

Summary of Financial Information and Business Results for the First Half of FY2009 ending March 31, 2010

Date: November 10, 2009

Company Name : Juki Corporation
 Listed on : Tokyo Stock Exchange (1st Section)
 Security code : 6440
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 Planned Date for Start of Dividend Payment : —

(Rounded down to the nearest million yen)

1. Consolidated financial results for the 1st half of FY2009 ending March 31, 2010 (April 1, 2009 through September, 2009)

(1) Consolidated operating results (accumulated) (Percentage figures denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1st half of FY2009 ending March 31, 2010	24,353	-49.8	-7,454	—	-7,534	—	-7,494	—
1st half of FY2008 ended March 31, 2009	48,531	—	1,881	—	2,183	—	-518	—

	Net income per share	Diluted net income per share
	yen	yen
1st half of FY2009 ending March 31, 2010	-57.99	—
1st half of FY2008 ended March 31, 2009	-4.02	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
1st half of FY2009 ending March 31, 2010	94,874	15,006	15.5	114.05
FY2008 ended March 31, 2009	103,654	21,589	20.6	164.98

(Reference) Shareholders' equity: 1st half of FY2009 ending March 31, 2010: 14,739 million yen; FY2008 ended March 31, 2009: 21,321 million yen

2. Dividends

(Record date)	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Financial year end	Annual
FY2008 ended March 31, 2009	—	5.00	—	0.00	5.00
FY2009 ending March 31, 2010	—	0.00			
FY2009 ending March 31, 2010 (forecast)			—	0.00	0.00

(Note) Correction of dividend payment forecast in the 1st half: None

3. Business performance forecasts for FY2009 ending March 31, 2010 (April 1, 2009 through March 31, 2010)

(Percentages denote year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	63,000	-19.1	-9,000	—	-9,300	—	-9,300	—	-71.96

(Note) Correction of consolidated business performance forecast in the 1st half: None

4. Others

- (1) Transfer of important subsidiaries during the period under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation):
None
- (2) Simple accounting processing and particular accounting processing in association with the preparation of consolidated financial statements of the quarter:
Applied
[(Note) Refer to the details described in P. 4 (Item No.4 "Others" of the "Qualitative information and financial statements, etc.")]
- (3) Changes in accounting principles, accounting procedures, presentation method and others in association with the preparation of consolidated financial statements of the 1st half (Those which are stated in the "Basis of Preparation of the Consolidated Financial Statements of the 1st half")
- | | |
|---|------|
| 1) Changes due to the revision to the accounting standards, etc.: | None |
| 2) Changes due to any reason other than those in 1) above: | None |
- (4) Number of shares issued (common stock)
- | | |
|--|---|
| 1) Number of shares and outstanding at the end of the fiscal year (including treasury stock): | |
| 1st half of FY2009 ending March 31, 2010: 129,370,899 shares, | FY2008 ended March 31, 2008: 129,370,899 shares |
| 2) Number of treasury stock at the end of the fiscal year: | |
| 1st half of FY2009 ending March 31, 2010: 138,418 shares, | FY2008 ended March 31, 2009: 137,789 shares |
| 3) Average number of shares during the fiscal year (consolidated and accumulated period of the quarter): | |
| 1st half of FY2009 ending March 31, 2010: 129,233,970 shares, | 1st half of the FY2008 ended March 31, 2009: 129,190,540 shares |

* Explanation on the appropriate usage of business performance forecasts and other specific matters.

The above forecasts of operating results are made based on the assumptions, prospects and plans for the future available as of the date hereof.

The actual results may differ from the forecasted figures due to risks and uncertain factors involved in world economy, competitive status, and exchange rate fluctuations.

[Qualitative information and financial statements, etc.]

1. Qualitative information on the business results (consolidated basis)

Consolidated sales of the first half of fiscal 2009 stood at 24,353 million yen (down 49.8% from the same period of the preceding fiscal year), and operating profit recorded a deficit of 7,454 million yen (a decline from the positive 1,881 million yen posted in the same period of the preceding fiscal year). Ordinary income recorded a deficit of 7,534 million yen (a decline from the negative 518 million yen in the same period of the preceding fiscal year). Net income recorded a deficit of 7,494 million yen (a decline from the negative net income of 518 million yen in the same period of the preceding fiscal year).

Following is the outline of the business results in each of our major business segments.

(1) Industrial sewing machines business

In the first quarter, visible and extensible signs of recovery were shown in the Chinese market with a seasonal demand as a backdrop after showing the bottom of the last quarter of fiscal 2008. In the second quarter of fiscal 2009 the increasing trend supported by the domestic demand is standing firm, but the recovery of the demand are not shown in the European, US and other Asian economies. Furthermore, owing to the price policy and high yen value, as a consequence, consolidated net sales of industrial sewing machines stood at 15,839 million yen (down 44.6% from the same period of the preceding fiscal year).

