

(Reference translation)

Explanatory Meeting

Second Quarter Account Settlement
FY2011 ending December 31, 2011
on a consolidated basis

November 9, 2011
JUKI Corporation

Mind & Technology

JUKI
Mind & Technology

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1-1: Performance Trends and Dividends

Net sales were steady year on year as the effect of strong yen and weaker demand in Chinese market were offset by sales in other regions. Ordinary income increased year on year due to foreign exchange gain.

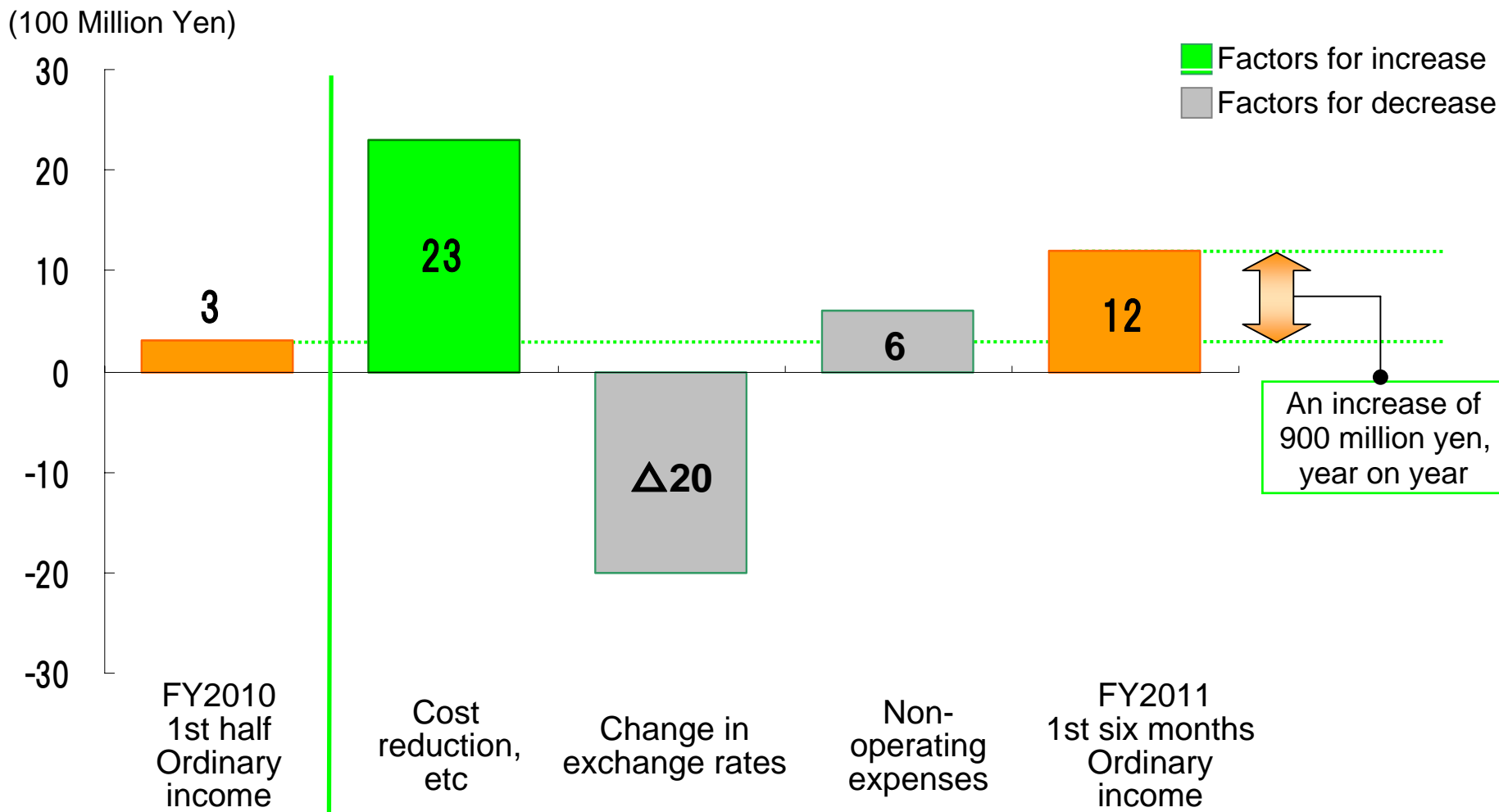
(Million Yen)

