidiaries	JUKI SINGAPORE PTE. LTD.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	16,374	Accounts receivable-trade	7,053
				Debt guarantee	1,809	—	—
	TOKYO JUKI INTERNATIONAL TRADE (SHANGHAI) CO., LTD.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	12,287	Accounts receivable-trade	2,146
	JUKI (CHINA) CO., LTD.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	6,777	Accounts receivable-trade	1,092
				Debt guarantee	2,944	—	—
	JUKI CENTRAL EUROPE SPZO.O.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	2,413	Notes receivable-trade	1,263
				—	—	Accounts receivable-trade	54
	JUKI AUTOMATION SYSTEMS INC.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	1,919	Accounts receivable-trade	1,486
				(Allowance for investment loss)	(1,623)	—	—
	JUKI AUTOMATION SYSTEMS AG (Switzerland)	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	2,086	Accounts receivable-trade	1,716
	JUKI DENSHI KOGYO CORPORATION	Direct ownership 100%	Manufacture of the Company's products	Purchase of products	17,242	Notes payable-trade	3,200
				—	—	Accounts payable-trade	864
	JUKI (SHANGHAI) INDUSTRIAL CO., LTD.	Direct ownership 27.5% Indirect ownership 72.5%	Manufacture of the Company's products	Purchase of products	7,776	Accounts payable-trade	2,198
				Technology fee income	974	Accounts receivable—other	1,175
				Debt guarantee	1,475	—	—
	JUKI HOUSEHOLD SEWING MACHINE CORPORATION	Direct ownership 100%	Sales and maintenance of the Company's products and loan	Recovery of funds	110	Long-term loans	1,010
Receipt of interest				6	—	—	
JUKI HIROSHIMA CORPORATION	Direct ownership 100%	Manufacture of the Company's products and loan	Recovery of funds	60	Long-term loans	990	
			Receipt of interest	1	—	—	
JUKI AMERICA, INC.	Direct ownership 100%	Sales and maintenance of the Company's products	(Allowance for investment loss)	(2,682)	—	—	
JUKI SMT ASIA CO., LTD.	Direct ownership 100%	Sales and maintenance of the Company's products	Sales of products	743	Accounts receivable-trade	959	

Terms for transactions and policies to decide them:

- (Notes)
1. Terms for sales and purchases are decided in consideration of factors such as market prices.
  2. Loan rates are decided in consideration of market interest rates and the financial status of borrowers.
  3. The allowance for investment loss provided for JUKI AUTOMATION SYSTEMS INC. and JUKI AMERICA, INC. is based on valuation of the stocks of subsidiaries and affiliates.
  4. Technology fee income is decided in consideration of factors such as market prices.
  5. Debt guarantee for JUKI SINGAPORE PTE. LTD., JUKI (CHINA) CO., LTD., and JUKI (SHANGHAI) INDUSTRIAL CO., LTD. is provided with regard to borrowing from banks.
  6. Transaction amounts do not include consumption taxes. The fiscal year-end balance includes consumption taxes.

#### **8. Notes to Per Share Information**

(1) Net assets per share	133.59 yen
(2) Net income per share	13.03 yen

#### **9. Notes to Significant Subsequent Events**

(Change of the fiscal term)

At the Board of Directors' meeting held on April 26, 2011, the Company resolved to change the fiscal term (account settlement date), subject to the approval of a "Partial revision of the Articles of Incorporation" at the 96th Ordinary General Meeting of Shareholders to be held on June 28, 2011.

Other information is omitted because it is similar to that provided in the Notes to Significant Subsequent Events for consolidated financial statements.