(2) SMT systems business (pick-and-placers, etc.)

The increasing trend supported by the domestic demand is standing firm as a backdrop after showing the bottom of the first quarter of fiscal 2009 in the Chinese market, but the weak recovery are shown in the European, US and other Asian markets. In addition, due to the influences of severe price competition, etc. consolidated net sales of SMT systems stood at 3,844 million yen (down 69.5% from the same period of the preceding fiscal year).

(3) Household sewing machines business

Though the advantageous effect was shown by the launching of new product "EXCEED" series (computerized sewing machines), due to the influences of the sluggish personal consumption in the domestic market, consolidated net sales of household sewing machines stood at 1,166 million yen (down 10.1% from the same period of the preceding fiscal year).

(4) Electronic equipment and precision equipment business (IT-related equipment and related equipment of arcade machines, etc.)

The precision equipment business (related equipment of arcade machines, etc.) was conveyed and withdrawn in the second quarter. Consolidated net sales of the electronic equipment and precision equipment business stood at 1,281 million yen (down 59.9% from the same period of the preceding fiscal year).

(5) Precision casting business (lost-wax products, etc.)

By the influences of falloff in housing demand etc. due to economic stagnation, consolidated net sales of the precision casting business stood at 1,523 million yen (down 21.2% from the same period of the preceding fiscal year).

1. Qualitative information of the consolidated financial position.

(Assets, liabilities, and net assets)

Total assets of the first half stood at 94,874 million yen by reduction of 8,780 million yen from the end of the preceding fiscal year. Current assets stood at 53,383 million yen by reduction of 9,588 million yen from the end of the preceding fiscal year by reduction of cash and deposits, and inventories. Current liabilities stood at 54,780 million yen by reduction of 9,793 million yen owing to the decrease of short-term borrowings and notes payable relating to the capital equipment. Net assets decreased by 6,582 million yen compared to the end of the preceding fiscal year, and stood at 15,600 million yen. This depends on the reduction of retained earnings (7,494 million yen) and the reduction of foreign currency translation adjustments.

(Cash flows)

Cash flow from operating activities was an income of 212 million yen, due to mainly the decrease in notes and accounts receivable-trade, and inventories.

Cash flow from investing activities was an outgo of 6,068 million yen, due to the acquisition of tangible fixed assets.

Cash flow from financing activities was an income of 3,744 million yen, due to the increase of borrowings.

As a consequence, cash and cash equivalents at the end of the first half stood at 7,027 million yen.

2. Qualitative information of the consolidated business performance forecast

The business forecast for fiscal 2009 leaves our forecast announced on October 6, 2009 unchanged.

3. Others

(1) Transfer of important subsidiaries during the period under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation)

None

(2) Simple accounting processing and particular accounting processing in making the consolidated financial statements of the quarter

(Simple accounting processing)

1) Elimination of unrealized income and loss

The amount of inventory assets which occupy in the stock amount at the end of the quarter, and the ratio of gain and loss are calculated by estimating rationally.

2) Calculation method of deferred tax asset and liability

Regarding the judgment of collection possibility of the deferred tax asset, the future business forecast and the tax planning used in the preceding consolidated fiscal year are used.

(Particular accounting processing in association with the preparation of quarterly consolidated financial statements)

1) Calculation of tax expenses

The normal effective tax rate after applying the tax effect accounting to net income before tax of the current consolidated fiscal year is rationally estimated. Thereafter, tax expenses are computed by multiplying quarterly net income by normal effective tax rate, etc.

(3) Changes in accounting principles, accounting procedures, presentation method and others in association with the preparation of consolidated financial statements of the 1st quarter

None

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets of the First Half

(Unit: Million yen)

	End of the 1st Half of FY2009 consolidated (as of September 30, 2009)	Summarized Consolidated Financial Statements of FY2008 (as of March 31, 2009)
Assets		
Current assets		
Cash and deposits	7,373	8,955
Notes and accounts receivable-trade	11,250	12,821
Marketable securities	5	44
Inventories, merchandise and products	23,161	27,286
Work in process	3,898	3,644
Raw materials and supplies	4,097	5,140
Others	4,675	6,145
Allowance for doubtful accounts	-1,080	-1,065
Total current assets	53,383	62,971
Fixed assets		
Tangible fixed assets		
Buildings and structures-net	9,156	8,862
Land	7,543	7,490
Others-net	12,287	12,662
Total tangible fixed assets	28,987	29,016
Intangible fixed assets	2,534	2,524
Investments and other assets		
Others	11,581	10,779
Allowance for doubtful accounts	-1,613	-1,636
Total investments and other assets	9,967	9,142
Total fixed assets	41,490	40,683
Total assets	94,874	103,654