	FY2009 1st half	FY2009 2nd half	FY2010 1st half <A>	FY2010 2nd half	FY2011 1st six months 	Change <B-A>	% of Change (B-A)/A
Net Sales	24,353	32,617	43,363	46,233	43,470	107	0.2%
Operating Income	△7,454	△3,733	151	634	591	440	290%
Ordinary Income	△7,534	△3,568	278	896	1,211	933	335%
Net Income	△7,494	△3,739	640	1,827	724	84	13.0%
Dividend per Share	¥0	¥0	¥0	¥3	¥0	±¥0	—
※ Exchange Rate	US\$ Euro	¥94 ¥132	¥89 ¥127	¥87 ¥112	¥81 ¥111	¥78 ¥112	△¥9 ±¥0

※ The exchange rates represent the average rates influencing operating income during the respective period.

1-2: Factors for Ordinary Income Increase

Increase of 2.3 billion yen from cost cutting and decrease of 2.0 billion yen from foreign exchange effect.



1-3: Changes in Major Financial Indices

Net assets rose 0.5 billion yen from previous year-end (March 31, 2011) to 12.0 billion yen.

(Million Yen)

	FY2009 1st half	FY2009 2nd half	FY2010 1st half <A>	FY2010 2nd half	FY2011 1st six months 	Change <B-A>	% of Change (B-A)/A
Total Assets	94,874	101,081	106,230	106,593	111,264	4,671	4.4%
Inventories	31,156	29,297	33,947	36,240	40,319	4,079	11.3%
Interest-bearing debts	60,790	65,848	62,752	63,698	69,392	5,694	8.9%
Net Assets	15,006	10,686	10,530	11,549	12,046	※ 497	4.3%
Equity Ratio	15.5%	10.3%	9.7%	10.6%	10.6%	±0	—

※ Breakdown of 0.5 billion yen net asset increase

Increase of 1.04 billion yen in retained earnings, and decreases of 0.41 billion yen in foreign currency translation adjustment and 0.13 billion yen in other

1-4-(1)-1: Performance by Segment

Changes in net sales

Net sales were steady year on year as the effect of strong yen and weaker demand in Chinese market were offset by sales from Sewing Machinery Business in all regions, particularly Asia, and sales from Electronic Assembly Systems Business, particularly Europe.

(Million Yen)

	FY2009 1st half	FY2009 2nd half	FY2010 1st half <A>	FY2010 2nd half	FY2011 1st six months 	Change <B-A>	% of Change (B-A)/A
Sewing Machinery*	17,005	21,511	28,155	32,112	27,964	△191	△0.7%
Electronic Assembly Systems	3,844	8,196	11,969	10,468	11,746	△223	△1.9%
Others	3,503	2,910	3,238	3,653	3,759	521	16.1%
Total	24,353	32,617	43,363	46,233	43,470	107	0.2%

* Effective FY2011, the Company has changed its business segmentation, consolidating the previous business segments of "Industrial Sewing Machines Business" and "Household Sewing Machines Business" into the "Sewing Machinery Business."