Independent Auditor's Report  
(English Translation)

May 9, 2011

To the Board of Directors  
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Mitsuru Hirano, CPA  
Engagement Partner  
Akio Kimura, CPA  
Engagement Partner

Pursuant to Paragraph 4 of Article 444 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements of the JUKI CORPORATION for the fiscal term from April 1, 2010 to March 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on the consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

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

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*Notice to Readers:*

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

Independent Auditor's Report  
(English Translation)

May 9, 2011

To the Board of Directors  
JUKI CORPORATION

Deloitte Touche Tohmatsu LLC

Mitsuru Hirano, CPA  
Engagement Partner  
Akio Kimura, CPA  
Engagement Partner

Pursuant to Paragraph 2-Item 1 of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements, and the supplementary schedules of the JUKI CORPORATION for the fiscal term from April 1, 2010 to March 31, 2011. These non-consolidated financial statements and the supplementary schedules are the responsibility of the Company's management. Our responsibility is to independently express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the non-consolidated financial statements and supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and supplementary schedules, assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

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

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*Notice to Readers:*

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

## **Audit Report**

(English Translation)

The Board of Company Auditors, following review and deliberations on the reports made by each Company Auditor concerning the methods and results of the audit of execution of duties by Directors of the Board for the 96th fiscal term from April 1, 2010 to March 31, 2011, prepared this Audit Report and hereby submit it as follows:

### 1. Summary of Auditing Methods by Company Auditors and Board of Company Auditors

The Board of Company Auditors established the auditing policies and division of duties, received reports and explanations regarding the status of audits and the results thereof from each Company Auditor, as well as reports and explanations regarding the status of the execution of duties from the Directors and Accounting Company Auditor, and requested explanation as necessary.

In accordance with the auditing standards for Company Auditors determined by the Board of Company Auditors and the auditing policies and division of duties, each Company Auditor made efforts to collect information and established auditing circumstances through communication with internal audit staff and other employees, and attended the Board of Directors' meeting and other important meetings to receive reports regarding execution of duties from directors and employees and requested explanations as necessary. Each Company Auditor also inspected the approved documents and examined the status of operations and conditions of assets at its head office and principal offices.

With regard to the resolutions adopted by the Board of Directors regarding the establishment of the system to ensure that Directors execute their duties in compliance with relevant laws, regulations, and the Articles of Incorporation of the Company as stated in the business reports and the establishment of the system necessary to ensure proper business operations of the company set forth in Items 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act, as well as the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Company Auditor regularly received reports from directors and employees on the status of the establishment and operations thereof, requested explanations as necessary, and expressed his opinions. With regard to the internal control pertaining to financial reports, Company Auditors received reports from directors and Deloitte Touche Tohmatsu LLC on the status of discussion between them and the evaluation of such internal control and the status of audit.

Company Auditors received from subsidiaries their business reports as necessary through communication and information sharing with their directors etc. In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules for the year ended on March 31, 2011.

Further, Company Auditors monitored and verified that Accounting Company Auditor maintains independence and conduct the audits appropriately. Each Company Auditor also received reports of the status of the execution of duties from Accounting Company Auditor and requested explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005)) from the Accounting Company Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements), the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to the consolidated financial statements) for the year ended on March 31, 2011.

## 2. Results of Audit

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

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

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

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

### (3) Results of Audit of Consolidated Financial Statements

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

May 12, 2011

#### Board of Company Auditors, JUKI CORPORATION

Full-Time Company Auditor	Ryoji Murayama
Full-Time Company Auditor	Kousuke Inoue
Company Auditor	Masahiro Watanabe
Company Auditor	Masako Wakana

(Note) Full-time Company Auditor Kousuke Inoue, Company Auditors Masahiro Watanabe and Masako Wakana are Outside Company Auditors who are required to be appointed in accordance with Paragraph 3 of Article 335 of the Companies Act.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### Proposal No. 1 Appropriation of Surplus

For distribution of profit, we maintain the basic policy of striving to improve the return of profit to our shareholders based on the stable payment of dividends in comprehensive consideration of factors such as the internal reserve provided for future business development and the results of the current fiscal year. Based on this policy, we would like to offer the following as a year-end dividend for the 96th fiscal year:

##### 1. Year-end dividend

- (1) Type of dividend assets  
Cash
- (2) Distribution of dividend assets to shareholders and the total amount of dividends  
Payment of 3.00 yen per share of common stocks (Total amount of dividends: 387,665,301 yen)
- (3) Effective date of distribution of surplus  
June 29, 2011

#### Proposal No. 2 Partial Amendments to the Articles of Incorporation

##### 1. Reasons

###### (1) “Change of the fiscal term”

The fiscal year of the Company starts on April 1 of every year and ends on March 31 of the following year. We intend to introduce a unified group-wide fiscal term by changing the date of the fiscal year-end for the Company and its domestic subsidiaries, in order to more efficiently manage business operations, including budget compilation and management of the results of the Company group, on a consolidated basis.

This change also serves to satisfy such requirement as in the International Financial Reporting Standards (IFRS) now being reviewed and prepared for future application, that is, unification of the fiscal term of the consolidated companies. .

We propose that the fiscal year be changed to the period starting on January 1 and ending on December 31 of every year. (Proposed amendments: Article 45)

In accordance with the above change, the wording provided in the present Articles of Incorporation concerning the record date, convocation, distribution of surplus, and interim dividend will be amended, and supplementary provisions necessary for the 97th fiscal year, a transitional year, will be added. (Proposed amendments: (i) Article 13, Article 14, Article 46, Article 47, and (ii) additions of Article 1, Article 2, and Article 3 of the Supplementary Provisions)

###### (2) “Effectiveness of election of Substitute Company Auditors”

As a preparation to fill any vacancy of Company Auditors in accordance with Paragraph 2 of Article 329 of the Companies Act if the number of Company Auditors falls below the number required by the Companies Acts, we intend to be able to have Substitute Company Auditors elected at Shareholders Meeting who can be automatically installed as Company Auditor, and, in relation thereto, we would like to propose addition in the Articles of Incorporation of the term of effectiveness of election of Substitute Company Auditors and the term of office of Substitute Company Audi once they are installed as Company Auditors. (Proposed amendments: Article 37)

The Board of Company Auditors consented to this proposal of this resolution.  
Articles will be renumbered by the addition of this Article.

2. Details

Details of the amendment are as follows:

(Note: In case that change in original Japanese text does not effect a substantial change in the meaning, no change is made in English translation.)

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II SHARES</p> <p>Article 6 through Article 12 (Omitted) (Record Date)</p> <p>Article 13. The Company shall deem those shareholders with voting rights whose names are listed or recorded in the register of shareholders as of <u>March</u> 31 of each year to be shareholders entitled to exercise their rights at the Ordinary General Meeting of Shareholder to be held with respect to such fiscal year.</p> <p>2. (Omitted)</p> <p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convocation)</p> <p>Article 14. The Ordinary General Meeting of Shareholders shall be convened in <u>June</u> of each year. An Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p> <p>Article 15 through Article 19 (Omitted)</p> <p>Chapter IV through Chapter V, Article 36 (Omitted)</p> <p>(Newly Established)</p> <p>Article <u>37</u> through Article <u>43</u> (Omitted)</p> <p style="text-align: center;">CHAPTER VI Accounts</p> <p>(Business Year)</p> <p>Article <u>44</u>. The business year of the Company shall commence on <u>April 1</u> of each year and shall end on</p>	<p style="text-align: center;">CHAPTER II SHARES</p> <p>Article 6 through Article 12 (Remained unchanged) (Record Date)</p> <p>Article 13. The Company shall deem those shareholders with voting rights whose names are listed or recorded in the register of shareholders as of <u>December</u> 31 of each year to be shareholders entitled to exercise their rights at the Ordinary General Meeting of Shareholder to be held with respect to such fiscal year.</p> <p>2. (Remained unchanged)</p> <p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convocation)</p> <p>Article 14. The Ordinary General Meeting of Shareholders shall be convened in <u>March</u> of each year. An Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p> <p>Article 15 through Article 19 (Remained unchanged)</p> <p>Chapter IV through Chapter V, Article 36 (Remained unchanged)</p> <p><u>(Substitute Company Auditors)</u></p> <p><u>Article 37. As a preparation to fill any vacancy of Company Auditors if the number of Company Auditors falls below such number as required by laws and regulations, Substitute Company Auditors may be elected at a Shareholders Meeting.</u></p> <p><u>2. Article 34 hereof shall mutatis mutandis apply to the election of Substitute Company Auditors.</u></p> <p><u>3. A resolution by the General Meeting of Shareholders on the election of Substitute Company Auditors shall be remain in effect until the start of the first Ordinary General Meeting of Shareholders to be held after the General Meeting of Shareholders that resolves the election.</u></p> <p><u>4. If a Substitute Company Auditor assumes the office of an Company Auditor, the term of office of the Company Auditor shall be the same as the remaining term of office of the retired Company Auditor.</u></p> <p>Article <u>38</u> through Article <u>44</u> (Remained unchanged)</p> <p style="text-align: center;">CHAPTER VI Accounts</p> <p>(Business Year)</p> <p>Article <u>45</u>. The business year of the Company shall commence on <u>January 1</u> and shall end on <u>December</u></p>