(Unit: Million yen)

	End of the 1st Half of FY2009 consolidated (as of September 30, 2009)	Summarized Consolidated Financial Statements of FY2008 (as of March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,052	4,946
Short-term borrowings	42,238	45,326
Corporate bonds redeemable within 1 year	40	40
Income taxes payable, etc.	164	206
Reserve for bonuses	737	924
Others	6,474	13,057
Total current liabilities	54,708	64,501
Fixed liabilities		
Corporate bonds	640	660
Long-term borrowings	16,773	9,544
Reserve for retirement benefits	6,188	6,306
Accrued retirement benefits for Directors and Corporate Auditors	383	393
Others	1,174	659
Total fixed liabilities	25,159	17,564
Total liabilities	79,867	82,065
Net assets		
Shareholders' equity		
Capital stock	15,950	15,950
Capital surplus	8,976	8,977
Retained earnings	-5,099	2,394
Treasury stock	-57	-57
Total shareholders' equity	19,769	27,264
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-34	-77
Deferred gains or losses on hedges	-58	-2
Foreign currency translation adjustment	-4,937	-5,863
Total valuation and translation adjustments	-5,030	-5,943
Minority interests	266	267
Total net assets	15,006	21,589
Total liabilities and net assets	94,874	103,654

(2) Consolidated Statements of Income of the First Half

(Unit: Million yen)

	End of the 1st Half of FY2008 <small>(From April 1 through September 30, 2008)</small>	End of the 1st Half of FY2009 <small>(From April 1 through September 30, 2009)</small>
Net sales	48,531	24,353
Cost of sales	31,299	21,163
Gross profit	17,231	3,189
Selling, general and administrative expenses	15,349	10,644
Operating income (loss)	1,881	-7,454
Non-operating income		
Interest income	91	111
Dividends income	228	157
Foreign exchange gains	154	249
Others	406	437
Total non-operating income	880	955
Non-operating expenses		
Interest expenses	524	587
Syndicated loan commission	—	392
Others	54	57
Total non-operating expenses	578	1,036
Ordinary income (loss)	2,183	-7,534
Extraordinary income		
Gain on sale of fixed assets	53	27
Foreign exchange gains through finance to subsidiaries	—	173
Others	—	18
Total extraordinary income	53	219
Extraordinary loss		
Loss on sale and disposal of fixed assets	75	71
Impairment loss	916	124
Loss on valuation of inventories	415	—
Loss on business reorganization	793	—
Valuation loss on investment securities	—	133
Special retirement expenses	—	127
Others	145	171
Total extraordinary loss	2,347	628
Net income (loss) before taxes and minority interests	-110	-7,943
Corporate income tax, inhabitants tax, and enterprise taxes	-68	-2,985
Corporate tax adjustments	457	2,549
Total income taxes	388	-436
Minority interests (loss)	19	-12
Net income (loss)	-518	-7,494

(3) Consolidated Statements of Cash Flows of the First Half

(Unit: Million yen)

	End of the 1st Half of FY2008 (From April 1 through September 30, 2008)	End of the 1st Half of FY2009 (From April 1 through September 30, 2009)
Cash flow from operating activities		
Net income (loss) before taxes	-110	-7,943
Depreciation and amortization	1,691	1,603
Impairment loss	916	124
Loss on business reorganization	793	—
Increase (Decrease) in allowance for doubtful accounts	143	-64
Increase (Decrease) of reserve for retirement benefits	-144	-117
Increase (Decrease) of reserve for bonuses	-227	-189
Increase (Decrease) of reserve for bonuses to directors and corporate auditors	-114	—
Interest and dividends income	-320	-268
Interest expenses	524	587
Decrease (Increase) in notes and accounts receivable-trade	493	2,174
Decrease (Increase) in inventories	-1,365	6,061
Increase (Decrease) in notes and accounts payable-trade	-2,952	55
Increase (Decrease) in accrued consumption taxes	-163	1
Increase (Decrease) in notes discounted	-383	-210
Others	-631	-1,650
Subtotal	-1,852	162
Interest and dividends income received	279	270
Interest expenses paid	-515	-572
Payments for business reorganization	-1,894	-684
Income taxes paid or refunded	-1,380	1,036
Cash flow from operating activities	-5,363	212
Cash flow from investing activities		
Purchase of tangible fixed assets	-2,471	-5,856
Proceeds from sale of tangible fixed assets	298	33
Others	45	-245
Cash flow from investing activities	-2,128	-6,068
Cash flow from financing activities		
Increase (Decrease) in short-term borrowings-net	4,437	-2,722
Proceeds from long-term debt	5,340	10,350
Repayments of long-term debt	-4,063	-4,023
Payment for redemption of bonds	-500	-20
Cash dividends paid	-646	-3
Cash dividends paid to minority shareholders	-24	—
Others	2	164
Cash flow from financing activities	4,545	3,744
Effect of exchange rate changes on cash and cash equivalents	-57	212
Net increase (decrease) in cash and cash equivalents	-3,003	-1,898
Cash and cash equivalents at the beginning of the fiscal year	9,940	8,925
Cash and cash equivalents at the end of the 1st half	6,937	7,027

