

**Summary of Financial Information and Business Results
for the First Three Months of Fiscal Year 2016 Ending December 31, 2016
on a Consolidated Basis
<under Japanese GAAP>**

Company name: **JUKI Corporation**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 6440
 URL: <http://www.juki.co.jp/>
 Representative: Akira Kiyohara, President
 Inquiries: Masahiko Suzuki, Corporate Officer and General Manager of Finance & Accounting Department
 TEL: +81-42-357-2211

Scheduled date to file the quarterly securities report: May 10, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

**1. Consolidated performance for the first three months of fiscal year 2016 ending December 31, 2016
(January 1, 2016 to March 31, 2016)**

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended								
March 31, 2016	25,910	(7.9)	1,455	(18.9)	831	(46.2)	650	(36.2)
March 31, 2015	28,136	11.6	1,793	(4.0)	1,544	(10.9)	1,019	(8.4)

Note: Comprehensive income Three months ended March 31, 2016: (943) million yen [– %]
 Three months ended March 31, 2015: 1,031 million yen [74.3 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	yen	yen
March 31, 2016	21.88	–
March 31, 2015	34.16	–

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. Basic earnings per share have been calculated as if the share consolidation had been carried out at the beginning of the fiscal year ended December 31, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
March 31, 2016	114,928	26,388	22.4
December 31, 2015	119,281	28,477	23.2

Reference: Equity As of March 31, 2016: 25,701 million yen

As of December 31, 2015: 27,678 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2015	–	2.00	–	25.00	–
Fiscal year ending December 31, 2016	–				
Fiscal year ending December 31, 2016 (Forecast)		10.00	–	25.00	35.00

Note: Revisions to the dividend forecasts most recently announced: None

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. Consequently, the interim dividend for the fiscal year ended December 31, 2015 is the actual amounts prior to the consolidation, and the total annual dividend for the fiscal year ended December 31, 2015 is presented as “–.” If the share consolidation is taken into account, the interim dividend for the fiscal year ended December 31, 2015 was 10 yen per share, and the total annual dividend amounted to 35 yen per share.

3. Consolidated earnings forecasts for the fiscal year 2016 ending December 31, 2016 (January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending June 30, 2016	56,000	(2.4)	2,200	(48.0)	1,700	(56.9)	1,000	(63.2)	33.97
Fiscal year ending December 31, 2016	115,000	1.9	6,000	(15.6)	5,000	(12.7)	3,000	(22.1)	101.91

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the three months under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
Note: For a detailed description, please refer to “(2) Application of special accounting for preparing quarterly consolidated financial statements” of “2. Matters regarding summary information (Notes)” on page 4 of the [Attached Material].
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None
Note: For a detailed description, please refer to “(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections” of “2. Matters regarding summary information (Notes)” on page 4 of the [Attached Material].

- (4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2016	29,874,179 shares
As of December 31, 2015	29,874,179 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2016	436,201 shares
As of December 31, 2015	36,089 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2016	29,738,028 shares
Three months ended March 31, 2015	29,840,451 shares

* On July 1, 2015, the Company carried out a one-for-five common share consolidation. The average number of shares during the period of three months ended March 31, 2015 (cumulative from the beginning of the fiscal year) has been calculated as if the share consolidation had been carried out at the beginning of the fiscal year ended December 31, 2015.

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures under the Financial Instruments and Exchange Act, and at the time of disclosure hereof, the quarterly review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been completed.

* Disclaimer regarding forward-looking statements

This report contains forward-looking statements concerning future plans, strategies and assumptions in light of the economic, financial and other data currently available. Furthermore, they are subject to a number of risks and uncertainties. JUKI therefore wishes to caution readers that actual results may differ materially from those projected in such forward-looking statements. Significant factors that may have an impact on actual results include the economic environment surrounding JUKI's business, political situations in key markets, and foreign exchange rate fluctuations (primarily the yen to U.S. dollar rate).

[Attached Material]

Index

1. Qualitative information regarding consolidated performance for the first three months	2
(1) Explanation regarding operating results	2
(2) Explanation regarding financial position	2
(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts.....	3
2. Matters regarding summary information (Notes).....	4
(1) Changes in significant subsidiaries during the three months under review	4
(2) Application of special accounting for preparing quarterly consolidated financial statements.....	4
(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections.....	4
3. Quarterly consolidated financial statements.....	5
(1) Consolidated balance sheet	5
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	7
Consolidated statement of income (cumulative).....	7
Consolidated statement of comprehensive income (cumulative).....	8
(3) Notes on quarterly consolidated financial statements.....	9
(Notes on premise of going concern).....	9
(Notes on significant changes in the amount of shareholders' equity)	9
(Segment information, etc.)	9

1. Qualitative information regarding consolidated performance for the first three months

(1) Explanation regarding operating results

In the three months ended March 31, 2016, despite having taken steps to strengthen solution sales and widen the scope of activities for proposing automation and labor-saving solutions to our customers, net sales were 25,910 million yen (down by 7.9% from the same period of the previous fiscal year), mainly due to an ongoing decrease in capital investment demand resulting from the economic slowdown in China, one of our main markets, which began in the second half of the previous fiscal year.