March 31 of the following year.

31 of each year.

Current Articles of Incorporation	Proposed Amendments
<p>(Distribution of Surplus) Article <u>45</u>. Dividends of the Company shall be paid to the shareholders or registered pledgees whose names are listed or recorded in the register of shareholders as of <u>March</u> 31 of each year.</p> <p>(Interim Dividend) Article <u>46</u>. The Company may, by resolution of the Board of Directors of the Company, pay interim dividends to the shareholders or registered pledgees whose names are listed or recorded in the register of shareholders as of <u>September</u> 30 of each year.</p> <p>(Dispensation Period of Dividend) Article <u>47</u>. (Omitted)</p> <p>(Newly Established)</p>	<p>(Distribution of Surplus) Article <u>46</u>. Dividends of the Company shall be paid to the shareholders or registered pledgees whose names are listed or recorded in the register of shareholders as of <u>December</u> 31 of each year.</p> <p>(Interim Dividend) Article <u>47</u>. The Company may, by resolution of the Board of Directors of the Company, pay interim dividends to the shareholders or registered pledgees whose names are listed or recorded in the register of shareholders as of <u>June</u> 30 of each year.</p> <p>(Dispensation Period of Dividend) Article <u>48</u>. (Remained unchanged)</p> <p><u>Supplementary Provisions</u> Article 1. <u>Irrespective of the provisions of Article 45 (Business Year) of the Articles of Incorporation, the 97th fiscal year shall be nine months from April 1, 2011 to December 31, 2011.</u> Article 2. <u>Irrespective of the provisions of Article 47 (Interim Dividend) of the Articles of Incorporation, the record date for the interim dividend for the 97th fiscal year shall be September 30, 2011.</u> Article 3. <u>The preceding two Articles and this Article shall be effective until December 31, 2011 and shall be deleted as of January 1, 2012.</u></p>