(4) Events and Conditions which indicate there could be Substantial Doubt about Going Concern Assumption
None

(5) Business Segment Information

[Segment information by business]

1st Half of FY2008 consolidated (April 1, 2008 through September 30, 2008) (Unit: Million yen)

	Industrial Sewing Machines	SMT Systems	Household Sewing Machines	Electronic Equipment and Computer Peripherals	Precision Casting	Others	Total	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net sales									
(1) Sales to external customers	28,568	12,590	1,297	3,196	1,933	945	48,531	—	48,531
(2) Intersegment sales or transfer	373	201	213	395	52	209	1,445	(1,445)	—
Total	28,941	12,791	1,510	3,591	1,986	1,154	49,976	(1,445)	48,531
Operating income (loss)	2,348	930	-926	332	92	-120	2,656	(774)	1,881

1st Half of FY2009 consolidated (April 1, 2009 through September 30, 2009) (Unit: Million yen)

	Industrial Sewing Machines	SMT Systems	Household Sewing Machines	Electronic Equipment and Computer Peripherals	Precision Casting	Others	Total	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net sales									
(1) Sales to external customers	15,839	3,844	1,166	1,281	1,523	698	24,353	—	24,353
(2) Intersegment sales or transfer	177	134	215	94	15	134	772	(772)	—
Total	16,016	3,979	1,382	1,376	1,539	832	25,126	(772)	24,353
Operating income (loss)	-3,486	-2,670	-242	-97	-4	-67	-6,569	(884)	-7,454

(Notes) 1. The business segments are based on the classification used by the Company internally for its business.

2. Principal products by business segment are as follows:

- | | |
|---|---|
| (1) Industrial Sewing Machines Business: | Industrial sewing machines |
| (2) SMT Systems Business: | Pick-and-placers |
| (3) Household Sewing Machines Business: | Household sewing machines |
| (4) Electronic Equipment and Computer Peripherals Business: | Arcade machines, IT-related equipment, etc. |
| (5) Precision Casting Business: | Lost-wax products, MIM (Metal Injection Molding) products |
| (6) Others: | Dies and molds, press products, etc. |

[Geographical Segments Information]

1st Half of FY2008

(April 1, 2008 through September 30, 2008)

(Unit: Million yen)

	Japan	Americas	Asia	Europe	Total	Intersegment Elimination and/or Unallocated	Consolidated
Sales and Operating Income (Loss)							
Net sales							
(1) Sales to customers	15,851	5,002	21,773	5,904	48,531	—	48,531
(2) Intersegment sales	26,211	23	5,559	49	31,844	(31,844)	—
Total	42,063	5,026	27,332	5,953	80,376	(31,844)	48,531
Operating income (loss)	1,530	205	318	277	2,332	(450)	1,881

1st Half of FY2009

(April 1, 2009 through September 30, 2009)

(Unit: Million yen)

	Japan	Americas	Asia	Europe	Total	Intersegment Elimination and/or Unallocated	Consolidated
Sales and Operating Income (Loss)							
Net sales							
(1) Sales to customers	7,575	2,009	12,454	2,315	24,353	—	24,353
(2) Intersegment sales	8,466	43	2,043	48	10,602	(10,602)	—
Total	16,041	2,052	14,497	2,364	34,955	(10,602)	24,353
Operating income (loss)	-6,024	-194	-954	-50	-7,223	(230)	-7,454

[Overseas Sales]

1st Half of FY2008 consolidated (April 1, 2008 through September 30, 2008) (Unit: Million yen)

	Americas	Asia	Europe	Others	Total
I Overseas sales	5,006	23,079	7,266	26	35,380
II Consolidated sales	—	—	—	—	48,531
III Percentage of overseas sales in consolidated sales	10.3%	47.5%	15.0%	0.1%	72.9%

1st Half of FY2009 consolidated (April 1, 2009 through September 30, 2009) (Unit: Million yen)

	Americas	Asia	Europe	Others	Total
I Overseas sales	2,040	12,912	2,549	34	17,537
II Consolidated sales	—	—	—	—	24,353
III Percentage of overseas sales in consolidated sales	8.4%	55.0%	10.5%	0.1%	72.0%

(6) Extreme variation in Shareholders' equity:

None