1-4-(1)-2: Performance by Segment

Changes in ordinary income

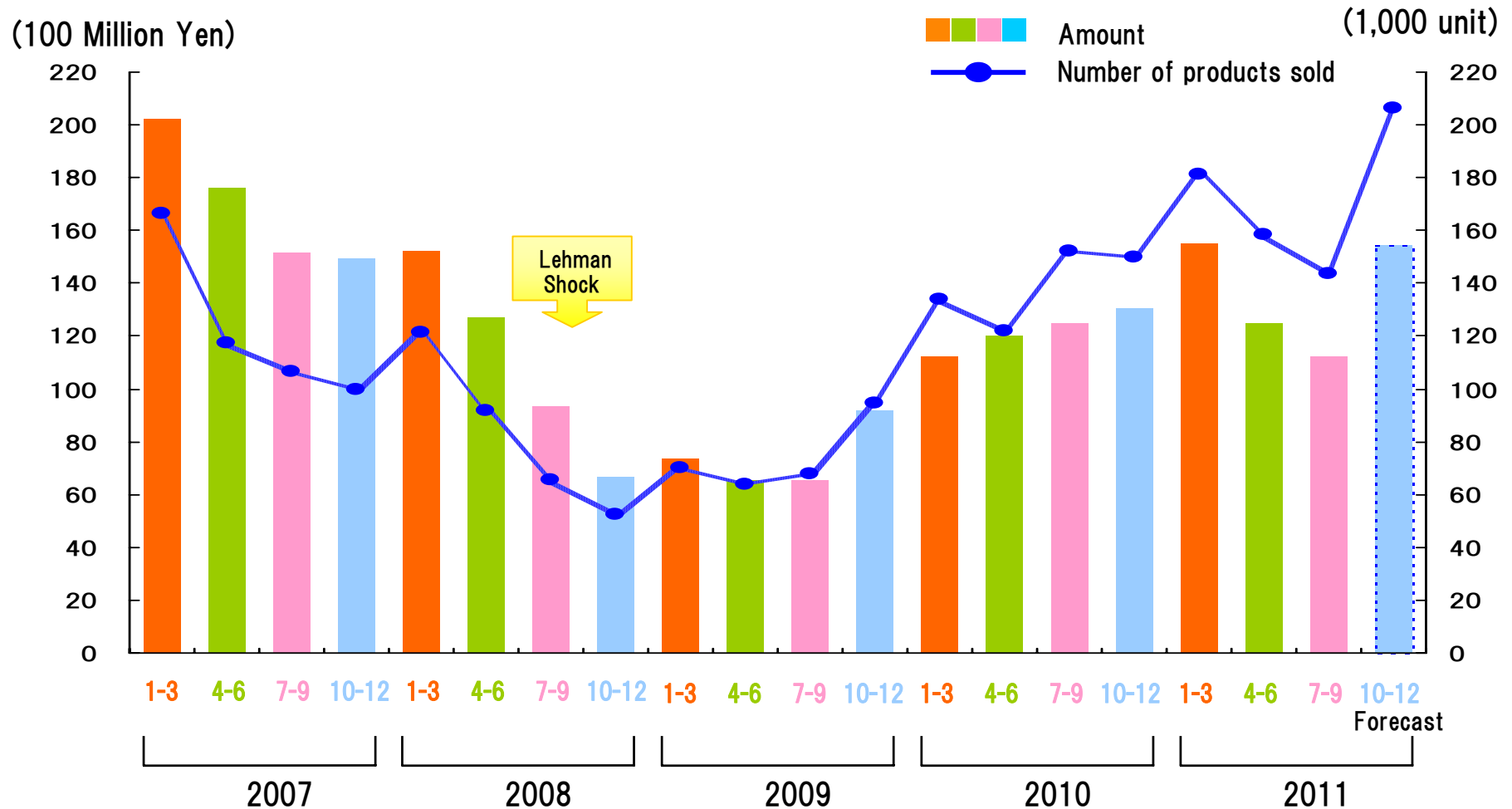
Cost cutting in Sewing Machinery Business contributed to increased income.

	(Million Yen)						
	FY2009 1st half	FY2009 2nd half	FY2010 1st half <A>	FY2010 2nd half	FY2011 1st six months 	Change <B-A>	% of Change (B-A)/A
Sewing Machinery	Δ3,960	Δ1,762	644	1,044	1,451	807	125%
Electronic Assembly Systems	Δ2,346	Δ1,157	442	309	408	Δ34	Δ7.7%
Others	Δ117	104	289	Δ230	186	Δ103	Δ35.6%
Adjustment	Δ1,109	Δ754	Δ1,098	Δ226	Δ835	263	—
Total	Δ7,534	Δ3,568	278	896	1,211	933	335%

1-4-(2)-1: Sewing Machinery Business (excluding parts)

Sale amount and number of products sold

Number of products sold was at a level exceeding the peak of 2007.