**Proposal No. 3** Election of 7 Directors

The term of office of all (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 7 Directors (including 1 Outside Director) is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kazuyuki Nakamura (August 19, 1943)	<p>April 1966      Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>June 1993      Director, ditto</p> <p>June 1996      Joined the Company, Senior Managing Director</p> <p>June 1997      Representative Senior Managing Director</p> <p>June 1999      Representative Director and President</p> <p>June 2010      Representative Director and Chairman (To the present)</p>	79,000 shares
2	Akira Kiyohara (November 26, 1951)	<p>April 1974      Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2002      Executive Officer and General Manager of Corporate Planning Dept. of Mizuho Bank, Ltd.</p> <p>March 2003      Managing Executive Officer, ditto</p> <p>March 2007      President of Mizuho Capital Co., Ltd.</p> <p>May 2009      Joined the Company, Advisor</p> <p>June 2009      Senior Managing Director, CAO and CCO</p> <p>July 2009      Senior Managing Director, CFO, CAO and CCO</p> <p>June 2010      Representative Director and President (To the present)</p>	30,000 shares
3	Tomohisa Miyake (April 20, 1947)	<p>April 1970      Joined the Company</p> <p>June 2000      Director</p> <p>June 2001      Executive Operating Officer and CTO</p> <p>January 2003      Senior Executive Operating Officer, CTO and CQO</p> <p>June 2003      Managing Director, CTO and CQO</p> <p>June 2006      Senior Managing Director, CTO and CQO</p> <p>May 2008      Senior Managing Director and CTO</p> <p>June 2010      Executive Vice-President, “in charge of Technology,” and the Chief Officer for Technology HQ</p> <p>April 2011      Executive Vice-President, “in charge of R&amp;D Center” (To the present)</p>	48,000 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Shinji Yamaguchi (September 19, 1948)	<p>December 1972    Joined the Company</p> <p>April 1988        Manager of Tohoku Branch, Industrial Products Sales HQ of Industrial Sewing Machines Business Dept.</p> <p>October 1999     General Manager of General Affairs Dept. and General Manager of Secretarial Affairs &amp; Public Relations Dept.</p> <p>July 2005         Executive Operating Officer and General Manager of Household Products Business Dept.</p> <p>April 2007        Senior Executive Operating Officer, and President of JUKI Household Products Co., Ltd.</p> <p>May 2008         Senior Executive Operating Officer, CCO, CQO, in charge of Information Systems Dept.</p> <p>October 2008     Standing Senior Executive Operating Officer and General Manager of Industrial Sewing Machines Business Div.</p> <p>June 2009         Managing Director and General Manager of Industrial Sewing Machines Business Div.</p> <p>April 2011        Managing Director, “in charge of Business Center (Sewing Machinery Business Unit),” Senior Executive Director of Sewing Machinery Business Unit and General Manager of Customer Support, Sewing Machinery Business Unit. (To the present)</p>	40,000 shares
5	Hirokazu Nagashima (February 1, 1958)	<p>April 1978        Joined the Company</p> <p>February 2000    General Manager of Business Renovation Promotion Dept.</p> <p>April 2002        Vice-Head of Management HQ of Electronic Assembly and Test Systems Div.</p> <p>January 2004     Executive Operating Officer and Deputy General Manager of Electronic Assembly and Test Systems Div.</p> <p>March 2005      Executive Operating Officer and General Manager of Electronic Assembly and Test Systems Div.</p> <p>June 2005        Director and General Manager of Electronic Assembly and Test Systems Div.</p> <p>June 2006        Managing Director and General Manager of Electronic Assembly and Test Systems Div.</p>	59,000 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
		April 2011      Managing Director, “in charge of Business Center (Electronic Assembly Systems Business Unit),” “in charge of Quality Assurance Dept.,” and Senior Executive Director of Electronic Assembly Systems Business Unit (To the present)	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Shuji Yamaoka (August 24, 1945)	<p>April 1964      Joined the Company</p> <p>October 2000    Deputy Managing Director and General Manager of JUKI (SHANGHAI) INDUSTRIAL CO., LTD.</p> <p>December 2003    Head of Production HQ of Industrial Sewing Machines Business Div., and President of JUKI Ohtawara Corporation</p> <p>April 2005        Executive Operating Officer, and President of JUKI Ohtawara Corporation</p> <p>December 2006    Senior Executive Operating Officer, Deputy General Manager of Industrial Sewing Machines Business Div., and President of JUKI Ohtawara Corporation</p> <p>October 2009     Senior Executive Operating Officer, Deputy General Manager of Industrial Sewing Machines Business Div., Head of Production HQ, and General Manager of Ohtawara Plant</p> <p>April 2011        Senior Executive Operating Officer, “in charge of Production Center” (To the present)</p>	68,000 shares
7	Toshihiko Ozaki (January 31, 1947)	<p>April 1969        Joined Teikoku Piston Ring Co., Ltd.</p> <p>February 1996     Deputy General Manager of Overseas Business Dept., ditto</p> <p>October 1998      General Manager of Trade Dept., ditto</p> <p>June 2002         Director, ditto (President of United Piston Ring Inc.)</p> <p>June 2005         Corporate Officer, ditto, and President of United Piston Ring Inc.</p> <p>February 2006     Corporate Officer, ditto, and President of TPR Corporation of America</p> <p>June 2006         Managing Officer, ditto, and President of TPR Corporation of America</p> <p>June 2007         Managing Officer and General Manager of Overseas Business Dept., ditto, and Director of TPR Trading Co., Ltd.</p> <p>June 2009         Managing Director, ditto, and Director of TPR Trading Co., Ltd.</p> <p>June 2010         Senior Managing Director, ditto, Director of TPR Trading Co., Ltd., and Director of the Company (To the present)</p>	0 shares