With respect to profits, although the Sewing Machinery Business performed firmly, operating income was 1,455 million yen (down by 18.9% from the same period of the previous fiscal year), mainly due to a drop in sales and lower rates of return in the Electronic Assembly Systems Business. Ordinary income was 831 million yen (down by 46.2% from the same period of the previous fiscal year) and profit attributable to owners of parent was 650 million yen, (down by 36.2% from the same period of the previous fiscal year), mainly due to foreign exchange losses incurred on revaluation of receivables amid a rapid shift to appreciation of the yen against the U.S. dollar compared with the previous fiscal year-end.

(Business overview by primary segment)

a. Sewing Machinery Business

In regard to geographic market, sales increased in countries such as Bangladesh and India but languished in China. In terms of product, although sales of respective products generally remained on par with levels achieved in the same period of the previous fiscal year, the yen was strong compared to the same period of the previous fiscal year. As a result, net sales of the Sewing Machinery Business as a whole were 19,817 million yen (down by 6.6% from the same period of the previous fiscal year). With respect to profits, segment profit increased compared with the same period of the previous fiscal year, largely as a result of improvement in profitability arising from cost reduction effects.

b. Electronic Assembly Systems Business

In regard to geographic market, sales increased in the Europe but were sluggish in our largest market of China, and in the Americas. In terms of product, growth achieved in sales of our new-type moulder, printing equipment and alliance products, which were rolled out under our line solutions strategy, did not make up for a drop in sales of our existing moulders. As a result, net sales of the Electronic Assembly Systems Business as a whole were 4,555 million yen (down by 15.1% from the same period of the previous fiscal year). Segment profit in the Electronic Assembly Systems Business decreased in comparison with the same period of the previous fiscal year, mainly due to lower rates of return amid competition with rival companies, although the structural reform to improve profitability brings about certain effect in reducing costs. We will continue to strive for greater profitability, proceeding with the structural reform.

(2) Explanation regarding financial position

Assets, liabilities and net assets

Total assets as of March 31, 2016 were 114,928 million yen, a decrease of 4,353 million yen compared to the previous fiscal year-end. This was mainly due to a decrease in inventories. Liabilities were 88,540 million yen, a decrease of 2,263 million yen compared to the previous fiscal year-end. This primarily reflected a decrease in short-term and long-term loans payable. Net assets were 26,388 million yen, a decrease of 2,089 million yen compared to the previous fiscal year-end. This was mainly due to purchases of treasury shares combined with a higher negative value in foreign currency translation adjustment due to the appreciation of the yen. Consequently, the equity ratio was 22.4%, a decrease of 0.8 percentage points over that of the previous fiscal year-end.

(3) Explanation regarding forward-looking statements such as consolidated earnings forecasts

For the consolidated earnings forecasts for the six months ending June 30, 2016 and for the fiscal year ending December 31, 2016 have not been revised from those previously announced on February 10, 2016.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the three months under review

No items to report.

(2) Application of special accounting for preparing quarterly consolidated financial statements

(Calculation of taxes)

Taxes are calculated by reasonably estimating the effective tax rate after application of tax effect accounting to profit before income taxes for the fiscal year, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.

It should be noted that income taxes-deferred are included in income taxes.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013; hereinafter the “Accounting Standard for Business Combinations”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter the “Accounting Standard for Consolidated Financial Statements”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter the “Accounting Standard for Business Divestitures”), etc. As a result, the method of recording has been changed; the amount of difference caused by changes in the Company’s ownership interests in the subsidiaries under ongoing control of the Company is recorded as capital surplus, and acquisition-related costs are recorded as expenses for the fiscal year in which they are incurred. Furthermore, the accounting method has been changed; for business combinations carried out on or after the beginning of the first quarter ended March 31, 2016, the revision of the acquisition cost allocation according to the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of the business combination belongs. In addition, the presentation method has been changed; “Net income” has been changed to “Profit attributable to owners of parent”, “Income before minority interests” has been changed to “Profit”, and “Minority interests” has been changed to “Non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first three months of the previous fiscal year and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company applied the said standards prospectively from the beginning of the first quarter ended March 31, 2016.

The impact on quarterly consolidated financial statements for the first quarter under review is immaterial.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(million yen)

	As of December 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	7,906	8,933
Notes and accounts receivable - trade	31,263	29,327
Inventories	42,647	39,145
Other	5,541	6,398
Allowance for doubtful accounts	(400)	(379)
Total current assets	86,958	83,425
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,844	13,601
Land	6,656	6,656
Other, net	4,523	4,524
Total property, plant and equipment	25,024	24,783
Intangible assets	1,797	1,638
Investments and other assets		
Other	7,297	6,820
Allowance for doubtful accounts	(1,795)	(1,739)
Total investments and other assets	5,501	5,080
Total non-current assets	32,323	31,502
Total assets	119,281	114,928
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,126	10,017
Short-term loans payable	46,870	46,384
Income taxes payable	745	613
Provision for bonuses	60	577
Other	6,632	6,085
Total current liabilities	64,436	63,678
Non-current liabilities		
Long-term loans payable	20,101	18,759
Provision for directors' retirement benefits	171	159
Net defined benefit liability	5,084	5,048
Other	1,009	893
Total non-current liabilities	26,367	24,861
Total liabilities	90,803	88,540