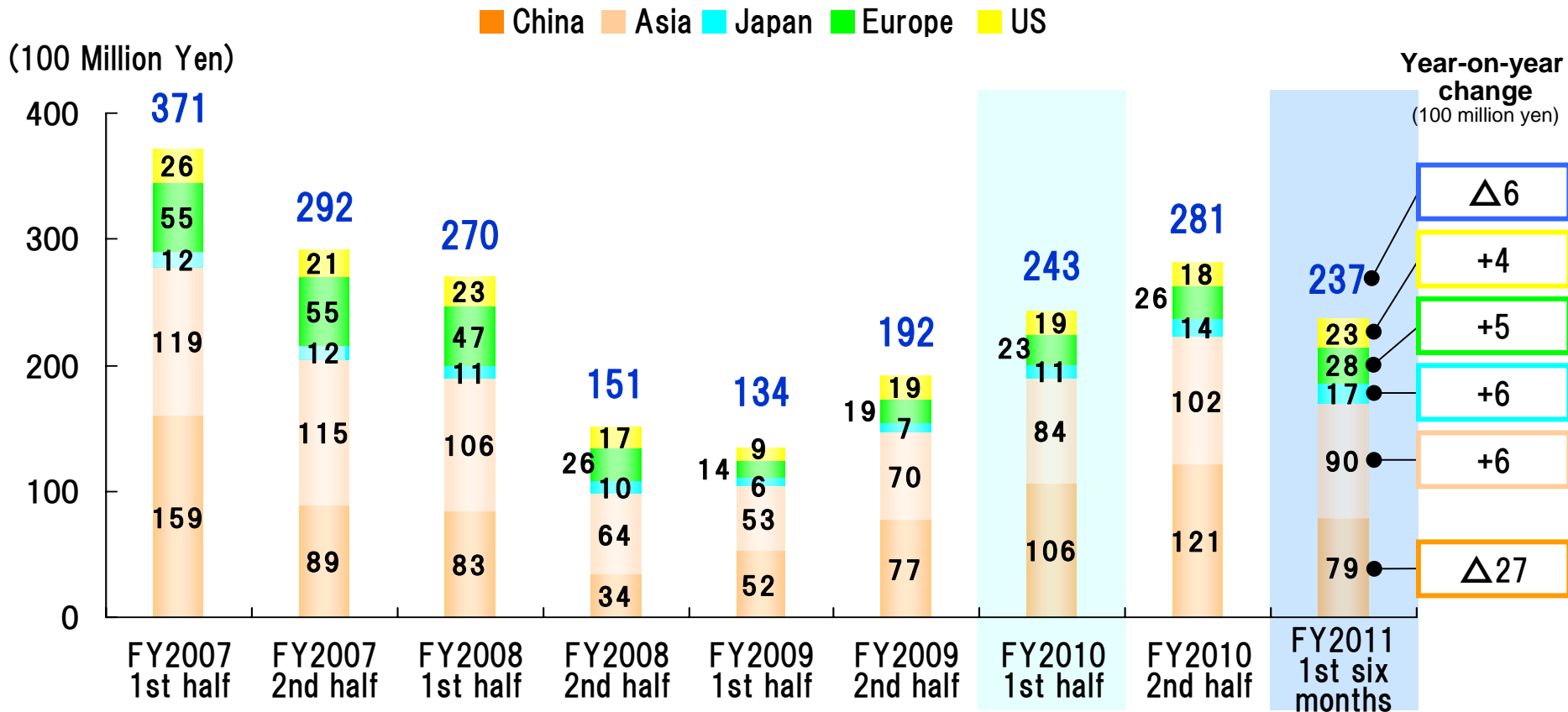


Note: These numbers are the aggregated domestic and overseas monthly sales and do not match the figures of final settlement of account.