- (Notes) 1. There are no conflicts of interest between the Company and any of the above candidates for Directors.  
2. Mr. Toshihiko Ozaki is a candidate for Outside Director.

3. Mr. Toshihiko Ozaki is nominated as an Outside Director because we expect him to serve as a competent Director and to appropriately provide advice and make decisions from an objective and neutral position based on his broad experience and knowledge as a corporate executive and his considerable insight and supervisory abilities with regard to corporate management.
4. Mr. Toshihiko Ozaki, currently an Outside Director of the Company, will have been in office for one year at the conclusion of this General Meeting of Shareholders.
5. Upon the approval of Mr. Ozaki's election in this proposed resolution, the Company will conclude "Contracts for Limitation of Liability " with him for the purpose of limiting such liability as stipulated under Paragraph 1 of in Article 423 the Companies Act, as provided in Article 32 of the Company's Articles of Incorporation.

**Proposal No. 4** Election of 2 Company Auditors

Company Auditors, M. Ryoji Murayama, Mr. Masahiro Watanabe, and Ms. Masako Wakana will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 2 Company Auditors is proposed.

The Board of Company Auditors consented to the proposal of this resolution.

The candidates for Company Auditors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yoshihiro Otake (December 23, 1951)	<p>April 1980    Joined the Company</p> <p>July 1999    General Manager of Accounting Dept., Accounting HQ</p> <p>July 2005    Executive Operating Officer and General Manager of Accounting Dept.</p> <p>June 2006    Director and General Manager of Accounting Dept.</p> <p>November 2006    Director, CFO, and General Manager of Accounting Dept.</p> <p>June 2010    Executive Operating Officer and Head of Accounting Center</p> <p>April 2011    Executive Operating Officer and General Manager of Finance &amp; Accounting Dept. (To the present)</p>	147,000 shares
2	Masato Tanaka (August 5, 1956)	<p>April 1983    Appointed as judge (Served as a judge of Osaka District Court, investigator for the Supreme Court, judge for the Tokyo High Court, judge for the Intellectual High Court, etc.)</p> <p>April 2006    Retired as judge</p> <p>April 2006    Partner lawyer of Nagashima Ohno &amp; Tsunematsu (To the present)</p>	0 shares