(million yen)

	As of December 31, 2015	As of March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	18,044	18,044
Capital surplus	2,094	2,094
Retained earnings	7,800	7,704
Treasury shares	(66)	(465)
Total shareholders' equity	27,873	27,378
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	817	547
Foreign currency translation adjustment	(1,148)	(2,339)
Remeasurements of defined benefit plans	136	115
Total accumulated other comprehensive income	(194)	(1,676)
Non-controlling interests	799	686
Total net assets	28,477	26,388
Total liabilities and net assets	119,281	114,928

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(million yen)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Net sales	28,136	25,910
Cost of sales	19,657	18,062
Gross profit	8,478	7,848
Selling, general and administrative expenses	6,685	6,392
Operating income	1,793	1,455
Non-operating income		
Interest income	41	10
Dividend income	57	61
Reversal of allowance for doubtful accounts	4	66
Other	129	137
Total non-operating income	232	275
Non-operating expenses		
Interest expenses	351	330
Foreign exchange losses	79	544
Other	50	24
Total non-operating expenses	481	899
Ordinary income	1,544	831
Extraordinary income		
Gain on sales of non-current assets	2	1
Total extraordinary income	2	1
Extraordinary losses		
Loss on sales and retirement of non-current assets	6	5
Total extraordinary losses	6	5
Profit before income taxes	1,540	827
Income taxes	497	269
Profit	1,043	557
Profit (loss) attributable to non-controlling interests	23	(92)
Profit attributable to owners of parent	1,019	650

Consolidated statement of comprehensive income (cumulative)

(million yen)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Profit	1,043	557
Other comprehensive income		
Valuation difference on available-for-sale securities	102	(270)
Deferred gains or losses on hedges	2	–
Foreign currency translation adjustment	(135)	(1,209)
Remeasurements of defined benefit plans, net of tax	19	(20)
Total other comprehensive income	(11)	(1,500)
Comprehensive income	1,031	(943)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,012	(831)
Comprehensive income attributable to non-controlling interests	19	(111)

**(3) Notes on quarterly consolidated financial statements
(Notes on premise of going concern)**

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

The Company purchased 400,000 treasury shares as resolved at the meeting of the Board of Directors held on March 17, 2016. As a result, in the three months ended March 31, 2016, the Company increased its holdings of treasury shares by 399 million yen, which includes acquisitions made through Company's purchases of shares less than one unit. Accordingly, the Company's holdings of treasury shares amounted to 465 million yen as of March 31, 2016.

(Segment information, etc.)

1. Information regarding the amounts of net sales and profit/loss by reportable segment

Three months ended March 31, 2015 (January 1, 2015 to March 31, 2015) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery Business	Electronic Assembly Systems Business	Total				
Net sales							
To external customers	21,223	5,367	26,591	1,545	28,136	–	28,136
Inter-segment sales or transfers	19	72	91	184	276	(276)	–
Total	21,242	5,440	26,683	1,729	28,413	(276)	28,136
Segment profit (loss)	1,925	(134)	1,791	70	1,861	(316)	1,544

- (Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the precision casting business (the production and sale of lost-wax products, etc.), the precision processing and assembly business and the IT-related equipment business are classified.
2. Included in the 316 million yen deducted from segment profit as adjustment are a deduction of 12 million yen in inter-segment eliminations and a deduction of 304 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to a reportable segment and foreign exchange losses that have not been attributed to a reportable segment.
3. Segment profit (loss) is adjusted with ordinary income in the quarterly consolidated statement of income.

Three months ended March 31, 2016 (January 1, 2016 to March 31, 2016) (million yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Sewing Machinery Business	Electronic Assembly Systems Business	Total				
Net sales							
To external customers	19,817	4,555	24,372	1,538	25,910	–	25,910
Inter-segment sales or transfers	14	46	60	220	281	(281)	–
Total	19,831	4,601	24,432	1,758	26,191	(281)	25,910
Segment profit (loss)	2,133	(540)	1,593	(32)	1,561	(730)	831

- (Notes) 1. The "Other Businesses" category refers to business segments not included in reportable segments under which businesses such as the precision casting business (the production and sale of lost-wax products, etc.), the precision processing and assembly business and the IT-related equipment business are classified.
2. Included in the 730 million yen deducted from segment profit as adjustment are a deduction of 23 million yen in inter-segment eliminations and a deduction of 706 million yen in corporate loss that cannot be allocated to any reportable segment. The corporate loss mainly consists of costs related to the administrative functions of the Company that have not been attributed to a reportable segment and foreign exchange losses that have not been attributed to a reportable segment.
3. Segment profit (loss) is adjusted with ordinary income in the quarterly consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment

No items to report.