1-4-(2)-2 Sewing Machinery Business (excluding parts)

Changes in sales by region

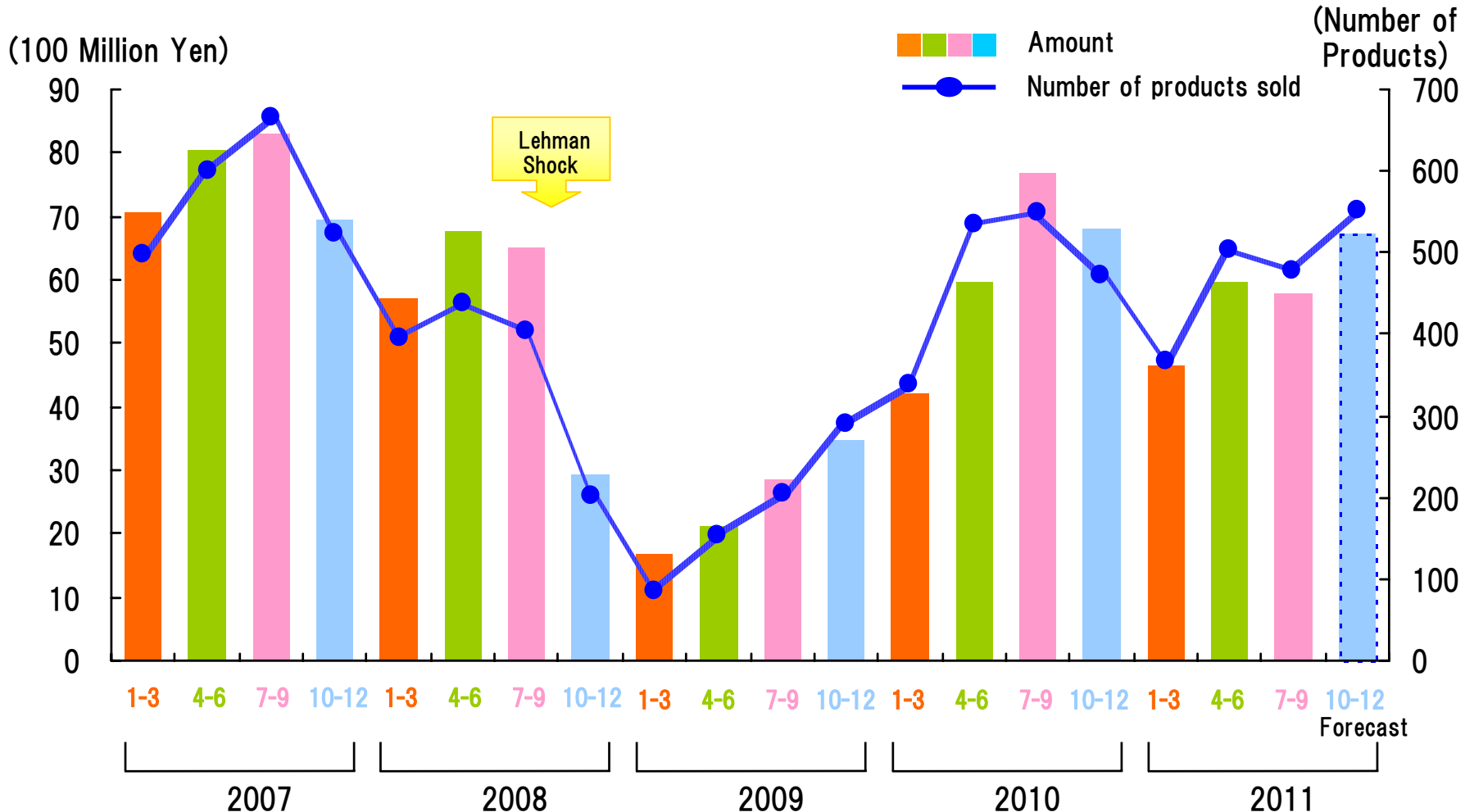
Sales in China decreased year on year, but sales in all other regions such as Asia increased.