- (Notes)
- There are no conflicts of interest between the Company and any of the above candidates for Company Auditors.
  - Mr. Yoshihiro Otake, candidate, will be elected as a substitute for Mr. Ryoji Murayama, Company Auditor, who will retire at this General Meeting. Therefore, his term of office as the Company Auditor shall be until the conclusion of the 99th Ordinary General Meeting of Shareholders to be held in March 2014, according to the provisions of the Company's Articles of Incorporation, subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation."
  - Mr. Masato Tanaka, candidate, will be elected as a substitute for Mr. Masahiro Watanabe, Outside Company Auditor, who will retire. Therefore, his term of office as the Company Auditor shall be until the conclusion of the 97th Ordinary General Meeting of Shareholders to be held in March 2012, according to the provisions the Company's Articles of Incorporation, subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation." He is nominated as a candidate for Outside Company Auditor.  
Mr. Masato Tanaka is nominated as a candidate for Outside Company Auditor because he is expected, as an Outside Company Auditor, to appropriately provide advice and conduct audits on matters such as compliance based on the legal expertise and experience he has built up over many years.
  - Upon the approval of Mr. Masato Tanaka's election in this proposed resolution, the Company will conclude "Contracts for Limitation of Liability" with Mr. Masato Tanaka for the purpose of limiting his such liability, as stipulated under, Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 44 of the Company's Articles of Incorporation to be amended in Proposal No. 2.

**Proposal No. 5** Election of 2 Substitute Company Auditors

As a preparation to fill any vacancies of Company Auditors if the number of Company Auditors falls below the number stipulated by Paragraph 2 of Article 329 of the Companies Act, the election of 2 Substitute Company Auditors is proposed.

The proposal of this resolution is subject to approval of the above “Partial Amendments to the Articles of Incorporation.”

The Board of Company Auditors consented to the proposal of this resolution.

The candidates for Substitute Company Auditors are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	Masahiro Watanabe (October 28, 1947)	<p>April 1970      Joined Yasuda Trust and Banking Co, Ltd.</p> <p>June 1998      Director, ditto</p> <p>June 2000      Managing Director, ditto</p> <p>April 2002      Managing Executive Officer of Mizuho Asset Trust and Banking Co., Ltd.</p> <p>May 2002      Senior Managing Executive Officer, ditto</p> <p>March 2003      Senior Managing Executive Officer, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>April 2004      Supervisor, ditto</p> <p>May 2004      Director and President, MH Trust Systems, Co., Ltd. (currently MHTS Co., Ltd.)</p> <p>June 2004      Company Auditor of the Company (To the present)</p> <p>April 2011      Retired as Director and President of MHTS Co., Ltd.</p>	0 shares
2	Masako Wakana (January 11, 1935)	<p>April 1961      Registered as an attorney (Tokyo Bar Association) (To the present)</p> <p>June 2006      Company Auditor of the Company (To the present)</p>	0 shares

- (Notes)
1. There are no conflicts of interest between the Company and any of the above candidates for Substitute Company Auditors.
  2. The candidates are substitutes for Outside Company Auditors and Company Auditors other than Outside Company Auditors.
  3. Mr. Masahiro Watanabe is nominated as a candidate for an Outside Company Auditor because he is expected to appropriately provide advice and conduct audits based on the knowledge and experience he has built up over many years in the financial industry and on his performance as an Outside Company Auditor of the Company for 7 years.
  4. Ms. Masako Wakana is nominated as a candidate for an Outside Company Auditor because she is expected to appropriately provide advice and conduct audits on matters such as compliance based on the legal expertise and experience she has built up as an attorney over many years and on her performance as an Company Auditor of the Company for 5 years.
  5. In the election of these the two candidates for Substitute Company Auditors, Mr. Masahiro Watanabe shall take first priority and Ms. Masako Wakana shall take second priority.
  6. Upon assumption of office as Company Auditor, the Company will conclude an Contracts for Limitation of Liability with Mr. Masahiro Watanabe and Ms. Masako Wakana for the purpose of limiting their such liability as provided for in Paragraph 1 of Article 423 of the Companies Act, in accordance with Article 44 of the Company’s Articles of Incorporation to be amended in Proposal No. 2,.
  7. The Company may cancel the election of Substitute Company Auditors before they assume office as Company Auditors. The cancellation shall be resolved by a majority of the Board of Directors and shall require the consent of the Board of Company Auditors.