1-4-(3)-1: Electronic Assembly Systems Business

Sale amount and number of products sold

Number of products sold was at a level exceeding that of immediately after the Lehman Shock (1st half FY2008).



Note: These numbers are the aggregated domestic and overseas monthly sales and do not match the figures of final settlement of account.

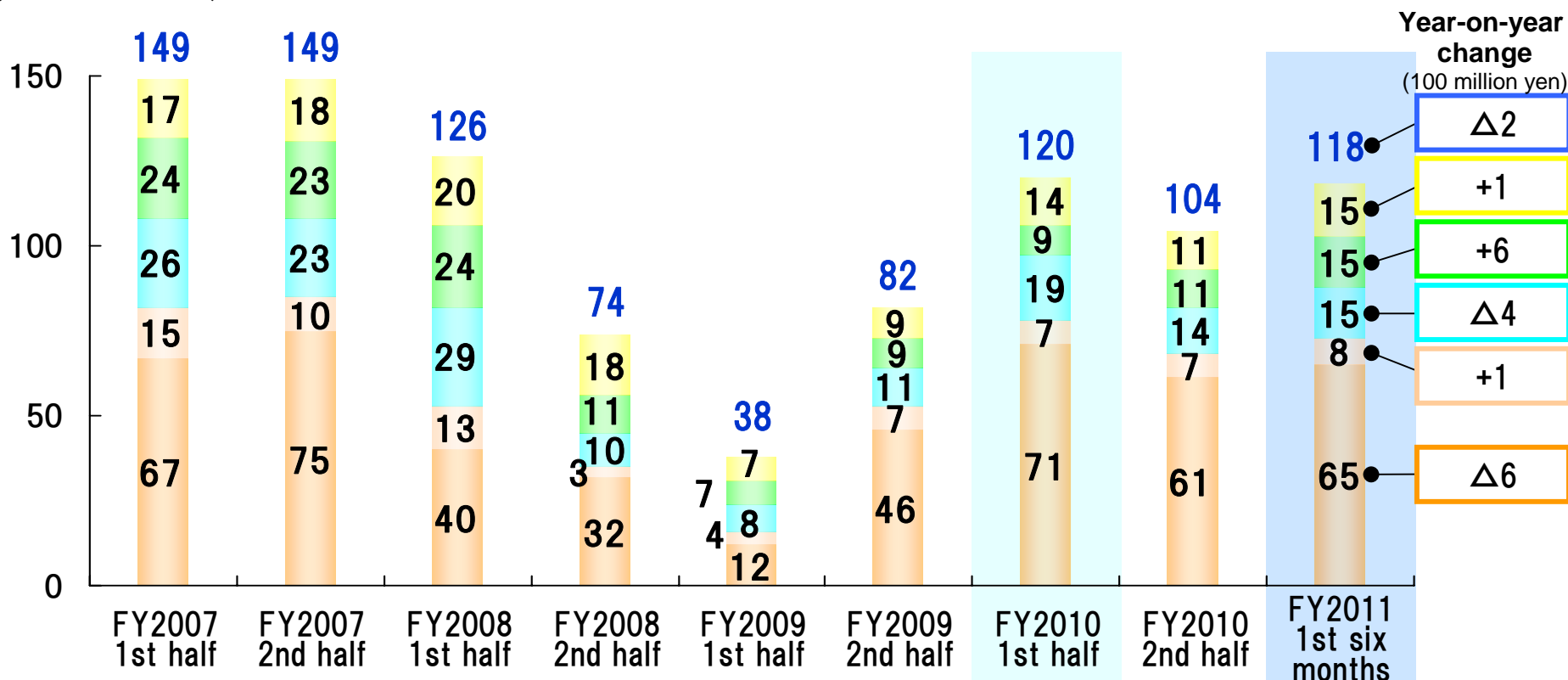
1-4-(3)-2: Electronic Assembly Systems Business

Changes in sales by region

Sales in China decreased year on year, but sales in Europe and the Americas, particularly Europe, increased.

(100 Million Yen)

China Asia Japan Europe US



2-1-1: Major Initiatives in First Six Months and Future Measures (1)

How we understand the environment

1. Trend towards ultra-strong yen (76-77 yen / USD)
2. Impact of monetary tightening in China

■ Reform of management system

- 1 Transform organization into functional center system (April 2011)
- 2 Uniform fiscal year end (for both Japan and overseas consolidated subsidiaries from March to December)
- 3 Bolster headquarter functions in China (October 2011)
- 4 Streamline the organization and structure of back-office function in headquarters (since October 2011)
⇒ Reassign corporate personnel to Business Units



Carried out “management system and management framework reform”

⇒ Establish “management base” suited to the future

2-1-2: Major Initiatives in First Six Months and Future Measures (2)

■ Sewing Machinery Business

Sales	Industrial	<p>1 Increasing sales in entry-level market</p> <ul style="list-style-type: none"> 1) Entry into focused regions (China, India, Indonesia, Russia) ⇒ Developing of internal-demand market in China: increasing sales offices and speeding up of strategic deployment 2) Increase sales of DDL-8100e
		<p>2 Enhancing sales system in growing markets</p> <ul style="list-style-type: none"> 1) Asia (Bangladesh, Vietnam, Indonesia) ⇒ Established JUKI Machinery Bangladesh (August 2011) 2) South America ⇒ Appointed a vice president in charge of South America in JUKI America (October 2011)
		<p>3 Utilization of alliances</p> <ul style="list-style-type: none"> 1) Reinforcement of knitwear machinery business <ul style="list-style-type: none"> ▪ Comprehensive alliance with SIRUBA (May 2011) ⇒ Launched SIRUBA OEM product “MO-6500S” (October 2011)
	Household	<p>1 Launch new series of household machines utilizing alliance (November 2011)</p> <p>2 Increasing sales taking advantage of overseas sales network of industrial sewing machines</p>

2-1-3: Major Initiatives in First Six Months and Future Measures (3)

■ Electronic Assembly Systems Business

Sales

- 1 New products
 - 1) High-speed SMT market: Launched high-speed modular mounter "FX-3R" (May 2011)
 - 2) Entry-level SMT market: Launched flexible compact mounter "JX-200" (May 2011)
- 2 Measures to increase sales
 - 1) Boosting share in high-speed SMT market
⇒ Increase sales by acquiring major customers and launching new products
 - 2) Increasing sales in emerging markets
⇒ In South America, India and South East Asia
 - 3) Enhancing solutions business
 - 4) Improving service business (maintenance service and parts)

■ Alliance

- 1 Concluded agreement to form joint-venture manufacturing company with Siix Corporation (September 2011)
⇒ Accelerate comprehensive cost savings through partnering with major EMS company

2-1-4: Major Initiatives in First Six Months and Future Measures (4)

■ Production

- 1 Enhancing production capability (industrial sewing machines)
 - 1) Built production system with annual output capacity of 750,000 machines (September 2011)
 - 2) Vietnam: The fourth factory started full operation (May 2011)
⇒ Integrated production - from parts processing to assembly

- 2 Accelerating cost reduction initiatives
 - 1) Speeding up overseas parts procurement
 - 2) Further shifting manufacturing to overseas (industrial sewing machines)
⇒ Transfer manufacturing of high-end models to China

■ Development

- 1 Further globalizing development functions
⇒ Increase development personnel in Shanghai and Vietnam

- 2 Ratio of new product sales
⇒ Achieved 32% as of September end against the mid-term management plan target of 40%

Forward-looking statements contained in this material, such as business forecasts and future outlook are subject to a number of risks and uncertainties and based on information that is currently available. The Company therefore wishes to caution readers that actual business performance may differ from forward-looking statements due to any variety of factors.

JUKI Corporation

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